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# Results Indicate Another Strong Year; 2016 Outlook Is For More Growth

West Town Bank & Trust (WTWB) recently announced its financial results for 2015 and for the 2nd straight year, its net income was more than \$4 million. An even stronger performance is expected in 2016.

The financial results for the year ended December 31, 2015 showed that the Bank earned net income of \$4,001,000, or \$2.83 per diluted common share, a decrease of \$24,000 as compared to the year ended December 31, 2014. Return on average total assets was 2.01% and return on average shareholder's equity was 18.24% for the year ended December 31, 2015 as compared to 2.47% and 22.94% respectively for the prior year-end.

"We finished 2015 with strong 4<sup>th</sup> Quarter results and expect to carry this momentum into 2016. Our areas of strength continue to be our SBA/USDA and Community Banking sectors with the mortgage sector recognizing decreased volume and increased cost due to a volatile rate environment and the implementation of TRID (Truth in Lending and Real Estate Settlement Procedures Act integrated disclosure requirements based on the Dodd-Frank Act)," said Eric Bergevin, President and Chief Executive Officer. "In 2016, we will continue to focus on our lending strengths while enhancing our efforts to increase core deposits which recognized positive results in 2015. We are proud of our continued earnings results which directly translated into increased shareholder value. Our superior earnings outpaces our asset growth and organically generates enough capital to continue to support the bank's growth goals well into 2016 and coming years."

Select financial highlights for 2015:

1. Increase in net interest income of \$1,853,000 or 29.4% as compared to 2014.
2. Increase in loans, net of unearned income outstanding of \$38,120,000 or 30.5% as compared to 2014.
3. Increase in total deposits of \$35,927,000 or 25.3% as compared to 2014.
4. Total nonperforming assets (NPAs) decreased 106 basis points from 3.08% at December 31, 2014 to 2.02% at December 31, 2015. Total NPAs increased 26 basis points from the 1.76% reported at September 30, 2015.
5. The Bank's Allowance for Loan and Lease Losses ("ALLL") to total loans decreased 15 basis points from 1.28% at December 31, 2014 to 1.13% at December 31, 2015.

## FOURTH QUARTER RESULTS

For the three-month period ending December 31, 2015, the Bank earned net income of \$966,000, a decrease of \$43,000 or 4.2% as compared to the \$1,009,000 net income earned for the fourth quarter of 2014. The quarter-to-date earnings produced an annualized return on average earning assets of 1.80% and an annualized return on average shareholder's equity of 16.58% as compared to 2.50% and 22.85% respectively for the quarter ended December 31, 2014.

### West Town Bank & Trust

**North Riverside Branch**  
7820 West 26th Street  
North Riverside, IL 60546  
708.447.3330

**Cicero Branch:**  
4852 West 30th Street  
Cicero, IL 60804  
708.652.2000

**Raleigh LPO:**  
8450 Falls of Neuse Rd  
Suite 202  
Raleigh, NC 27615  
919.948.1987

### Albemarle Bank & Trust "A West Town Bank"

**Greenville Branch**  
4051 S. Memorial Blvd  
Suite B  
Winterville, NC 28590  
252.321.2507

**Edenton LPO:**  
216 South Broad Street  
Edenton, NC 27932  
252.482.4400

**Insurance Agency:**  
216 South Broad Street  
Edenton, NC 27932  
252.368.4017

## Financial Highlights

*West Town  
Bank & Trust  
Fourth Quarter  
2015*

### Income Summary

Net Interest Income
Provision for Loan Losses
Non-Interest Income
Non-Interest Expense
Earnings Before Taxes
Income Tax Expense
<b>Net Income</b>

Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014
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Actual	Actual
8,166	6,313
481	871
22,198	22,234
23,426	21,104
6,457	6,572
2,456	2,547
<b>4,001</b>	<b>4,025</b>

### Balance Sheet

Assets	214,663	183,453
Loans	162,917	124,797
Earning Assets	180,531	136,318
Deposits	178,054	142,127
FHLB Advances & Other Borrowings	8,900	19,000
Stockholders' Equity	24,147	20,101

### Key Performance Ratios

Return on Average Assets	2.01%	2.47%
Return on Average Stockholders' Equity	18.24%	22.94%

### Capital

Book Value of Stock	\$17.69	\$15.29
Tier 1 Leverage Ratio	11.24%	11.30%



## West Town names Terry McCarther SVP/ISO/IT Manager

West Town Bank & Trust continues to build an impressive leadership team. The newest addition to that team is Terry McCarther, who was recently name Senior Vice President/ISO/IT Manager. McCarther brings more than 16 years of IT experience to the bank during a crucial time as preparations are being made to change our core retail system.

“By hiring someone with Terry’s experience we are making a commitment to our customers, shareholders and employees that we will continue to be an IT services leader and keep the bank’s information security at the forefront of our objectives,” said Melissa Marsal, EVP and COO. “We are excited that Terry has a progressive attitude and a thorough understanding of the financial services industry.”

Prior to joining West Town Bank, McCarther was the SVP and Director of IT for Suburban Bank & Trust based in Elmhurst, IL. Before beginning his civilian career, McCarther served with honor in the US Air Force as a Sergeant/Electronic Communication Technician. He will work out of the Raleigh, NC corporate office and relocate to the area in the near future.



Terry McCarther

## West Town to make lending to renewable energy developers a priority in 2016



West Town Bank & Trust is actively pursuing opportunities to provide financing for the development of solar farms in rural communities across the United States. The Bank will look to facilitate these lending opportunities by using the United States Department of Agriculture’s REAP Program (Rural Energy for America). The REAP program was created in the 2002 Farm Bill and due to its success it was reauthorized in the 2014 Farm Bill with the guarantee of not less than \$50 Million in annual funding for the 5 year duration of the bill. Since 2009, the program has awarded more than \$361 Million in loans and grants for more than 2,900 renewable energy systems. When fully operational, these systems are expected to generate more than 6 billion kilowatt hours annually.

The REAP Loan Guarantee program provides the Bank with up to an 80% guarantee for loans under \$5 Million and a 70% guarantee for loans over \$5 Million up to \$10 Million.

The borrower/developer is required to inject at least 25% of the total cost into the project. The guaranteed loan amount cannot exceed 75% of the total project cost. The term of the loan can extend up to 30 years.

“West Town Bank is focusing primarily on solar farm financing with the REAP program,” said Riddick Skinner, EVP Government Guaranteed Lending. “The developers we will be working with are able to secure long term PPA’s (Power Purchase Agreements) with the power companies that serve each subject market.”

Solar Power is a mature, renewable energy technology that converts energy from the sun to electricity. Solar panels contain small semiconductors that collect the energy and force electrons to flow in one direction creating an electrical direct current (DC). The current goes through an inverter that converts it to an alternating current (AC), which can then be distributed by utilities to their customers. In an attempt to “Go Green” power companies are desperately searching for sources of renewable energy to supplement the predominant methods of power generation like coal and nuclear.

For more information or questions regarding this financing program please feel free to contact a team member directly at [USDA-SBA@westtownbank.com](mailto:USDA-SBA@westtownbank.com) or Riddick Skinner, EVP Government Guaranteed Lending, 919-948-1986 or [riddick@westtownbank.com](mailto:riddick@westtownbank.com)

**RAYMOND JAMES**  
INVESTMENT SERVICES

Throughout the 4th Quarter, the West Town Bank & Trust stock price remained steady, hovering above \$21 a share for the entire three-month period. The stock began October at \$23 per share and closed the year at \$21.50 a share.

During this same period, the book value remained strong. It rose from \$17.09 at the beginning of October to \$17.69 by the end of 2015.

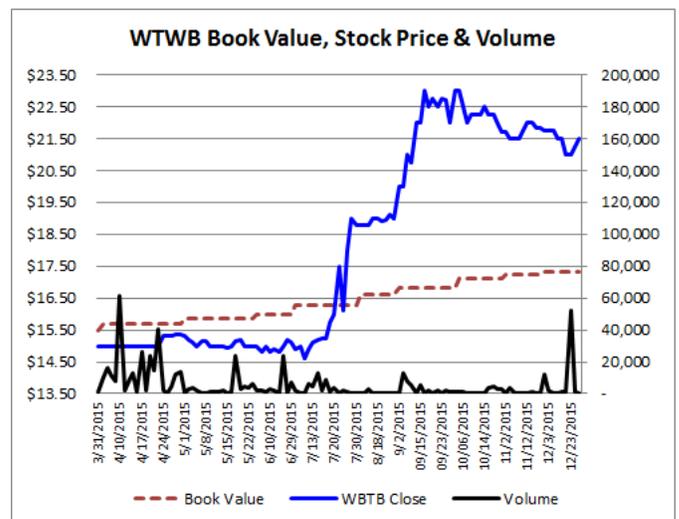
“Despite 2016 starting with a volatile stock market climate, West

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**Update on Stock Trading (WTWB)**

Town Bank & Trust continues to be a solid choice for wise investors,” said Eric Bergevin, West Town Bank & Trust CEO and President. “We expect that trend to improve during the rest of the year.”

Shareholder inquiries are welcome regarding the buying and selling of shares of West Town Bank & Trust. Please contact Lou Coines at the numbers provided.



As with any stock, the quoted price can change over time based mostly on the supply and demand for the shares.