

West Town Bancorp, Inc.

Holding Company for:



*Merger Announcement Presentation
February 17, 2017*



Forward-Looking Statement Disclaimer

This presentation prepared by West Town Bancorp, Inc. (“WTWB”) and West Town Bank & Trust (the “Bank,” and collectively with WTWB, the “Company”) contains “forward-looking statements.” Forward-looking statements include statements with respect to the Company’s beliefs, plans, objectives, goals, targets, expectations, anticipations, assumptions, estimates, intentions and future performance and involve known and unknown risks, many of which are beyond its control and which may cause the Company’s actual results, performance or achievements or the commercial banking industry or economy generally, to be materially different from anticipated results, performance or achievements expressed or implied by such forward-looking statements or information. These risks include, but are not limited to: the businesses of the Company and Sound Banking Company (“Sound” or “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 described herein may not be fully realized within the expected timeframes; disruption from the merger may make it more difficult to maintain relationships with customers, employees, or vendors; the required governmental approvals of the merger may not be obtained on the proposed terms and schedule contemplated or be received at all; unexpected outcomes of current material litigation or new litigation; the strength of the U.S. economy in general and the local economies and financial markets in which the Company expects to conduct operations may not perform as anticipated or presumed; the purchasers in the private placement are not obligated to fund until a later date and the securities purchase agreements with such purchasers are subject to third-party contractual risk; the debt financing and capital commitments for the merger are contingent on various events, which if they do not occur, could affect the Company’s ability to effect the merger; assumptions underlying the Company’s pro forma financials and any projections may prove inaccurate; the closing of the merger or the private placement described herein may be delayed or not occur at all; the benefits of investments or strategic opportunities discussed in this presentation may not produce the financial results expected; and Sound Bank shareholders may not approve the merger.

All statements other than statements of historical fact are forward-looking statements. You can identify these forward-looking statements through the use of words such as “believe,” “think,” “anticipate,” “expect,” “may,” “will,” “assume,” “should,” “predict,” “could,” “should,” “would,” “intend,” “target,” “estimate,” “project,” “plan,” “potential” and other similar words and expressions of the future or otherwise regarding the outlook for the Company’s future business, financial performance, acquisitions and/or the performance of the commercial banking industry and economy in general. Actual results may differ materially from those contemplated by such forward-looking statements, and readers are cautioned from placing undue reliance on such statements. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time unless otherwise required by law.

Additional Information About the Merger

In connection with the proposed merger, the Company 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 Presentation 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 Presentation 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. In addition to the information set forth herein, 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.

This Presentation is being furnished for informational purposes only and does not constitute an offer to sell or a solicitation of offers to buy securities of the Company.

Overview of Transactions



West Town is executing two strategic growth initiatives that should build a stronger core banking franchise and enhance fee income growth



Investment Structure	<ul style="list-style-type: none"> Strategic Equity Investment (43.5%) 	<ul style="list-style-type: none"> Acquisition (100%)
Rationale	<ul style="list-style-type: none"> Operational efficiencies Income hedge Qualitative benefits 	<ul style="list-style-type: none"> Strong deposit franchise Opportunity to grow both sides of balance sheet Lack of locally-focused competition
Timing	<ul style="list-style-type: none"> Closed 2/14/2017 	<ul style="list-style-type: none"> Announced on 2/17/2017 Close in Q3 2017
Required Capital	<ul style="list-style-type: none"> \$7.0 million cash consideration 	<ul style="list-style-type: none"> \$7.6 million cash consideration \$1.9 million after-tax deal expenses
Sources of Capital	<ul style="list-style-type: none"> \$5.25 million senior debt \$1.75 million dividend from bank 	<ul style="list-style-type: none"> \$4.0 million senior debt \$18.6 million proceeds from private placement

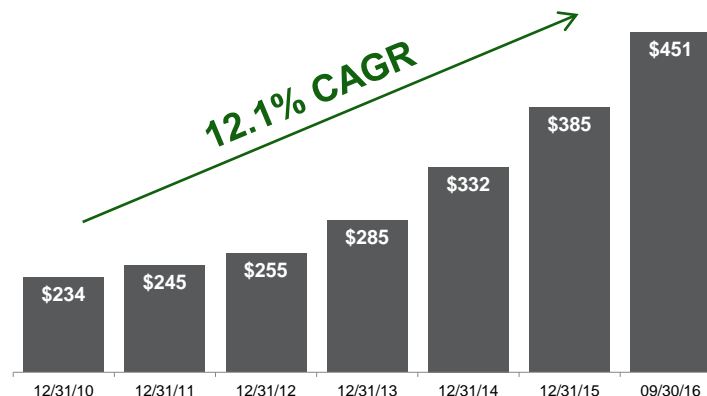
Private Placement Overview

Issuer	<ul style="list-style-type: none">West Town Bancorp, Inc. (OTC Pink: WTWB), holding company for West Town Bank & Trust
Offering Type	<ul style="list-style-type: none">Common Equity*Private Placement
Offering Size	<ul style="list-style-type: none">\$20.0 million (\$2.0 million of which closed in December 2016)
Price Per Share	<ul style="list-style-type: none">\$23.00 / Share
P/F Shares O/S	<ul style="list-style-type: none">2,907,380 pro forma shares outstanding**
Lead Investor	<ul style="list-style-type: none">Patriot Financial Partners / \$10.0MM investment amount (15.0% P/F ownership)Transaction terms specific to Patriot<ul style="list-style-type: none">Right to a board seat and board observer10% warrant coverage at \$23.00Demand registration rights after five years and certain preemptive rights
Timing	<ul style="list-style-type: none">Closing the private placement is contingent on and will be simultaneous with closing of the Sound acquisition\$2.0 million closed in December 2016; \$0.5 million will close in February 2017
Use of Proceeds	<ul style="list-style-type: none">Support the acquisition of Sound, certain deal costs associated with the acquisition, and to support strong capital ratios
Placement Agent	<ul style="list-style-type: none">Raymond James & Associates, Inc.

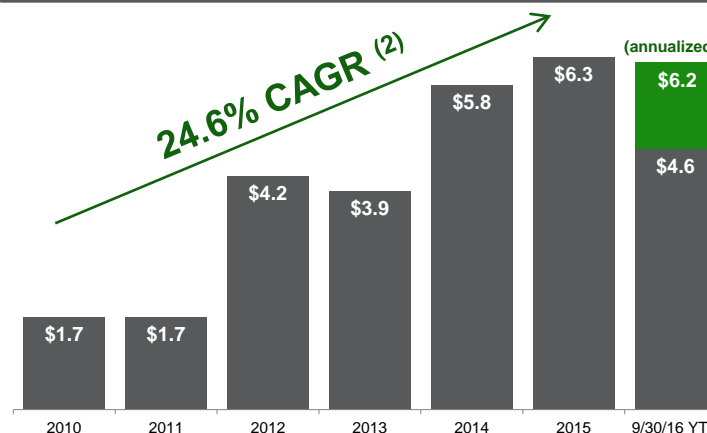
Executive Summary

- > West Town Bancorp, Inc. (“West Town”) is an entrepreneurial financial services company that has raised \$20.0 million of equity to support its acquisition of Sound Banking Company (“Sound”) and a strategic investment in Windsor Advantage, LLC (“Windsor”)
- > West Town, a successfully recapitalized community bank, operates a government guaranteed lending business (SBA, USDA, etc.), a mortgage business, and an insurance agency
- > Sound is a historically profitable community bank with a solid core deposit base headquartered in eastern North Carolina
- > Windsor is a commercial loan sub-servicer with approximately \$850 million of SBA and USDA loans serviced (as of September 30, 2016)
- > The combination of these three companies is projected to create significant synergies beneficial to shareholders
 - › Sound provides a strong core deposit base with the opportunity for significant growth to fund West Town’s loan pipeline
 - › The combination of the two community banks creates the opportunity for enhanced scale and reach of the two banks’ contiguous eastern North Carolina markets
 - › Combining Windsor’s commercial loan servicing capabilities with West Town’s SBA sales and credit platform creates the opportunity to significantly expand government guaranteed business lending through operational efficiencies

Combined Assets (\$MMs) ⁽¹⁾



Combined Net Income (\$MMs) ⁽¹⁾



Senior Leadership of West Town, Sound & Windsor

Eric J. Bergevin, President, Chief Executive Officer & Director

Eric J. Bergevin has served as President, CEO, and Director of West Town Bank & Trust since 2009 when he led a group of investors to recapitalize the then \$58 million West Town Savings Bank. Since then, he has turned the Bank around and transformed it into a top performing community bank.

During his tenure, Mr. Bergevin has established West Town Bancorp, Inc. (of which he serves as President, CEO, and Director) to access debt markets for bank capital, a national residential mortgage platform in 2010 that to date has funded in excess of \$2 billion in mortgage loans, and a national SBA / USDA lending department that has funded in excess of \$400 million in loans since its 2011 formation.

Prior to West Town, Mr. Bergevin was the lead organizer and President / CEO for Albemarle Bank & Trust and its de novo efforts in eastern North Carolina (which now operates as a West Town Bank), President of Anova Financial Services, and Senior Vice President and Chief Operating Officer of OBA Bank headquartered in Germantown, Maryland. Mr. Bergevin is also the founder and owner of various businesses, including New Vision Mortgage which specialized in primary home, second home, and investment property loans ultimately sold on the secondary market.

Mr. Bergevin graduated from the University of Alabama earning a bachelor's degree in 1995 and master's degree in 1996.

S. Phillip “Phil” Collins, President & CEO of Sound Banking Company

S. Phillip Collins has been the President and CEO of Sound Bank since its inception in September 2001. He is also a founding Board Member. Mr. Collins has been active in the banking industry since 1985. He is a graduate of NC State University with a double major in accounting and business management. He has a master of business administration from UNC Charlotte and is a Certified Public Accountant. Mr. Collins currently serves on the Carteret General Hospital Board of Trustees and is President of the Soundview Rotary. He is an Advisory Board Member of the Carteret County Economic Development Council, Treasurer of the North Carolina Seafood Festival, a Downtown Morehead City Revitalization Board Member, and a former Eagle Scout. He is past President of the Carteret County Chamber of Commerce.

Shawn T. Andrews, Managing Director of Windsor Advantage

As Managing Director, Shawn is responsible for the overall strategy and management of Windsor. He has 20 years of diversified financial services experience. Prior to founding Windsor in 2010, Shawn was Managing Director and equity partner of a \$600 million debt fund with a focus on SBA lending and asset-based lending. While at the fund, he led the acquisition of one of the 14 SBA Small Business Lending Company (SBLC) licenses. Shawn began his career as a financial institutions auditor at Arthur Andersen. He is a certified public accountant.

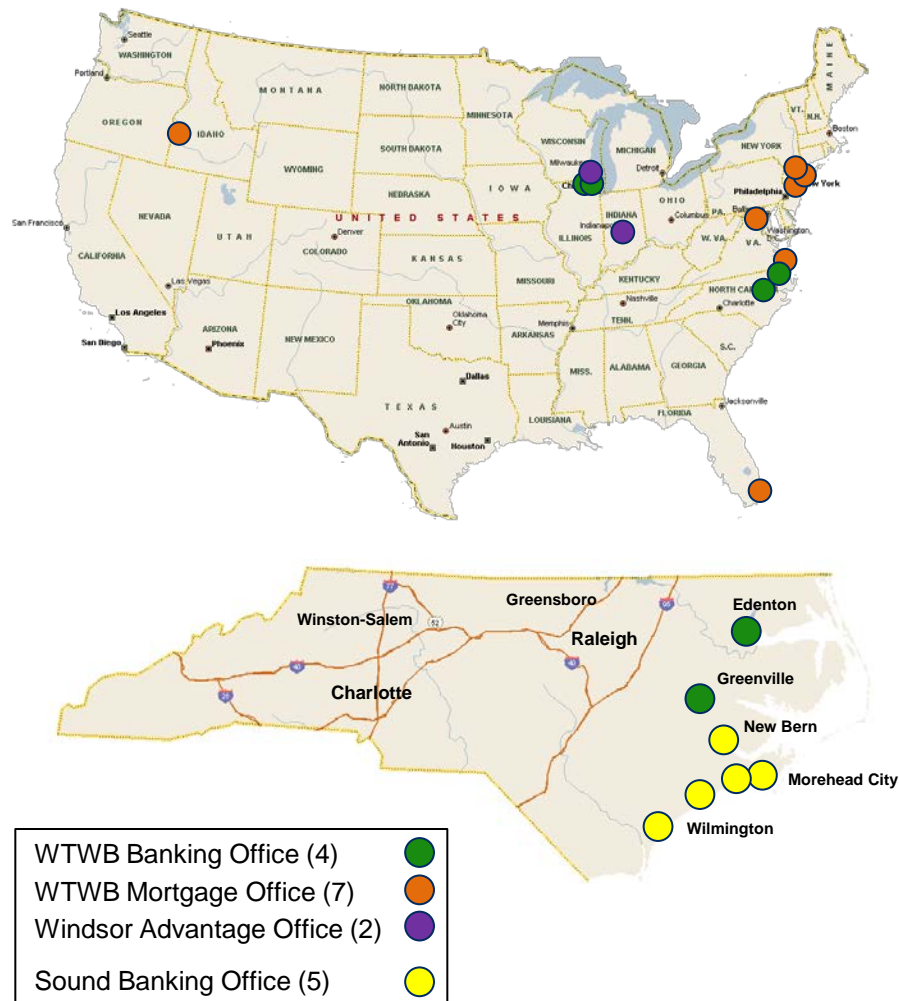
Combined Board

West Town insiders currently own 23.9% of its shares, and Sound's directors currently own 32.9% of its shares. This ownership totals approximately 28.5% on a pro forma basis (assuming Sound's directors receive all stock consideration) before the capital raise.

Pro Forma Franchise Overview

- > West Town has four principal businesses: community banking, government guaranteed business lending, residential mortgage lending, and insurance brokerage
- > West Town's community banking business includes its legacy franchise in Chicago and expansionary eastern North Carolina footprint
 - › West Town acquired its Chicago footprint through its 2009 recapitalization of West Town Bank & Trust and opened its first full-service North Carolina banking office in 2014
 - › Sound's franchise is adjacent to West Town's North Carolina presence in Edenton and Greenville
 - › Sound has a strong franchise with the opportunity to grow in all of its existing markets given the limited number of locally focused community banks in eastern North Carolina
- > West Town has a nationally focused government guaranteed business lending business
 - › In addition to the SBA 7(a) program, West Town also has expertise in similar FSA and USDA programs
 - › Windsor will become West Town's entire commercial loan servicing platform, creating operational focus and efficiency
 - › Windsor will also create additional touch points in the SBA market to accelerate West Town's SBA lending
- > West Town has a profitable, scalable residential mortgage business
 - › West Town's senior management have significant experience in the residential mortgage business
 - › West Town has demonstrated its ability to scale up and down this business with the mortgage market
 - › Sound's markets are an attractive opportunity for West Town to deploy its mortgage capabilities
- > West Town also has a growing insurance business

Pro Forma Franchise



Attractive Combined Loan & Deposit Mix

Commentary

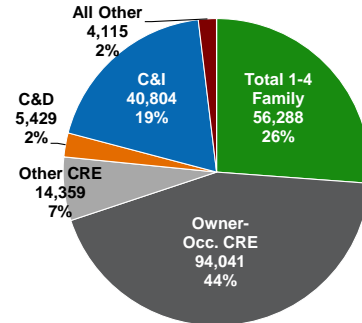
- > The combined loan portfolio is a well-balanced portfolio
- > Sound Bank contributes an attractive, low-cost deposit mix with a heavy concentration of noninterest-bearing accounts and limited funding from time deposits

(\$000s)

Loan Composition

West Town Bank & Trust

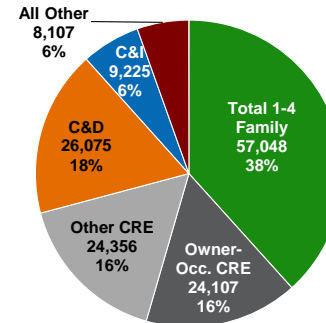
Total Loans & Leases: \$215,036



Yield on Loans
6.05%

Sound Banking Company

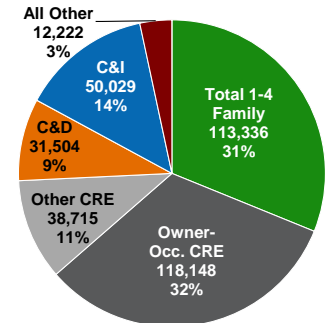
Total Loans & Leases: \$148,918



Yield on Loans
4.71%

Combined

Total Loans & Leases: \$363,954



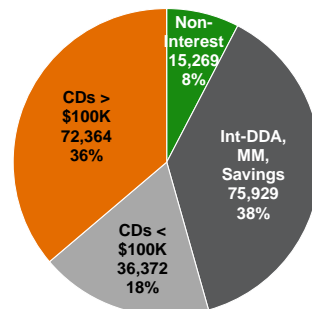
Yield on Loans
5.47%

(\$000s)

Deposit Composition

West Town Bank & Trust

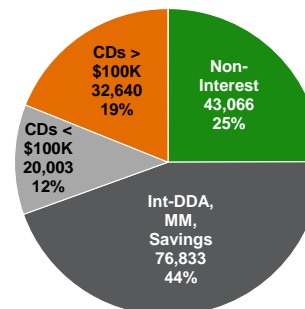
Total Deposits: \$199,934



Cost of Deposits
1.24%

Sound Banking Company

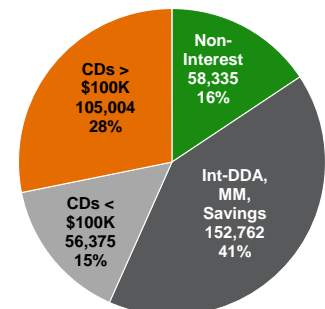
Total Deposits: \$172,542



Cost of Deposits
0.31%

Combined

Total Deposits: \$372,476



Cost of Deposits
0.80%

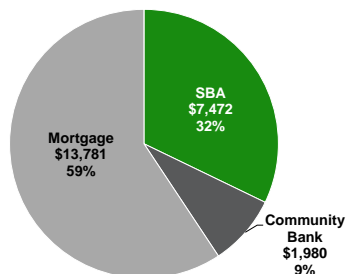
Overview of West Town Bancorp, Inc.

West Town Bancorp, Inc.

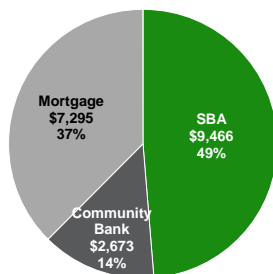
- > West Town Bancorp, Inc. is the holding company for West Town Bank & Trust, a North Riverside, IL-based bank established in 1922
- > West Town was recapitalized by a NC investor group in 2009
- > The Company has historically steady mortgage business revenue, strong SBA, USDA, and FSA segment revenues, and a recently started insurance division

Segment Revenues

September 30, 2015 YTD

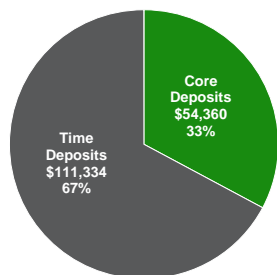


September 30, 2016 YTD

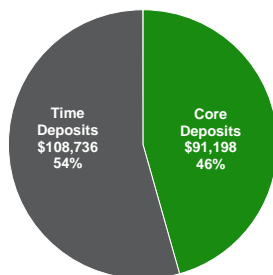


Deposit Composition

September 30, 2015



September 30, 2016



Financial Highlights

(Dollars in thousands, except per share data)

West Town Bancorp, Inc. (North Riverside, IL)

Company Overview

Date Established (Bank)	1/1/1922	Ticker (Exchange)	WTWB (OTC Pink)
Chief Executive Officer	Eric J. Bergevin	Price (10/25/16)	\$22.75
Executive VP & COO	Melissa D. Marsal	Market Capitalization (\$MMs)	\$31.3
Employees	100	Price / TBV	118%
		Price / '16 YTD EPS	10.5x

Balance Sheet Highlights

	2013	2014	2015	9/16 YTD
Total Assets	\$ 150,577	\$ 184,292	\$ 215,029	\$ 259,300
Total Net Loans	124,487	152,650	176,412	212,868
Total Deposits	115,302	141,407	177,937	199,209
Total Equity	16,115	20,101	24,147	26,629
Tangible Common Equity	16,115	20,101	24,147	26,629

Profitability

	2013	2014	2015	9/16 YTD
Net Income	\$ 2,530	\$ 4,026	\$ 4,001	\$ 2,337
Basic Earnings Per Share	1.90	3.06	2.93	1.62
Tangible Book Value Per Share	12.12	15.29	17.69	19.35
Common Dividends Declared Per Share	0.00	0.00	0.30	0.00

Performance Ratios (%)

	2013	2014	2015	9/16 YTD
ROAA	1.78	2.50	2.01	1.34
ROAE	16.7	22.9	18.2	12.4
Net Interest Margin	3.78	4.17	3.88	4.34
Efficiency Ratio	82	74	76	75
Non-Int. Income / Avg. Assets	13.86	12.21	11.01	7.01
Non-Int. Expense / Avg. Assets	13.73	11.45	11.04	8.24

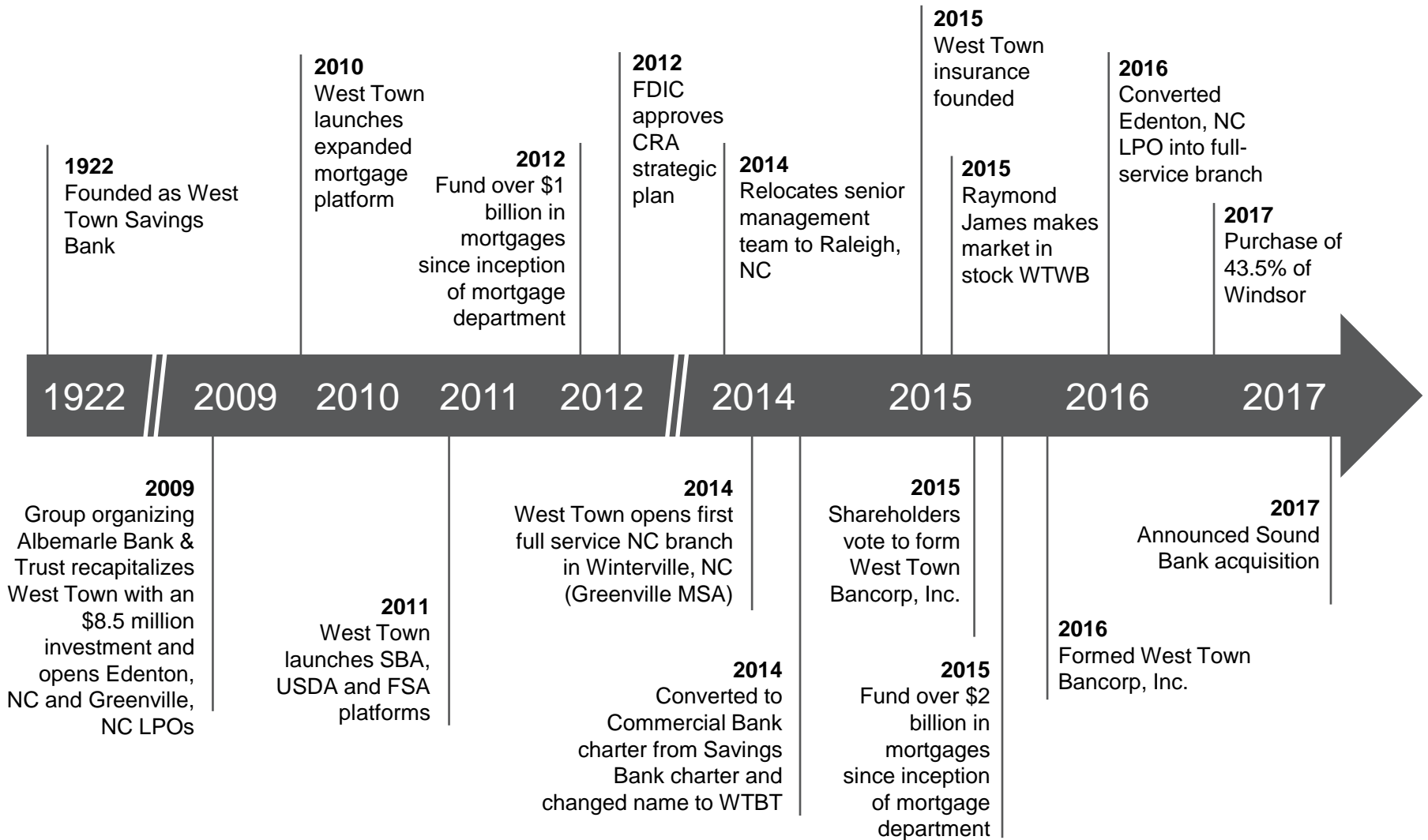
Capital Ratios (%)

	2013	2014	2015	9/16 YTD
Tang. Common Equity / Tang. Assets	10.70	10.91	11.23	10.27
Leverage Ratio	11.38	11.29	11.24	10.41
Tier 1 Capital Ratio	14.05	13.28	13.59	12.83
Total Risk Based Capital Ratio	15.02	14.36	14.63	13.91

Asset Quality (%)

	2013	2014	2015	9/16 YTD
NPAs (Excl. TDRs) / Assets	2.05	3.06	1.67	1.25
Reserves / Loans	0.97	1.27	1.12	1.25
NCOs / Average Loans	1.02	0.27	0.15	0.29

West Town Timeline

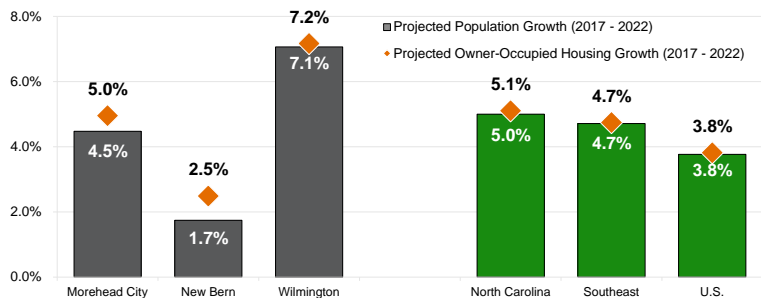


Overview of Sound Banking Company

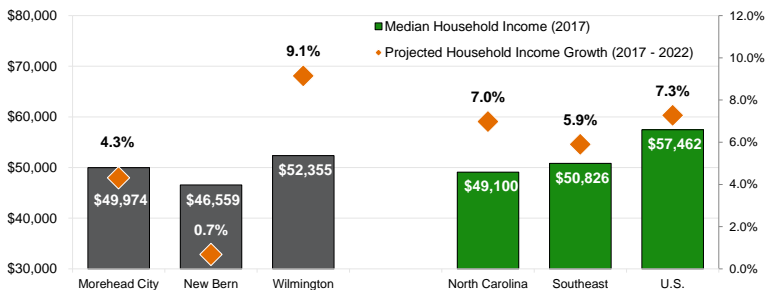
Sound Banking Company

- > Sound Banking Company, headquartered in Morehead City, North Carolina, is listed on the pink sheets and operates 5 coastal North Carolina banking offices
- > Sound has a robust core deposit base (69% of deposits are non-CDs) and a proven track record of loan growth (15.1% CAGR since 12/31/13)

Projected Population & Housing Growth



Projected Household Income Growth



Financial Highlights

(Dollars in thousands, except per share data)

Sound Banking Company (Morehead City, NC)

Company Overview

Date Established (Bank)	9/4/2001	Ticker (Exchange)	SNBN (OTC Pink)
Chief Executive Officer	S. Phillip Collins	Price (10/25/16)	\$8.00
Chief Financial Officer	Allen T. Nelson	Market Capitalization (\$MMs)	\$13.6
Employees	46	Price / Tangible Book Value	83%
		Price / LTM Earnings	12.5x

Balance Sheet Highlights

	2013	2014	2015	9/16 YTD
Total Assets	\$ 133,651	\$ 147,248	\$ 169,241	\$ 190,763
Total Net Loans	99,674	111,744	136,349	146,913
Total Deposits	104,724	128,703	148,230	172,542
Total Equity	10,479	12,490	15,566	16,531
Tangible Common Equity	10,215	12,101	15,270	16,282

Profitability

	2013	2014	2015	9/16 YTD
Net Income	\$ 851	\$ 1,007	\$ 1,160	\$ 768
Diluted Earnings Per Share	0.60	0.76	0.75	0.45
Tangible Book Value Per Share	9.20	8.80	9.14	9.60
Common Dividends Declared Per Share	0.00	0.00	0.00	0.00

Performance Ratios (%)

	2013	2014	2015	9/16 YTD
ROAA	0.69	0.71	0.72	0.57
ROAE	7.2	8.7	8.6	6.3
Net Interest Margin	4.33	4.16	4.27	4.12
Efficiency Ratio	74	73	69	75
Non-Int. Income / Avg. Assets	0.78	0.98	0.89	0.72
Non-Int. Expense / Avg. Assets	3.52	3.62	3.45	3.40

Capital Ratios (%)

	2013	2014	2015	9/16 YTD
Tang. Common Equity / Tang. Assets	7.64	8.24	9.04	8.55
Leverage Ratio	8.03	8.03	9.01	8.53
Tier 1 Capital Ratio	10.95	11.17	9.95	11.24
Total Risk Based Capital Ratio	13.04	12.42	11.08	12.49

Asset Quality (%)

	2013	2014	2015	9/16 YTD
NPAs (Excl. TDRs) / Assets	0.98	0.81	1.05	0.90
Reserves / Loans	1.45	1.34	1.26	1.35
NCOs / Average Loans	0.52	0.17	0.21	0.05

Windsor Overview

- > Windsor is a commercial loan sub-servicer headquartered in Chicago, Illinois
- > Shawn Andrews founded Windsor after seeing an opportunity to help local banks and credit unions that lacked sufficient scale and expertise take advantage of the SBA and USDA lending opportunities in their markets
- > Windsor Advantage provides banks and credit unions across the country with a comprehensive outsourced SBA 7(a) lending platform
 - › Windsor has the experience and expertise to partner with virtually any size institution to develop an innovative and compliant SBA platform
 - › Clients range in size from \$25 million (in assets) to more than \$19 billion (in assets)
 - › This turn-key solution is provided on a variable cost basis with no minimum volume requirements
 - › Windsor defines its services across nine functions: strategy, structuring / qualification, packaging, closing, secondary market sales, servicing, documentation, intensive servicing, training / regulatory support
 - › Windsor has processed over \$975 million in SBA 7(a) loans since 2010
 - › Windsor has 27 employees with more than 150 years of cumulative in-house SBA 7(a) loan program experience
- > Windsor has over 75 lending partners in 27 states and currently services approximately \$1 billion in SBA and USDA loans
- > Windsor typically earns fees through three categories
 - › Application packaging
 - › Processing and secondary market
 - › Servicing

Overview of Transactions

Windsor

- > West Town acquired 43.5% of Windsor's membership units and will receive 40.0% of the economics through a cash acquisition of approximately \$7.0 million
- > West Town will have the first right of refusal to purchase the remaining equity at the same \$16.0 million total valuation for three years (approximately \$9 million of further consideration is required to exercise this option)
- > The investment agreement includes a mutually agreed upon compensation arrangement for Windsor's Founder & CEO while he remains a principal of Windsor

Sound

- > West Town has entered into a definitive merger agreement to acquire Sound
- > The transaction value is \$24.6 million, which is equivalent to 151% of tangible book value and 24.1x LTM earnings
- > Sound shareholders can receive either \$12.75 per share in cash or 0.60 shares of West Town common stock
- > 65% of the consideration will be stock, and 35% (\$7.6 million) will be cash
- > Four Sound directors will join the board of West Town, and five will join the board of the combined bank

Debt Financing

- > West Town has an existing \$5.0 million revolving credit facility
- > West Town's agreed to increase this facility to \$10.0 million for the purpose of funding these transactions
- > The debt will carry an interest rate of 4.50% and will amortize straight-line over a five-year period
- > West Town will draw \$6.0 million of the debt to refinance the revolver and the final \$4.0 million for the Sound acquisition
- > West Town anticipates receiving an additional \$5.0 million line of credit (up to \$15.0 million total) after the Sound transaction closes

Equity Financing

- > West Town has raised \$20.0 million in common equity to effect these transactions
- > West Town's senior lender required that it raise common equity in order for it to fund the final \$4.0 million draw for the acquisition of Sound

Key Transaction Assumptions

General Sound Merger Assumptions

- **Acquirer / Target:** WTWB / SNBN
- **Consideration:** 65% Stock / 35% Cash
- **Offer Price:** \$12.75 cash per share (\$7.6MM aggregate) plus 0.6000 shares of WTWB for each share of SNBN, subject to a 65% stock / 35% cash consideration mix
- **Merger Shares Issued:** 661,665
- **Option Treatment:** Rollover
- **Target Ownership (Diluted):** 31.8% SNBN (Excl. equity raise)
- **Transaction Close Date:** June 30, 2017 (modeled)

Windsor Investment Assumptions

- **Structure:** Strategic Equity Investment (43.5%)
- **Purchase Option:** WTWB will have the right of first refusal to purchase the remaining equity at the same \$16.0 million total valuation for three years (approximately \$9 million of further consideration is required to exercise this option)
- **Transaction Close:** Closed on February 14, 2017 (model assumes financial impact beginning March 31, 2017)

Capital Raise Assumptions

- **Raise Type:** Senior Debt
 - **Gross Amount:** \$10.0MM multi-draw term loan
 - **Rate:** 4.50%, or \$450,000 annually
- **Raise Type:** Equity
 - **Gross Amount Raised:** \$18.0MM ⁽¹⁾
 - **Offer Price:** \$23.00
 - **Shares Issued:** 782,610 ⁽¹⁾⁽²⁾
 - **Close Date:** June 30, 2017 (modeled)
 - **Price / TBV at Close:** 126% ⁽²⁾
 - **Price / '18E EPS:** 7.7x ⁽³⁾

Pro Forma Balance Sheet

Commentary

> This pro forma balance sheet assumes \$18.0 million of new equity raised to support the Sound acquisition, certain deal costs, and capital ratios ⁽¹⁾

> Pro forma GAAP and regulatory capital ratios are strong and provide sufficient capacity to support future growth

Pro Forma Balance Sheet at Transaction Close - June 30, 2017						
<i>(Dollars in thousands except per share data)</i>						
	WTWB Pro Forma Windsor	Sound Transaction			Capital Raise \$18.0MM Common Equity	Pro Forma Consolidated
		Projected	Adjustments	As Adjusted		
<u>Assets</u>						
Cash & Securities	\$ 35,101	\$ 26,343	\$ (10,821) (1)	15,522	\$ 16,770 (2)	\$ 67,393
Total Net Loans	237,987	165,955	(735) (3)	165,220	-	403,207
Intangible Assets	-	201	8,385 (4)	8,586	-	8,586
Deferred Tax Asset	35	1,226	1,210 (5)	2,436	-	2,471
Equity Investment in Windsor	6,960	-	-	-	-	6,960
Other Assets	22,761	8,599	-	8,599	-	31,360
Total Assets	<u>\$ 302,844</u>	<u>\$ 202,324</u>	<u>\$ (1,961)</u>	<u>\$ 200,363</u>	<u>\$ 16,770</u>	<u>\$ 519,977</u>
<u>Liabilities & Shareholders' Equity</u>						
Total Deposits	\$ 237,420	\$ 179,988	\$ -	\$ 179,988	\$ -	\$ 417,408
Total Borrowings	30,000	3,125	-	3,125	-	33,125
Deferred Tax Liability	1,489	-	428 (6)	428	-	1,917
Other Liabilities	3,895	1,987	-	1,987	-	5,882
Total Liabilities	<u>272,804</u>	<u>185,100</u>	<u>428</u>	<u>185,528</u>	<u>\$ -</u>	<u>458,332</u>
Total Equity	<u>30,041</u>	<u>17,224</u>	<u>(2,389) (7)</u>	<u>14,835</u>	<u>16,770 (8)</u>	<u>61,645</u>
Total Liabilities & Shareholders' Equity	<u>\$ 302,844</u>	<u>\$ 202,324</u>	<u>\$ (1,961)</u>	<u>\$ 200,363</u>	<u>\$ 16,770</u>	<u>\$ 519,977</u>
<u>Capital Ratios</u>						
Tangible Equity / Tangible Assets						10.38%
HC Leverage Ratio						10.35%
HC CET1 Ratio						11.36%
HC Tier 1 Capital Ratio						13.26%
HC Total Capital Ratio						14.00%
WTWB Bank Leverage Ratio						10.85%
WTWB Bank CET1 Ratio						14.28%
WTWB Bank Tier 1 Capital Ratio						14.28%
WTWB Bank Total Capital Ratio						15.06%

Pro forma financial projections presented for discussion purposes only and subject to change. Past performance is not indicative of future results. West Town can offer no assurance regarding results of operations and financial condition in future periods.

(1) Cash paid for transaction costs and cash consideration

(2) Net proceeds from capital raise

(3) Write-down of loans to fair market value net of ALLL w rite-off

(4) Goodwill and core deposit intangible created from the transaction

(5) DTA created from FMV marks and tax-effected benefit of transaction costs

(6) Deferred tax liability created by core deposit intangible

(7) Additional equity less merger costs

(8) Net proceeds from \$18.0MM equity offering

Pro Forma Summary Financial Projections

(Dollars in thousands)

Estimated FYE December 31, ⁽¹⁾

2017

2018

Balance Sheet Highlights

Total Assets	\$	550,630	\$	647,759
<i>Asset Growth</i>		96.5%		17.6%
Total Gross Loans		436,606		528,014
<i>Loan Growth</i>		90.6%		20.9%
Total Deposits		450,753		538,164
<i>Deposit Growth</i>		107.9%		19.4%

Operating Performance Highlights ⁽²⁾

Net Income	\$	5,893	\$	8,980
Return on Average Assets (ROAA)		1.40%		1.50%
Return on Average Equity (ROATCE)		14.0%		14.7%

(1) *Pro forma financials have been prepared by management and include various merger-related adjustments, including cost saving assumptions, loan and other fair value marks, and financing assumptions based on the Company's combined federal and state tax rate of approximately 38%; these assumptions and the resulting financials are subject to change*

(2) *Assumes a June 30, 2017 Sound Bank transaction close and therefore includes two quarters of target earnings*

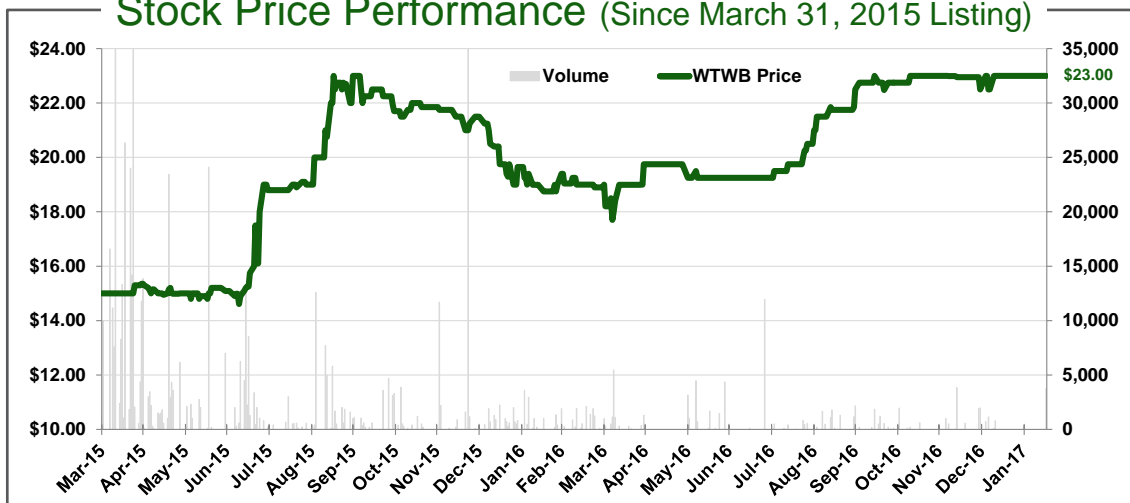
Pro forma financial projections presented for discussion purposes only and subject to change. Past performance is not indicative of future results. West Town can offer no assurance regarding results of operations and financial condition in future periods.

Focus on Shareholder Value

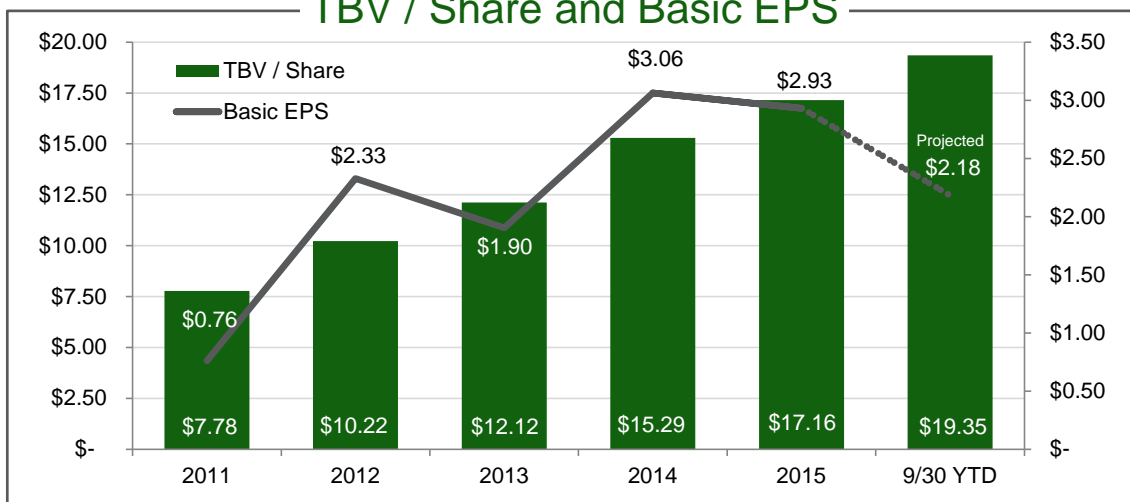
Shareholder Focus

- > Demonstrated track record of creating value for shareholders
- > Investors in Albemarle B&T have a basis of \$8.00 per share
- > Have more than doubled tangible book value per share since the current investors recapitalized West Town in 2009
- > Listed on OTC Markets in March 2015
- > Established holding company on 1/1/2016 to access debt markets for additional capital to fund growth and control dilution to current shareholders

Stock Price Performance (Since March 31, 2015 Listing)



TBV / Share and Basic EPS



Transaction Rationale & Investment Considerations

West Town is making the acquisition of Sound Bank with the goal of enhancing its community banking segment

- ✓ Traditional community banking franchise that compliments West Town's substantial fee income business
- ✓ Sound has an attractive core deposit base that is expected to support future growth
- ✓ Increased legal lending limit should expand target client market in community bank segment
- ✓ Increased franchise value; more attractive partner for both buyers and sellers

West Town has a proven track-record of creating shareholder value

- ✓ Current stock price is more than twice Albemarle B&T investors' basis
- ✓ Tangible book value per share has more than doubled since December 31, 2011
- ✓ West Town is focused on meaningful and profitable growth

Appendix: Fourth Quarter Update

Fourth Quarter Update



<i>(Dollars in thousands, except share and per share data)</i>	2016Y		Q4 2016	
Assets	\$280,158		\$185,343	
Gross Loans	\$229,035		\$149,673	
Deposits	\$216,820		\$167,243	
Equity	\$27,954		\$16,514	
Net Income	\$1,800	(\$538)	\$1,024	\$255
ROAA	0.74%	(0.80%)	0.56%	0.51%
ROAE	7.0%	(7.8%)	6.3%	5.8%
NIM	4.33%	4.28%	4.08%	3.96%
Efficiency Ratio	82.6%	103.7%	77.8%	86.7%
Diluted EPS	\$1.24	(\$0.38)	\$0.60	\$0.15
Book Value	\$19.11		\$9.73	
Shares O/S	1,463,105		1,696,577	

Non-Core Reconciliation & Litigation Update

Commentary

- > West Town had a number of non-recurring charges in 2016
- > The largest non-recurring charge was a \$1.4 million litigation reserve taken in December, as the Company is in negotiations to settle the previously disclosed *Fangman* litigation
- > The Company converted to a different data processing company at a cost of \$292,000 in deconversion fees
- > Other non-recurring items include merger charges totaling \$387,000, tax provision true-up of \$139,000, CRA consulting expense of \$75,000, litigation expense of \$50,000, and holding company loan fees of \$50,000
- > The Company also recorded \$720,000 of charge-offs to accelerate the resolution of several credits

Core Earnings	Q4 2016	2016Y
Pre-Tax Net Income	\$ (607,181)	\$ 3,618,570
Loan Loss Provision	<u>570,328</u>	<u>1,318,957</u>
Pre-Tax Pre-Provision ("PTPP") Net Income	(36,853)	4,937,527
Non-Recurring Items, Net	<u>1,623,000</u>	<u>2,254,000</u>
Core PTPP Net Income	1,586,147	7,191,527
Tax Provision	<u>602,736</u>	<u>2,732,780</u>
<i>Effective Tax Rate</i>	38.0%	38.0%
Pre-Provision Core Net Income	<u>\$ 983,411</u>	<u>\$ 4,458,747</u>
Core PTPP Net Income	\$ 1,586,147	\$ 7,191,527
Loan Loss Provision	<u>570,328</u>	<u>1,318,957</u>
Core Pre-Tax Net Income	1,015,819	5,872,570
Tax Provision	<u>386,011</u>	<u>2,231,577</u>
<i>Effective Tax Rate</i>	38.0%	38.0%
Core Net Income	<u>\$ 629,808</u>	<u>\$ 3,640,993</u>
Core ROAA	0.94%	1.50%
Core ROAE	9.2%	14.1%

Summary of Litigation

Fangman, et al., v. Genuine Title, LLC, et al., Civil Action No. 14-cv-00081

On January 5, 2015, a group of plaintiffs filed a class action lawsuit against West Town and approximately 18 other defendants, alleging that Genuine Title LLC, with the assistance and cooperation of three other defendants engaged in a course of conduct pursuant to which Genuine Title provided free marketing material and cash to loan officers at various banks and mortgage companies in exchange for the referral of settlement services. The lawsuit is styled Fangman, et al., v. Genuine Title, LLC, et al., Civil Action No. 14-cv-00081, and is pending in the United States District Court for the District of Maryland. Based on the alleged conduct, plaintiffs accuse the lender defendants, including West Town, of violating Sections 8(a) and 8(b) of the Real Estate Settlement Procedures Act, 12 U.S.C. § 2607 ("RESPA"). Plaintiffs claim that they and the class they seek to represent are entitled to damages equal to three times the charges they paid for settlement services. On average, a borrower paid approximately \$1,800 in settlement services to Genuine Title (not including the underwriter's portion of the title insurance premium). In addition to alleging violations of RESPA, plaintiffs also asserted claims for violations of the Maryland state analog to RESPA and the Maryland Consumer Protection Act, but those claims have been dismissed with prejudice.

The parties have been engaged in discovery since December 2015. On July 11, 2016, the named plaintiffs moved for class certification, asking the court to certify a class of all borrowers of West Town who received and paid for settlement services provided by Genuine Title between January 1, 2009 and December 31, 2014. Through its investigation, West Town identified approximately 269 borrowers who meet this definition. On September 5, 2016, West Town moved for summary judgment on the RESPA claim asserted by one of the two sets of named plaintiffs, and on September 12, 2016, West Town filed its opposition to class certification. Both plaintiffs' motion for class certification and West Town's motion for summary judgment are fully briefed. The court heard argument on plaintiffs' motion for class certification on October 26, 2016. In early November 2016, the court granted plaintiffs' motion and certified a class on the RESPA claims. The Bank disputed that the named plaintiffs' RESPA claims were appropriate for class treatment and requested the right to appeal the decision certifying the class to the United States Court of Appeals for the Fourth Circuit ("Fourth Circuit"). However, the Fourth Circuit denied that request in December 2016.

Following the Fourth Circuit's ruling, the Company established a reserve in the amount of \$1.4 million against possible losses related to this litigation.

Solomon Hess, LLC v West Town Bank & Trust, Civil Action No. 16-cv-04851

On May 2, 2016, Solomon Hess, LLC filed a civil lawsuit raising two breach of contract and two tort claims against West Town Bank & Trust. Solomon Hess, LLC alleges that it paid nearly \$600,000 to purchase the SBA-guaranteed portion of a \$5,000,000 SBA 7a loan in the secondary loan market. The lawsuit is styled Solomon Hess, LLC v West Town Bank & Trust, Civil Action No. 16-cv-04851, and is pending in the United States District Court for the Northern District of Illinois. In its complaint, the plaintiff alleges West Town Bank knew or reasonably should have known that the SBA borrowers were likely to default on their loan and seeks to recover the premium it paid to West Town Bank, the fees it paid to the SBA, the fees it paid to the secondary loan broker and its costs and attorneys' fees. West Town Bank moved to dismiss the complaint raising a number of arguments, including failure of consideration and lack of mutuality against the contract claims, and seeking the application of the economic loss doctrine to bar the tort claims. During the briefing of the motion, the parties determined to resolve their dispute. Under industry practice in the secondary loan market, a lender typically restores the premium they received (which is typically less SBA and broker fee and in this case approximately \$481,500) when there is a payment default within the first 90 days after the loan is closed. Although the SBA borrowers in this case had a payment default significantly more than 90 days after the loan was made, the parties still decided to resolve the litigation with West Town Bank through a settlement whereby West Town Bank will restore a portion of the premium Solomon Hess paid for the SBA-guaranteed portion of the loan. The parties have entered into a settlement agreement pursuant to which the Bank agreed to pay Solomon Hess a total settlement amount of \$413,250. Neither party made an admission of liability in the settlement. During the fourth quarter of 2016, the Bank booked a liability and corresponding asset that will be amortized through earnings as loans are sold to Solomon Hess. The court will retain jurisdiction over the case to enforce the terms of the settlement.

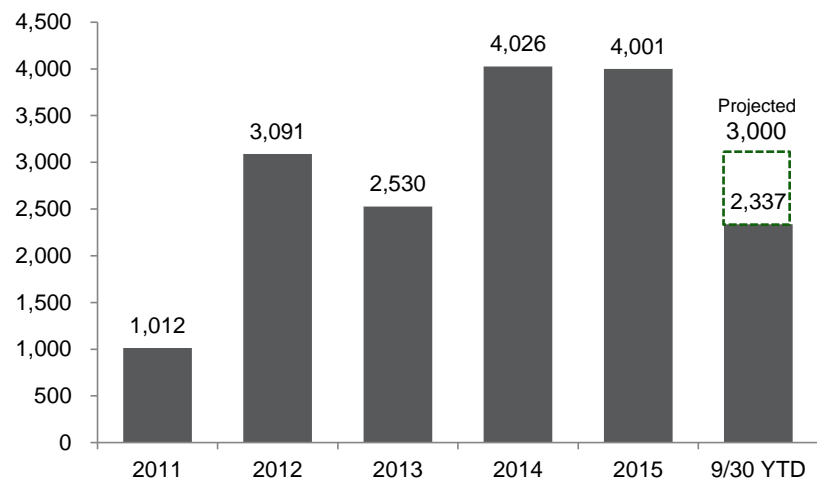
Appendix: West Town Overview

Earnings Overview

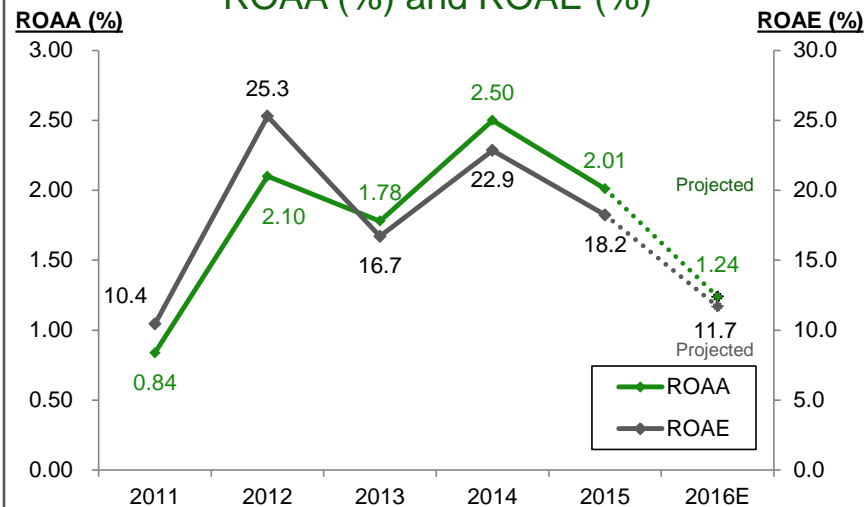
West Town is a Historically Consistent, High-Performing Earner

- West Town has historically generated strong returns for its shareholders
- West Town ranked #2 on the American Banker Magazine's 2016 list of top performing community banks and thrifts with less than \$2 Billion in total assets as of December 31, 2015. The ranking was based upon the three-year average Return on Equity for 2013, 2014 and 2015.
- West Town has leveraged its mortgage and SBA platforms to generate superior historical ROAs and ROAEs
- West Town's 2015 ROA of 2.01% was in the 95th percentile as compared to its peer group with the mean ROA being 0.85%
- West Town's 2015 ROE of 18.2% was in the 94th percentile as compared to its peer group with the mean ROE being 7.92%

Net Income (\$000s)



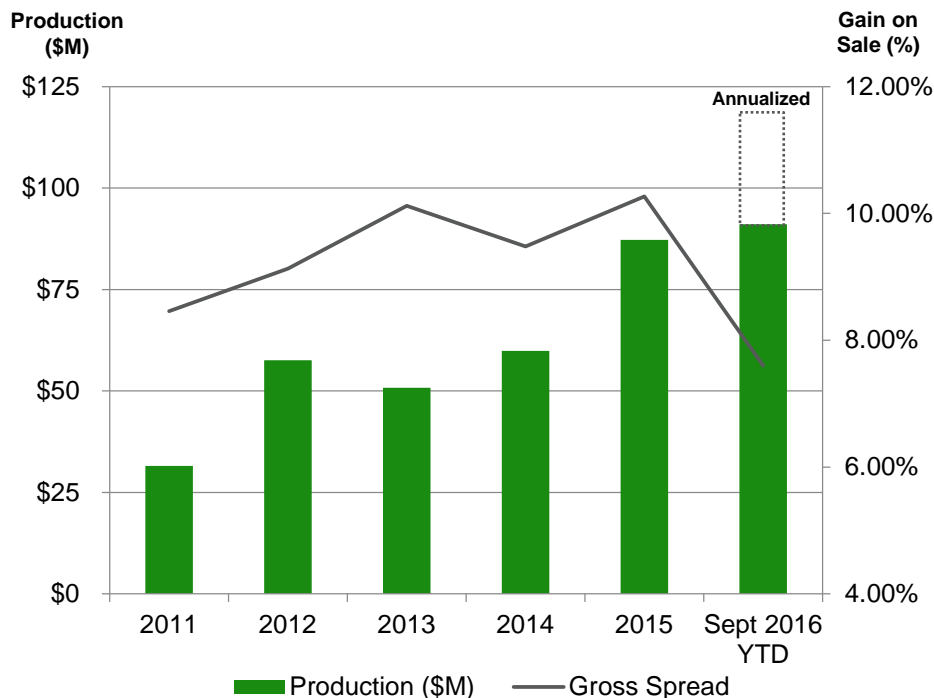
ROAA (%) and ROAE (%)



SBA Segment Overview

Robust SBA Lending Platform

- > Originated over \$400 million of government guaranteed loans since inception
- > West Town is a nationally ranked 7(a) lender
 - › Since program inception in early 2011, WTWB has strategically grown to become a Top 40 7(a) lender by volume
- > SBA/USDA pipeline has been strong
 - › \$91 million in SBA/USDA loan origination through September 2016 YTD
 - › \$87 million in SBA/USDA loan origination in 2015
 - › \$60.0 million in SBA/USDA loan origination in 2014
 - › Funded 197 SBA 7(a) loans for over \$287 million and 31 USDA loans for over \$97 million in 48 states since inception
 - › Historical production is 75% brokered and 25% bank originated

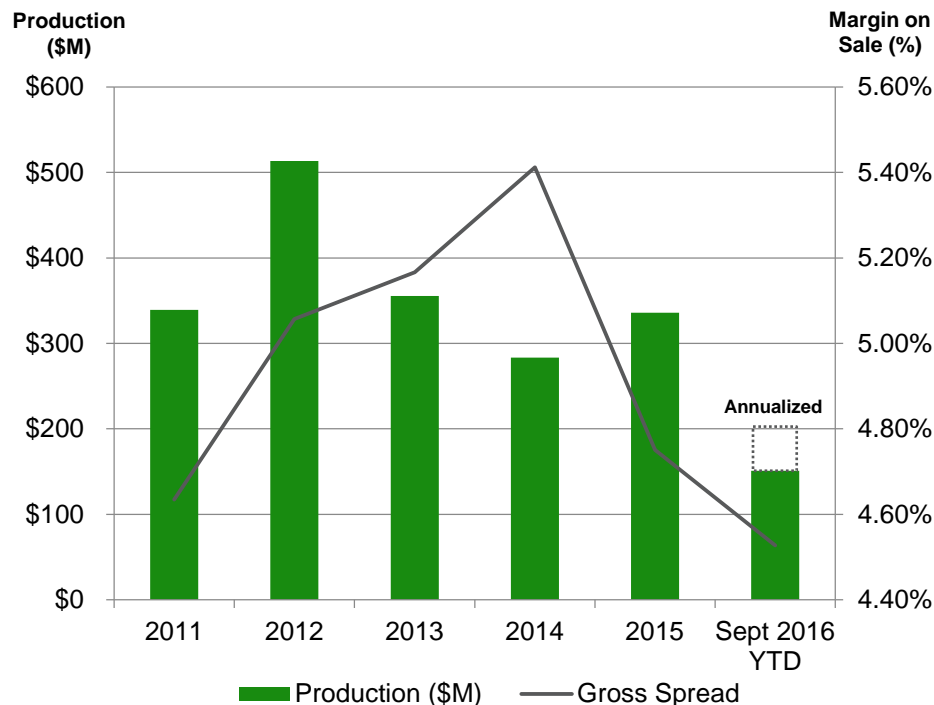


(\$000s)	2011	2012	2013	2014	2015	Sept. 2016 YTD
Volume	\$ 31,545	\$ 57,586	\$ 50,786	\$ 59,911	\$ 87,210	\$ 91,093
Gain on Sale ⁽¹⁾	8.46%	9.13%	10.12%	9.48%	10.27%	7.60%
Non Interest Income ⁽²⁾	\$ 1,653	\$ 3,333	\$ 3,166	\$ 6,474	\$ 5,844	\$ 5,017
Non Interest Expense ⁽³⁾	\$ 962	\$ 1,939	\$ 1,842	\$ 2,315	\$ 2,623	\$ 2,252
Brokered	79%	73%	67%	55%	73%	73%
Originated	21%	27%	33%	45%	27%	27%

Mortgage Segment Overview

Steady Mortgage Banking Business

- > Mortgage department has originated over \$2.2 billion in residential mortgages since inception in early 2010
- > Mortgage volume is all primary – no wholesale volume
- > West Town has scaled up and down its mortgage platform to capitalize on changing opportunities
 - › Peak level of employees was over 250 total mortgage employees with approximately 175 of these being loan originators
 - › Currently employ 43 total mortgage employees of which 22 are loan originators
- › Limited experience with buybacks or unsellable mortgages
 - › 3 buybacks (\$0.5MM total) since 2009
 - › Only 3 unsellable mortgages (\$0.9MM total) since 2009



(\$000s)	2011	2012	2013	2014	2015	Sept. 2016 YTD
Volume	\$ 339,147	\$ 513,538	\$ 355,590	\$ 283,333	\$ 335,887	\$ 151,048
Margin on Sale ⁽¹⁾	4.63%	5.06%	5.17%	5.41%	4.75%	4.53%
Non Interest Income ⁽²⁾	\$ 15,719	\$ 25,971	\$ 18,372	\$ 15,334	\$ 15,957	\$ 6,839
Non Interest Expense ⁽³⁾	\$ 13,877	\$ 20,726	\$ 16,738	\$ 15,032	\$ 16,590	\$ 6,475
Purchase	32%	15%	18%	33%	39%	60%
Refi	68%	85%	82%	67%	61%	40%

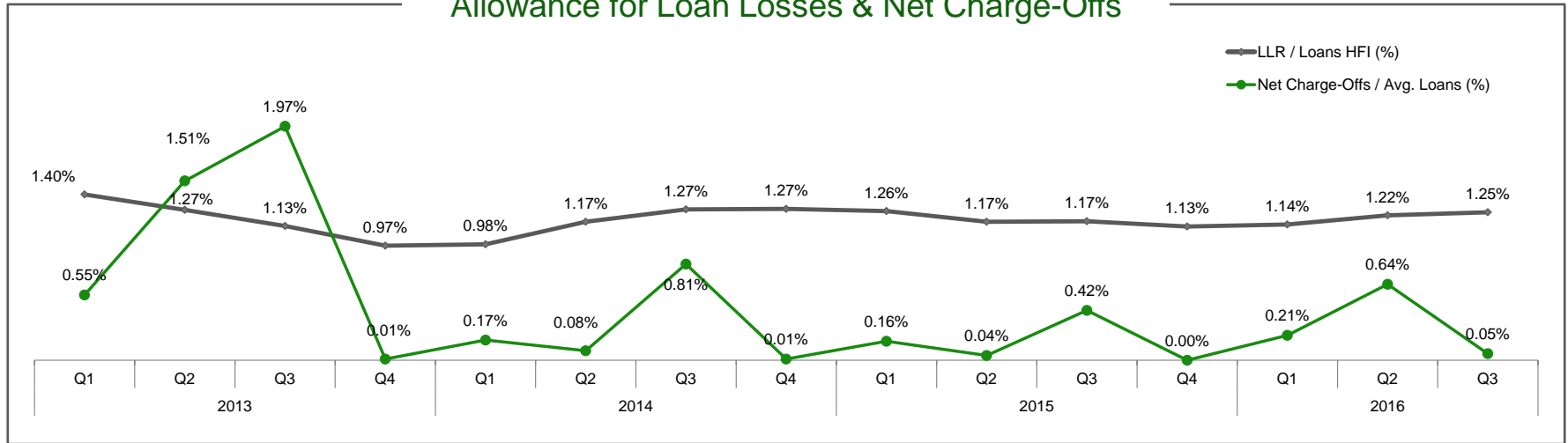
(1) Margin on sale is non-interest income as a percentage of volume

(2) Non-interest income includes all gain on sale income and fees not amortized as interest income; does not include any net interest income from holding these loans

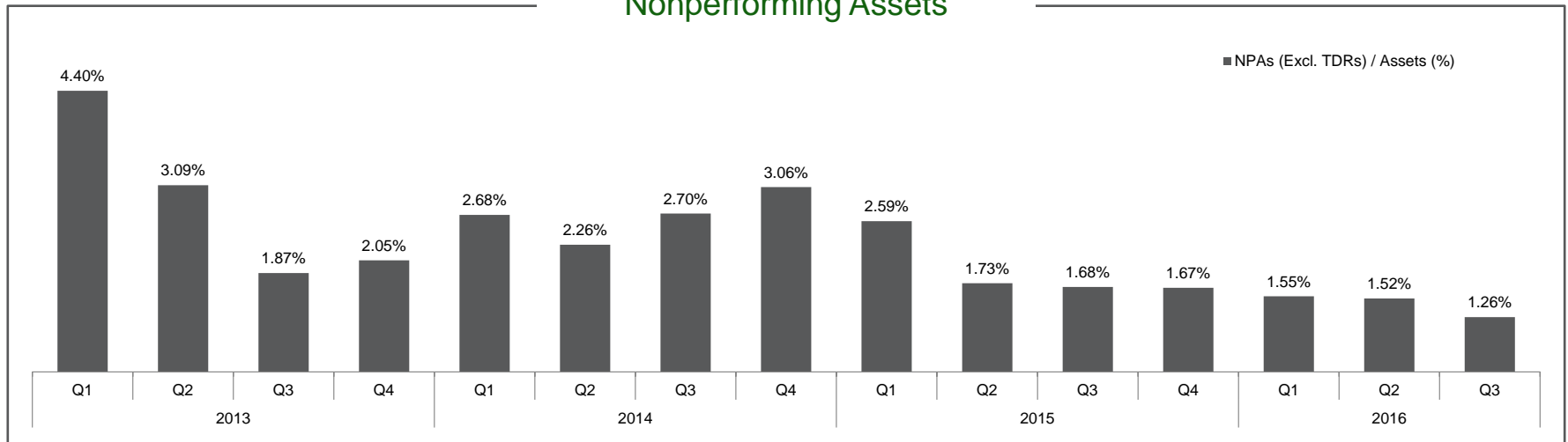
(3) Non-interest expense includes compensation, processing fees, direct loan expense, and corporate allocations through 2015

Credit Quality

Allowance for Loan Losses & Net Charge-Offs



Nonperforming Assets



Executive Management Team *(1 of 2)*

Eric J. Bergevin | President, Chief Executive Officer & Director

Eric J. Bergevin has served as President, CEO, and Director of West Town Bank & Trust since 2009 when he led a group of investors to recapitalize the then \$58 million West Town Savings Bank. Since then, he has turned the Bank around and transformed it into a top performing community bank.

During his tenure, Mr. Bergevin has established West Town Bancorp, Inc. (of which he serves as President, CEO, and Director) to access debt markets for bank capital, a national residential mortgage platform in 2010 that to date has funded in excess of \$2 billion in mortgage loans, and a national SBA / USDA lending department that has funded in excess of \$400 million in loans since its 2011 formation.

Prior to West Town, Mr. Bergevin was the lead organizer and President / CEO for Albemarle Bank & Trust and its de novo efforts in eastern North Carolina (which now operates as a West Town Bank), President of Anova Financial Services, and Senior Vice President and Chief Operating Officer of OBA Bank headquartered in Germantown, Maryland. Mr. Bergevin is also the founder and owner of various businesses, including New Vision Mortgage which specialized in primary home, second home, and investment property loans ultimately sold on the secondary market.

Mr. Bergevin graduated from the University of Alabama earning a bachelor's degree in 1995 and master's degree in 1996.

Kimberly Snyder , CPA, CGMA | Chief Financial Officer

Kimberly served for ten years as Chief Financial Officer of Valley Financial Corporation / Valley Bank, a \$900 million publicly traded bank in Roanoke, Virginia, where she was instrumental in the success of the Bank which led to the acquisition by BNC Bancorp at a 173% premium to tangible book value. Kimberly also served as the Chair of the Virginia Bankers Association CFO Committee from 2012 – 2015. Additionally, Kimberly has start-up experience through her tenure at The Egg Factory, LLC and nonprofit experience earned while working at Roanoke College.

Kimberly is a magna cum laude graduate of James Madison University, a licensed Certified Public Accountant in the state of Virginia, and a CGMA Designation Holder. Ms. Snyder earned a degree from the ABA Stonier Graduate School of Banking, held at the University of Pennsylvania. She also earned the Leadership Certificate from the ABA Stonier Graduate Wharton Leadership Program. Kimberly's extensive background in finance and diverse talents in strategic planning, operations, technology, project management, human resource management and leadership will prove valuable to companies of all sizes and in multiple industries. She has a proven track-record as a positive change agent with the innate ability to gain "buy-in" across diverse populations through an inclusive management style.

Executive Management Team *(2 of 2)*

A. Riddick Skinner | Executive Vice President (Government Lending)

Riddick Skinner currently serves as the Executive Vice President of West Town Bank & Trust's Government Guaranteed Lending Division. Mr. Skinner was born in North Carolina and graduated from North Carolina State University in Raleigh, NC in 1999. He began his career in banking with Centura Bank & Trust serving as a summer teller while in college and later being selected to participate in the Commercial Leadership Development Program after graduation. Mr. Skinner has over 17 years of experience in the banking industry primarily in commercial lending having the responsibility for the origination and ongoing management of commercial loan portfolios in excess of \$100 million. His additional responsibilities included cross selling ancillary bank services like treasury management, deposit products, merchant services and residential mortgages.

Since joining West Town Bank & Trust in March of 2011, he has been instrumental in the establishment and growth of the Government Guaranteed Lending Division which has funded over \$400 million in SBA and USDA loans. Mr. Skinner currently resides in Raleigh, NC with his wife Sara and four children. He is active in the community serving as a volunteer coach at the A.E. Finley YMCA and CASL (Capital Area Soccer League). Mr. Skinner is also a member of the NC State University Wolfpack Club serving as a volunteer area representative.

Melissa D. Marsal | Executive Vice President & Chief Operating Officer

Melissa D. Marsal is the current Executive Vice President and Chief Operations Officer for the Bank overseeing Banking and Mortgage Operations, IT and Marketing. Ms. Marsal previously served as the Bank's Chief Marketing Officer. Melissa graduated from East Carolina University, Greenville, North Carolina in 1992 and began her career in Real Estate Management and Sales. Ms. Marsal currently possesses an active NC Real Estate Broker's license, as well as a NC Loan Officer license. Ms. Marsal was one of the original organizers of Albemarle Bank & Trust assisting in the organizing of the proposed de novo. Ms. Marsal's previous experience includes managing a Greenville based law firm where she was involved in corporate real estate, estate law and the coordination of all daily operations and staff.

Ms. Marsal also founded a new branch location of New Vision Mortgage, Edenton, North Carolina, and served as Vice President and Senior Loan Officer for New Vision Mortgage.

Prior to joining New Vision Mortgage, Ms. Marsal was the Vice President of Sales and Marketing for a start-up financial services company, Finistar, now known as Anova Financial Corporation. While with Finistar, Ms. Marsal was responsible for all depositor relationships and successfully garnered approximately \$100 million in assets under management within the first year of operation.

Raymond J. Wengel, J.D. | Executive Vice President & Chief Risk Officer

Holds a Bachelor of Arts degree in English from the University of Illinois, Chicago and Juris Doctor degree from DePaul University College of Law. He is a member of the Illinois Bar Association and has over 26 years of banking experience. Prior to coming to WTBT in April 2013, he worked as a Compliance Advisor for Artisan Advisors, LLC and SVP Compliance Manager at Cole Taylor Bank, a \$4+ billion bank. Mr. Wengel's focus is on four categories of risk (Compliance, Legal, Reputational and Strategic), and he manages these categories directly and/or indirectly.

West Town Bancorp, Inc. Board of Directors

Director	Experience
Marc McConnell <i>(Chairman)</i>	<ul style="list-style-type: none"> • Chairman of Art's-Way Manufacturing Co., Inc. (NASDAQ: ARTW) • President of Bauer Corporation • Vice-Chairman of McConnell Holdings, Inc.
Eric J. Bergevin	<ul style="list-style-type: none"> • President & CEO of West Town Bank & Trust (see full biography on page 6)
James J. Kemp, Jr.	<ul style="list-style-type: none"> • Attorney; Founder and Partner in the law firm of Kemp & Grzelakowski, Ltd. • Former General Counsel to the Illinois Commission of Savings and Loan Associations
Joe T. Snyder	<ul style="list-style-type: none"> • Founder and President of Snyder Insurance and Financial Services
Sandra Warren	<ul style="list-style-type: none"> • Founder of Executive Personnel Group, LLC, a staffing agency • Formerly oversaw 20 branch offices for Mega Force, a staffing agency • Currently serves on the Board of the Committee of 100 of Beaufort County
David Wicklund	<ul style="list-style-type: none"> • Vice President, Educational and Advisory Services Division of Plansmith Corporation • Former Senior Bank Examiner with the FDIC
Jimmy E. Stallings	<ul style="list-style-type: none"> • Founder of the Chowan Agency, a Farm Bureau Insurance company specializing in health, auto, home and life insurance, which grew to a multi-million dollar agency • Mayor Pro Tem of Edenton • Edenton Chowan Partnership

West Town Historical Financial Highlights

	For the Period Ended December 31,						Period Ended
	2010	2011	2012	2013	2014	2015	Sept. 30, 2016
Balance Sheet (\$000s)							
Total Assets	110,304	131,297	140,691	150,577	184,292	215,029	259,300
Total Net Loans	90,810	113,360	116,446	124,487	152,650	176,412	212,868
Total Deposits	84,006	95,449	99,058	115,302	141,407	177,937	199,209
Total Equity	9,130	10,261	13,579	16,115	20,101	24,147	26,629
Profitability (%)							
ROAA	1.09	0.84	2.10	1.78	2.50	2.01	1.34
ROAE	12.5	10.4	25.3	16.7	22.9	18.2	12.4
Net Interest Margin	2.97	3.17	3.69	3.78	4.17	3.88	4.34
Efficiency Ratio	81.6	85.9	81.5	82.1	73.8	75.6	75.3
Asset Quality (%)							
NPA (Excl. TDRs) / Assets	4.19	5.48	4.02	2.05	3.06	1.67	1.25
NCOs / Avg Loans	0.33	0.47	1.27	1.02	0.27	0.15	0.29
Loan Loss Reserves / Loans HFI	1.14	1.71	1.52	0.97	1.27	1.12	1.25
Capital Adequacy (%)							
Tang Common Equity / Tang Assets	8.28	7.82	9.65	10.70	10.91	11.23	10.27
Bank Leverage Ratio	7.72	8.48	10.33	11.38	11.29	11.24	10.41
Bank Tier 1 Ratio	11.49	11.97	13.38	14.05	13.28	13.59	12.83
Bank Total Capital Ratio	12.48	13.21	14.63	15.02	14.36	14.63	13.91
Per Share Information (\$)							
Common Shares Outstanding (Actual)	1,280,281	1,318,691	1,328,638	1,329,177	1,314,347	1,364,948	1,376,148
Basic Tangible Book Value per Share	7.13	7.78	10.22	12.12	15.29	17.69	19.35
Basic EPS	0.85	0.76	2.33	1.90	3.06	2.93	1.62

Note: 1,376,148 common shares outstanding and 201,200 options outstanding (including nonvested) with a weighted average exercise price of \$14.03; shares and options outstanding as of November 3, 2016

West Town Historical Balance Sheet

(\$000s)	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	9/30/2016
Assets							
Cash and Due from Banks	\$ 556	\$ 897	\$ 1,539	\$ 4,860	\$ 5,007	\$ 4,514	\$ 951
Interest-Bearing Deposits with Other Institutions	3,537	5,406	3,396	3,711	2,008	7,832	18,219
Total Cash and Cash Equivalents	4,094	6,303	4,935	8,571	7,014	12,346	19,170
Securities Available for Sale, at Fair Value	5,955	2,140	10,531	9,760	5,689	6,371	5,249
Total Cash & Securities	10,049	8,444	15,466	18,331	12,704	18,717	24,419
Loans Held for Investment	64,546	70,904	82,466	114,674	125,531	164,052	173,871
Loans Held for Sale	27,002	43,665	35,230	10,920	28,718	14,194	41,165
Allowance for Loan Losses	738	1,209	1,250	1,107	1,600	1,834	2,168
Total Net Loans	90,810	113,360	116,446	124,487	152,650	176,412	212,868
Federal Home Loan Bank Stock	1,565	1,565	1,565	1,565	1,565	1,565	1,565
Property and Equipment, net	2,208	2,350	2,890	2,986	6,205	6,092	6,851
Other Real Estate Owned	917	1,423	372	0	0	270	873
Bank-Owned Life Insurance	287	301	315	326	4,362	4,509	4,616
Accrued Interest Receivable and Other Assets	4,469	3,854	3,637	2,882	6,806	7,463	8,108
Total Assets	\$ 110,304	\$ 131,297	\$ 140,691	\$ 150,577	\$ 184,292	\$ 215,029	\$ 259,300
Liabilities							
Noninterest-Bearing Demand	\$ 2,586	\$ 2,983	\$ 3,778	\$ 4,964	\$ 6,216	\$ 15,659	\$ 14,544
Interest-Bearing Demand	2,010	1,993	2,345	2,600	3,517	5,020	21,174
Money Market Accounts	10,832	12,036	17,746	24,914	19,564	21,251	37,169
Savings	7,792	9,146	10,799	11,101	10,349	11,192	11,438
Time Deposits	60,786	69,291	64,390	71,723	101,761	124,814	114,883
Total Deposits	84,006	95,449	99,058	115,302	141,407	177,937	199,209
Federal Home Loan Bank Advances	15,000	23,500	25,000	16,400	19,000	8,900	30,000
Accrued Interest Payable and Other Liabilities	2,168	2,088	3,054	2,759	3,783	4,045	3,463
Total Liabilities	101,174	121,037	127,112	134,462	164,191	190,882	232,671
Equity							
Common Stock, \$1.00 par value	1,280	1,319	1,329	1,329	1,314	1,365	1,376
Additional Paid-In Capital	8,149	8,453	8,567	8,610	8,553	8,970	9,098
Retained Earnings	(510)	503	3,594	6,124	10,150	13,756	16,093
Accumulated Other Comprehensive Income	211	(14)	89	52	84	56	61
Total Shareholders' Equity	9,130	10,261	13,579	16,115	20,101	24,147	26,629
Total Liabilities & Shareholders' Equity	\$ 110,304	\$ 131,297	\$ 140,691	\$ 150,577	\$ 184,292	\$ 215,029	\$ 259,300

West Town Historical Income Statement

(\$000s)	For the Period Ended December 31,						Period Ended Sept. 30, 2016
	2010	2011	2012	2013	2014	2015	
Loans, Including Fees	\$ 3,370	\$ 4,687	\$ 5,527	\$ 6,167	\$ 7,484	\$ 8,843	\$ 8,584
Interest-Bearing Deposits with Other Fin. Inst.	8	6	2	12	5	18	49
Securities	293	238	121	142	172	124	104
Total Interest Income	3,671	4,930	5,651	6,321	7,661	8,985	8,738
Deposits	903	1,383	1,298	1,310	1,441	1,981	1,679
Borrowings	60	9	14	10	18	18	80
Total Interest Expense	964	1,392	1,313	1,320	1,459	1,999	1,759
Net Interest Income	2,707	3,538	4,338	5,001	6,202	6,986	6,979
Provision for Loan Losses	491	1,115	1,179	1,061	871	481	749
Net Interest Income After Prov. for Loan Losses	2,215	2,423	3,159	3,940	5,331	6,505	6,230
Mortgage Banking Income, Net	8,541	13,791	22,825	15,483	12,599	13,448	6,839
Gain on Sale of Other Loans	837	1,625	3,192	2,974	3,267	4,756	3,929
Gain on Sale of Securities, Net	68	286	0	(11)	32	0	0
Fees and Service Charges on Deposit Accounts	89	72	73	84	86	109	84
Other	132	158	401	1,152	3,926	3,157	1,624
Total Non-Interest Income	9,667	15,933	26,492	19,681	19,911	21,470	12,476
Salaries and Employee Benefits	7,199	12,439	19,303	14,850	13,267	15,790	8,767
Occupancy and Equipment Expense	644	1,148	1,255	1,161	1,274	1,551	1,006
Professional Fees	444	807	613	989	988	602	859
Data Processing	247	514	511	580	695	868	874
Advertising Expense	394	507	438	427	663	1,032	481
FDIC Deposit Insurance Premium	157	158	181	183	133	90	104
Other Expenses	1,019	1,159	2,298	1,302	1,648	1,585	2,567
Total Non-Interest Expense	10,103	16,732	24,600	19,492	18,669	21,518	14,657
Income Before Taxes	1,779	1,624	5,051	4,129	6,573	6,457	4,049
Income Taxes	697	612	1,960	1,599	2,547	2,456	1,711
Net Income	\$ 1,082	\$ 1,012	\$ 3,091	\$ 2,530	\$ 4,026	\$ 4,001	\$ 2,337

Appendix: Sound Bank Overview

Sound Bank Board of Directors

Director	Experience
Jeffrey K. Moore <i>(Chairman)</i>	<ul style="list-style-type: none"> • Owner of Moore Orthopedic and Sports Medicine • Founding board member of Sound Bank
William A. “Bill” Blackmon	<ul style="list-style-type: none"> • Founder of Sunland Builders, Inc., a grading and utility company (sold in 2004) • Founding board member of Sound Bank
Christopher J. Chadwick	<ul style="list-style-type: none"> • Founder of Chadwick Tire Co. and K.C.’s Mini Storage • Director on the board of Carteret General Hospital and Member of the Carteret County Planning Board • Founding board member of Sound Bank
S. Phillip “Phil” Collins	<ul style="list-style-type: none"> • See full biographic information on page 6
Michael H. “Mike” Coyle	<ul style="list-style-type: none"> • President & CEO of Bally Refrigerated Boxes, Inc. • Former executive of KeepRite Refrigeration, National Coil Company, and United Refrigeration, Inc. • CPA (active) and former supervisor with Ernst & Young, LLC
Malcolm C. Garland	<ul style="list-style-type: none"> • Former President of Malcolm Garland Company, a bank consulting firm • Former President & CEO of O’Neill Developments, Inc. and former executive of First Georgia Bank • Former Chairman of the Chattahoochee and BuckHead Banks and former director of Carver State Bank • Past faculty member of the Midwest School of Banking
John M. Harris	<ul style="list-style-type: none"> • Founder of Harris Law Firm & past Chairman of the N.C. Bar Association Real Property Section Council • Founding board member of Sound Bank
Randall C. “Randy” Ramsey	<ul style="list-style-type: none"> • Founder & President of Jarrett Bay Boat Works, Inc. since 1987 • Chairman of the North Carolina Manufacturer’s Association • Founding board member of Sound Bank
Danny L. Varner	<ul style="list-style-type: none"> • Owner & President of Danny Varner Building, Inc. • Founding board member of Sound Bank
K. Dean Wagaman	<ul style="list-style-type: none"> • Owner & President of Kurtis Chevrolet, Inc. • Former board member of the Carteret County Economic Development Council • Founding board member of Sound Bank

Sound Bank Historical Financial Highlights

	For the Period Ended December 31,						Period Ended
	2010	2011	2012	2013	2014	2015	Sept. 30, 2016
Balance Sheet (\$000s)							
Total Assets	123,785	113,441	114,252	133,651	147,248	169,241	190,763
Total Net Loans	87,233	83,385	83,015	99,674	111,744	136,349	146,913
Total Deposits	99,889	87,265	92,955	104,724	128,703	148,230	172,542
Total Equity	11,448	12,754	12,000	10,479	12,490	15,566	16,531
Profitability (%)							
ROAA	0.51	0.51	0.57	0.69	0.71	0.72	0.57
ROAE	5.7	5.0	5.0	7.2	8.7	8.6	6.3
Net Interest Margin	4.24	4.33	4.42	4.33	4.16	4.27	4.12
Efficiency Ratio	69	71	72	74	73	69	75
Asset Quality (%)							
NPA (Excl. TDRs) / Assets	1.79	1.68	0.40	0.98	0.81	1.05	0.90
NCOs / Avg Loans	1.18	1.26	1.07	0.52	0.17	0.21	0.05
Loan Loss Reserves / Loans HFI	2.41	2.41	2.10	1.45	1.34	1.26	1.35
Capital Adequacy (%)							
Tang Common Equity / Tang Assets	6.54	8.24	8.74	7.64	8.24	9.04	8.55
Leverage Ratio	8.55	10.26	9.88	8.03	8.03	9.01	8.53
Tier 1 Ratio	11.29	13.41	13.49	10.95	11.17	9.95	11.24
Total Capital Ratio	14.73	16.54	16.16	13.04	12.42	11.08	12.49
Per Share Information (\$)							
Common Shares Outstanding (Actual)	881,725	1,106,731	1,110,119	1,110,119	1,375,670	1,670,200	1,695,147
Basic Tangible Book Value per Share	9.19	8.44	9.00	9.20	8.80	9.14	9.60
Diluted EPS	0.55	0.40	0.42	0.60	0.76	0.75	0.45

Note: 1,695,147 common shares outstanding and 189,804 options outstanding with a weighted average exercise price of \$3.64; shares and options outstanding as of November 3, 2016

Sound Bank Historical Balance Sheet

(\$000s)	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	9/30/2016
Assets							
Cash and Due from Banks	\$ 1,304	\$ 1,511	\$ 1,859	\$ 1,548	\$ 1,957	\$ 2,880	\$ 5,017
Interest-Bearing Deposits with Other Institutions	380	32	2,190	4,169	2,576	2,571	3,452
Federal Funds Sold	5,830	-	-	-	-	125	9,514
Total Cash and Cash Equivalents	7,514	1,543	4,049	5,717	4,533	5,576	17,983
Certificates of Deposit with Other Institutions	1,240	742	742	1,087	1,087	593	-
Securities Available for Sale, at Fair Value	18,324	18,964	18,445	18,437	19,921	16,924	15,705
Total Cash & Securities	27,078	21,249	23,236	25,241	25,541	23,093	33,689
Total Loans	89,386	85,447	84,793	101,138	113,261	138,083	148,918
Allowance for Loan Losses	2,153	2,062	1,778	1,464	1,517	1,734	2,005
Total Net Loans	87,233	83,385	83,015	99,674	111,744	136,349	146,913
Core Deposit Intangible	-	-	-	-	389	296	249
Accrued Interest Receivable	454	419	416	425	468	485	444
FHLB Stock, at Cost	795	658	428	776	323	303	152
Property and Equipment, net	2,672	2,556	2,685	3,231	4,018	4,066	3,977
Bank-Owned Life Insurance	2,748	2,853	2,961	3,068	3,173	3,281	3,866
Other Real Estate Owned	1,132	1,016	200	160	358	29	-
Other Assets	1,673	1,305	1,311	1,076	1,234	1,339	1,472
Total Assets	\$ 123,785	\$ 113,441	\$ 114,252	\$ 133,651	\$ 147,248	\$ 169,241	\$ 190,763
Liabilities							
Demand Deposits	\$ 9,978	\$ 12,466	\$ 15,940	\$ 17,141	\$ 25,693	\$ 36,777	\$ 43,066
Savings, Money Market, and NOW	44,059	38,955	42,134	45,441	57,757	66,385	76,725
Time Deposits	45,852	35,844	34,881	42,142	45,253	45,068	52,750
Total Deposits	99,889	87,265	92,955	104,724	128,703	148,230	172,542
Federal Funds Purchased	-	310	255	945	65	-	-
FHLB Borrowings	9,700	10,200	5,700	14,200	4,500	4,000	-
Subordinated Debentures	2,000	2,000	2,000	2,000	-	-	-
Accrued Expenses and Other Liabilities	748	912	1,342	1,303	1,490	1,445	1,690
Total Liabilities	112,337	100,687	102,252	123,172	134,758	153,675	174,232
Equity							
Preferred Stock	3,348	3,409	2,011	264	-	-	-
Common Stock, \$5.00 par value	4,008	5,031	5,046	5,046	6,878	8,355	8,483
Surplus	3,662	3,231	3,308	3,368	3,009	3,452	3,401
Retained Earnings	318	719	1,177	1,912	2,387	3,547	4,314
Accumulated Other Comprehensive Income	112	364	458	(111)	216	212	333
Total Shareholders' Equity	11,448	12,754	12,000	10,479	12,490	15,566	16,531
Total Liabilities & Shareholders' Equity	\$ 123,785	\$ 113,441	\$ 114,252	\$ 133,651	\$ 147,248	\$ 169,241	\$ 190,763

Sound Bank Historical Income Statement

(\$000s)	For the Period Ended December 31,						Period Ended Sept. 30, 2016
	2010	2011	2012	2013	2014	2015	
Loans, Including Fees	\$ 5,557	\$ 5,037	\$ 4,792	\$ 4,825	\$ 5,341	\$ 6,058	\$ 5,081
Investment Securities	677	586	526	508	513	527	339
Federal Funds Sold	7	10	-	-	-	-	11
Deposits with Other Banks	8	20	47	71	71	58	31
Total Interest Income	6,249	5,653	5,365	5,404	5,925	6,643	5,462
Savings, Money Market, and NOW	370	252	139	108	120	129	136
Time Deposits	721	492	314	238	276	250	246
FHLB Borrowings	244	210	186	99	38	15	3
Subordinated Debentures	42	42	45	41	40	-	-
Total Interest Expense	1,377	996	684	486	474	394	386
Net Interest Income	4,872	4,657	4,681	4,918	5,451	6,249	5,076
Provision for Loan Losses	1,140	990	630	160	238	482	330
Net Interest Income After Prov. for Loan Losses	3,732	3,667	4,051	4,758	5,213	5,767	4,746
Service Charges on Deposit Accounts	457	494	570	635	709	789	697
Mortgage Operations	41	26	51	68	74	79	19
Earnings on Bank-Owned Life Insurance	104	105	108	106	105	108	85
Gain on Sale of Securities	95	71	87	-	38	5	30
Other	154	150	147	152	452	434	146
Total Non-Interest Income	851	846	963	961	1,378	1,415	977
Salaries and Employee Benefits	1,643	1,730	1,966	2,326	2,448	2,890	2,354
Occupancy and Equipment Expense	426	419	402	416	444	527	430
Professional and Data Processing Fees	521	542	575	656	762	944	884
Other Real Estate Owned Expense, net	350	79	82	40	13	15	3
Other Expenses	995	1,127	986	927	1,413	1,090	918
Total Non-Interest Expense	3,935	3,897	4,011	4,365	5,080	5,466	4,589
Income Before Taxes	648	616	1,003	1,354	1,511	1,716	1,134
Income Taxes	-	11	340	503	504	556	365
Net Income	648	605	663	851	1,007	1,160	768
Gain on Repurchase of Preferred Stock	-	-	33	4	-	-	-
Preferred Dividends and Accretion of Discount	(167)	(204)	(205)	(117)	-	-	-
Net Income ATC	\$ 481	\$ 401	\$ 491	\$ 738	\$ 1,007	\$ 1,160	\$ 768