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Large Crowd Attends Edenton Ribbon-Cutting Event



A beautiful, sunny day in Edenton made it a great ribbon-cutting ceremony.

After a soft opening in March, the official Grand Opening and Ribbon-Cutting ceremony for the Edenton branch of Albemarle Bank & Trust (a West Town Bank) took place on April 19. The event was held in conjunction with a Board of Directors meeting so the entire board could attend. Several local officials from the surrounding area joined in at the festivities, as well as North Carolina Bankers Association CEO and President Peter Gwaltney.

“It was great to see so many local residents and officials turn out to support our new branch,” said Eric Bergevin, President and CEO of West Town Bank. “Edenton is a great community and I’m sure its residents will appreciate the attention to customer service our staff will provide.”

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 Branch:
216 South Broad Street
Edenton, NC 27932
252.482.4400

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

First Quarter Financials Announced; Interest Income, Deposits Increase

Several upward trends developed during the first quarter of 2016, despite some setbacks. Financial results for the quarter ended March 31, 2016 and the Company earned net income of \$788,000, or \$0.55 per diluted common share, a decrease of \$161,000 or 17% as compared to financial results reported for the Bank for the quarter ended March 31, 2015. Return on average total assets was 1.44% and return on average shareholder’s equity was 12.82% for the quarter ended March 31, 2016 as compared to 2.02% and 18.60% respectively for the first quarter of 2015. In comparison to the linked quarter ended December 31, 2015, net income decreased \$178,000 or 18.4%. The first quarter 2016 financial results were negatively impacted by a \$139,000 increase in income tax expense as a result of the valuation of the Bank’s deferred tax liability position.

American Banker Survey Ranks West Town Among Most Profitable

A recent American Banker magazine survey ranked community banks based on their 3-year return on average equity (ROAE). West Town Bancorp ranked second on this list of 200 banks with a 3-year ROAE of 19.51%.

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Financial Highlights — First Quarter 2016

(Dollars in thousands)

	YTD Ended March 31, 2016	YTD Ended March 31, 2015	YTD Ended March 31, 2016	YTD Ended March 31, 2015
Income Summary		Balance Sheet		
Net Interest Income	\$ 2,304	\$ 1,853	Assets	\$ 229,530
Provision for Loan Losses	123	211	Loans Held for Investment	163,345
Non-Interest Income	3,959	6,485	Loans Held for Sale	29,322
Non-Interest Expense	4,633	6,554	Earning Assets	210,657
Earnings Before Taxes	1,507	1,573	Deposits	172,802
Income Tax Expense	719	624	FHLB Advances & Other Borrowings	30,000
Net Income	\$ 788	\$ 949	Stockholders' Equity	25,018
Key Performance Ratios		Capital		
Return on Average Assets	1.44%	2.02%	Book Value of Stock	\$18.21
Return on Average Stockholders' Equity	12.82%	18.60%	Tier 1 Leverage Ratio	11.33%
Net Interest Margin	4.63%	4.38%		11.24%

Edenton Branch Staff Ready for Challenges

The new Edenton office is staffed with local residents with many years of financial services experience. Please stop by and welcome them to our bank.

The staff members are:

Deborah Lee, Vice President and City Executive

Deborah has been working in the financial services sector for more than 30 years and has been active in the Edenton community by serving on the Edenton-Chowan Chamber of Commerce Board of Directors for five years and serving one year as the President

Heather Sawyer, AVP and Branch Manager

Heather has more than 12 years of community banking experience. In addition, she has been a volunteer in the area and was named the 2014 Volunteer of the Year by the Elizabeth City Area Chamber of Commerce.

Holly White, Head Teller/CSR

Holly attended Meredith College and East Carolina University. She is from Hobbsville and has more than 10 years of banking experience. She was most recently the Senior Teller and Branch Banker for the local BB&T office.

Leah Hickman, Teller

Leah has lived in Edenton for 28 years and attended College of the Albemarle. She has more than 10 years of banking experience.



From left, Holly White, Heather Sawyer, Deborah Lee, Leah Hickman

Profitability Ranking from Page 1

Rank	Institution	Location	Total Assets \$ 0	Market Value (\$ M)	3-YR ROAE Avg. (%)
1	Ridgestone Financial Services (RGST)	Brookfield, WI	424,462	70.78	20.93
2	West Town Bancorp (WTWB)	North Riverside, IL	24,663	25.94	19.51
3	Fidelity Federal Bancorp (FDLB)	Evansville, IN	378,839	7.45	17.15

“This ranking is an honor and everyone in our organization can take great pride in knowing that their hard work is paying off,” said Eric Bergevin, President and CEO. “While we celebrate this great achievement, improvement and growth are always a priority. We know our shareholders deserve a top ranking so that will be our goal in the future.”

The list is published annually by American Banker. To read the article and view the complete list, go to www.americanbanker.com/news/community-banking/which-small-bank-has-the-biggest-roae-read-on-1080650-1.html.

Edenton Welcomes Janice Cole as First Customer

When Albemarle Bank & Trust (a West Town Bank), opened the doors of its newest full service branch in Edenton, the first customer of the day was a very recognizable face from the community.

Janice Cole, a local attorney who was the first female and first African American District Court Judge for the 1st Judicial District of North Carolina, opened an account on March 14th. Cole is also a former US. Attorney for the Eastern District of North Carolina, having been appointed by former President Bill Clinton.

“It was an honor that Mrs. Cole was our first customer,” said Heather Sawyer, AVP and Branch Manager. “She is well-respected in our community and we are grateful that she has invested in our growing financial institution.”

Ms. Cole is an original founder of the bank and been an active supporter since 2008. Some of Mrs. Cole’s awards and honors include the Order of the Long Leaf Pine (NC’s highest civilian award), Special Award of Honor presented by the International Narcotics Enforcement Officers Association, and the Gwyneth B. Davis Public Service Award presented by the North Carolina Association of Women Attorneys.



Branch Manager and AVP Heather Sawyer (left) welcomes Janice Cole.

“This is an exciting time for our Edenton branch and we are so pleased that Mrs. Cole chose to be a part of that,” said Jerry Brett, Senior VP and Regional Executive. “We know she will be the first of many customers that will be impressed with the service they will receive from our dedicated staff in Edenton.”

First Quarter Financials from Page 1

Select financial highlights for 1Q 2016:

- * Increase in net interest income of \$451,000 or 24.3% as compared to first quarter 2015.
- * Increase in loans held for investment, net of unearned income, outstanding of \$23,989,000 or 17.2% as compared to a year earlier.
- * Increase in total deposits of \$10,590,000 or 6.5% as compared to a year earlier.
- * Total nonperforming assets (NPAs) to total assets decreased from 2.59% at March 31, 2015 and 2.02% at December 31, 2015 to 1.55% at March 31, 2016.
- * The Bank’s Allowance for Loan and Lease Losses (“ALLL”) to loans held for investment increased 2 basis points from 1.12% at December 31, 2015 to 1.14% at March 31, 2016 and decreased 12 basis points from 1.26% one year earlier due primarily to the reduction in NPAs.

Eric Bergevin, President and CEO commented, “In addition to the tax expense adjustment as noted, our first quarter results were also negatively impacted by a significant reduction in mortgage originations, leading to decreased noninterest income. We are currently in the process of right-sizing this line of business to bring fixed overhead expenses more in-line with the reduced origination volume and anticipate this process to be complete by the end of the second quarter. We remain optimistic about 2016 as our credit quality trends continue to improve as evidenced by the significant reduction in nonperforming assets year over year, our governmental lending line of business continues to grow and maintains a strong pipeline and we recently celebrated the opening of our Edenton, NC full-service branch in mid-April which has been received with great enthusiasm. Additionally, our strong capital position enables us to continue to grow organically as well and affords us the opportunity to pursue merger and acquisition strategies in a thoughtful and prudent manner.”

Strong Loan and Deposit Growth

At March 31, 2016, the Company’s total assets were \$229,530,000, loans held for investment at \$163,345,000, total deposits were \$204,512,000 and total shareholder’s equity was \$25,018,000. Compared with March 31, 2015, total assets increased \$23,507,000 or 11.4%, loans held for investment increased \$23,989,000 or 17.2%, total deposits increased \$10,590,000 or 6.5% and total shareholder’s equity increased \$4,299,000 or 20.7%. Total loan originations for the Bank across all sectors for the three months ended March 31, 2016 totaled \$86,738,000, a decrease of 40.5% as compared to the same prior year three months of \$145,719,000. While mortgage originations dropped by 58% compared to the prior year, originations in the SBA/USDA portfolio grew by 31%. The Bank’s loans held for investment portfolio grew by 17.2% due mainly to the SBA/USDA loans retained in the portfolio.



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North Riverside, IL 60546

RAYMOND JAMES
INVESTMENT SERVICES

The book value of West Town stock continued a steady, upward trend during the 1st quarter of 2016. The book value was \$17.69 at the start of the quarter and rose to \$18.21 by March 31. The stock price decreased slightly during this same period, going from \$21.50 to \$18.92.

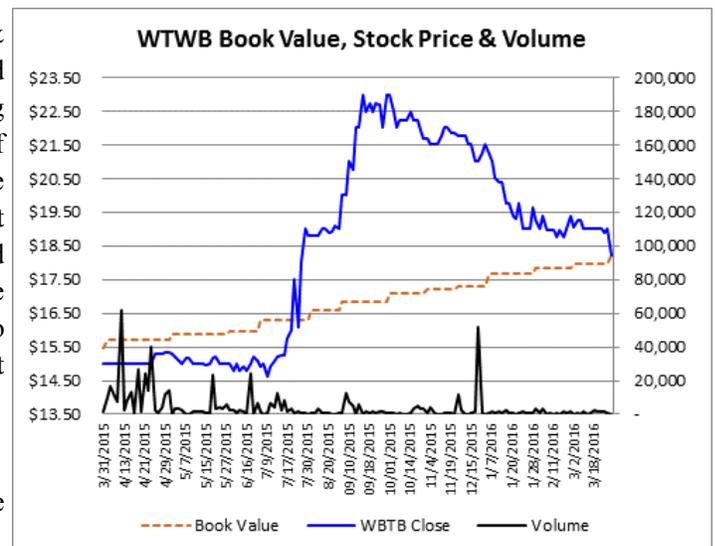
“The continued increase in the book value of our stock indicates that our overall financial health is strong and should continue to improve during 2016,” said Eric Bergevin, West

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Update on Stock Trading (WTWB)

Town Bank & Trust CEO and President. “During the remainder of 2016, there will be some important changes made and we anticipate those changes to positively impact our bottom line.”

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.