



FOR IMMEDIATE RELEASE

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February 17, 2017

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West Town Bank & Trust and Sound Bank Announce Merger

Raleigh and Morehead City, North Carolina – West Town Bancorp, Inc., Raleigh, North Carolina (“West Town”) (OTC: WTWB), parent company of West Town Bank & Trust, North Riverside, Illinois (“WTBT”), and Sound Banking Company, Morehead City, North Carolina (“Sound Bank”) (OTC: SNBN) jointly announced today that they have signed a definitive merger agreement pursuant to which Sound Bank will be merged with and into WTBT. Upon completion of the transaction, the combined bank will operate under the name “Sound Bank” from branch offices in both North Carolina and Illinois. On a combined basis, the bank will have approximately \$485 million in assets, approximately \$374 million in loans, and approximately \$384 million in deposits based upon reported amounts as of December 31, 2016. Following the merger, four non-employee members of Sound Bank’s existing board of directors will join the seven existing members of the West Town and WTBT boards of directors to lead the combined organization.

In connection with the merger, West Town has entered into securities purchase agreements (“SPAs”) with a limited number of institutional and other accredited investors (collectively the “Purchasers”) to sell a total of 453,480 shares of West Town common stock, \$1.00 par value, at a purchase price of \$23.00 per share and 30,739 shares of a non-voting, convertible, perpetual preferred stock, Series A, \$100.00 par value (the “Series A Preferred Stock”), at a purchase price of \$230.00 per share, for aggregate gross proceeds of \$17.5 million.

Commenting on the announcement, Eric Bergevin, President and Chief Executive Officer of West Town and WTBT, said, “The combined bank offers a unique and highly attractive community bank franchise in contiguous markets in Eastern North Carolina that will expand branch access for the bank’s customers. Sound Bank’s traditional community banking franchise rooted with a strong core deposit base will also compliment West Town’s substantial fee income business driven by our national SBA/USDA and residential lending platforms. We look forward to working with the Sound Bank team to operate a larger organization in a cost effective way, which we feel will increase profitability and shareholder value, while better serving our customers with a larger branch network and access to more products and services.” Phil Collins, President and Chief Executive Officer of Sound Bank, echoed, “We are very excited about this opportunity to team up with West Town. We believe the combination of our two companies will result in a bigger, stronger, more profitable bank and allow us to offer additional services to better meet the needs of our expanding customer base.”

The transaction is expected to close in the second or third quarter of 2017, subject to receipt of regulatory approvals and the approval of the merger by the shareholders of Sound Bank.

The Merger Agreement

Under the terms of the merger agreement, shareholders of Sound Bank will receive a combination of cash and stock valued at \$24.6 million, based on West Town's closing price of \$23.00 as of February 16, 2017. Each share of Sound Bank common stock will be converted at closing of the merger into the right to receive either \$12.75 in cash or 0.60 shares of West Town common stock. The exchange ratio of 0.60 shares of West Town common stock for each share of Sound Bank common stock will be adjusted down if the weighted average closing price of West Town common stock on the ten most recent trading days preceding the merger closing is greater than \$27.75 per share. In such an event, the exchange ratio would be reduced only such amount as would be necessary so that the average market value of a share of West Town common stock multiplied by the adjusted exchange ratio would approximate \$16.65. Sound Bank shareholders will have the opportunity to elect between West Town common stock, cash or a combination of West Town stock and cash, subject to the limitation that 65% of Sound Bank shares will be exchanged for West Town stock and 35% of Sound Bank shares will be exchanged for cash.

Mr. Bergevin will remain President and Chief Executive Officer of West Town and Chief Executive Officer of the combined bank. At closing, Mr. Collins will become President of the combined bank and will also be added to the combined bank's board of directors as a fifth legacy Sound Bank director.

The Private Placement

As mentioned above, West Town has entered into SPAs with certain investors pursuant to which the company expects to raise gross proceeds of \$17.5 million. The Purchasers' obligations to fund under the SPAs are subject to certain conditions, including the receipt of all required regulatory and shareholder approvals to consummate the merger with Sound Bank. The Series A Preferred Stock issued as part of the mixed equity raise will be a newly created series of preferred stock, which will be non-voting and, subject to required shareholder approvals, will be convertible, on or after October 1, 2017, into non-voting common stock, on the basis of ten shares of non-voting common stock for every one share of non-voting Series A Preferred Stock. The proceeds from the private placement will be used to support the Sound Bank merger, the combined bank's capital ratios and for general corporate purposes.

West Town was advised in the merger by FIG Partners, LLC, Atlanta, Georgia, as financial advisor and Wyrick Robbins Yates & Ponton LLP, Raleigh, North Carolina, as legal counsel. Sound Bank was advised by Raymond James & Associates, Inc., as financial advisor, Performance Trust Capital Partners, LLC, Chicago, Illinois, as independent advisor to render a fairness opinion, and Ward and Smith, P.A., New Bern, North Carolina, as legal counsel.

About West Town Bancorp, Inc.

West Town Bancorp, Inc. is the registered bank holding company for West Town Bank & Trust, an Illinois state-chartered bank based in North Riverside, Illinois. The bank provides banking services through its offices in Illinois and North Carolina and also maintains loan production offices in North Carolina, New York, Maryland, Pennsylvania, Florida, Idaho and New Jersey. Its primary deposit products are checking, savings, and time certificate accounts, and its primary lending products are residential mortgage, commercial, and installment loans. Additionally, the bank engages in mortgage banking activities and, as such, originates and sells one-to-four family residential mortgage loans in multiple states. To learn more about West Town and its subsidiary bank, please visit its website at www.westtownbank.com.

About Sound Banking Company

Sound Bank is a North Carolina state-chartered bank headquartered in Morehead City, North Carolina. Sound Bank has full-service offices in the following North Carolina cities: Morehead City, Wilmington,

New Bern, Beaufort and Cedar Point. Sound Bank also operates a loan production office in Jacksonville, North Carolina. To learn more about Sound Bank, please visit its website at www.soundbanking.net.

Additional Information About the Merger

In connection with the proposed merger, West Town and Sound Bank will prepare a proxy statement/offering circular for the special meeting of shareholders of Sound Bank that will be called to approve the merger. It is anticipated that the proxy statement/offering circular and other relevant materials (when they become available) will be mailed to shareholders of Sound Bank in the second quarter of 2017. This press release is not a solicitation of any vote or approval of the shareholders of any of the parties and is not a substitute for the proxy statement/offering circular or any other documents that West Town or Sound Bank may send to Sound Bank's shareholders in connection with the proposed merger. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities to be issued in connection with the proposed merger. Offers to buy such securities will be solicited only by and pursuant to the terms, conditions and disclosures contained in the proxy statement/offering circular. The securities to be issued in the proposed merger and in the private placement are not savings or deposit accounts and are not insured or otherwise approved by the Federal Deposit Insurance Corporation or any other federal or state governmental agency.

BEFORE MAKING ANY VOTING OR INVESTMENT DECISIONS, SHAREHOLDERS OF SOUND BANK ARE URGED TO CAREFULLY READ THE ENTIRE PROXY STATEMENT/OFFERING CIRCULAR REGARDING THE PROPOSED MERGER WHEN IT BECOMES AVAILABLE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.

Sound Bank and its directors and executive officers may be deemed to be participants in the solicitation of appointments of proxies from the shareholders of Sound Bank in connection with the special meeting of shareholders. Information about the directors and executive officers of Sound Bank is set forth in the proxy statement for Sound Bank's 2016 annual meeting of shareholders, which is available from the investor relations section of the bank's website. Additional information regarding the interests of these participants and other persons who may be deemed participants in the proxy solicitation may be obtained by reading the proxy statement for the special meeting of shareholders when it becomes available.

Cautionary Language Regarding Forward-Looking Statements

This press release contains certain "forward-looking statements," such as statements relating to future plans and expectations, and are thus prospective in nature. Such forward-looking statements are subject to risks, uncertainties, and other factors that may cause actual results to differ materially from the results and expectations set forth in such statements. Risk, uncertainties and factors that could cause or contribute to such differences include: the businesses of WTBT and Sound Bank may not be integrated successfully or such integration may take longer to accomplish than expected; the expected cost savings and any revenue synergies from the merger may not be fully realized within the expected timeframes; disruption from the merger may make it more difficult to maintain relationships with customers, associates, or suppliers; the required governmental approvals of the merger may not be obtained on the proposed terms and schedule contemplated or be received at all; the Purchasers are not obligated to fund until a later date and the SPAs are subject to third-party contractual risk; and Sound Bank shareholders may not approve the merger.

Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, we can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by West Town or Sound Bank or any person that the future events, plans, or expectations contemplated by the banks will be achieved. All subsequent written and oral forward-looking statements concerning West Town, Sound Bank, or any person acting on their behalf is expressly qualified in its entirety by the cautionary statements above. Except as may

otherwise be required by law, none of West Town, WTBT, or Sound Bank undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, to reflect circumstances or events that occur after the date the forward-looking statements are made.

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