

Wallkill Valley Federal Savings & Loan Association (Private; Wallkill, NY) has agreed to acquire Hometown Bancorp, Inc. (MHC) (OTC PINK: HTWC; Walden, NY)

Deal Value: Approximately \$7.0 Million

Sandler O'Neill served as exclusive financial advisor to Wallkill Valley Federal Savings & Loan Association. This transaction represents Sandler O'Neill's 104th bank or thrift transaction nationwide since January 1, 2015, representing over \$32.3 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Since January 1, 2011 Sandler O'Neill has been involved in every transaction involving a public MHC.¹

Wallkill, NY - Wallkill Valley Federal Savings & Loan and Hometown Bancorp, Inc. (MHC) (OTC Pink: HTWC) jointly announced that they have entered into a definitive merger agreement under which Wallkill will acquire Hometown Bancorp, Inc. (MHC) for \$3.01 per share which will be paid out in cash to all public shareholders (excluding any shares held by Hometown Bancorp MHC).

Under the terms of the agreement, Hometown Bank of the Hudson Valley will merge into Wallkill Valley Federal Savings & Loan, with Wallkill Valley Federal Savings & Loan the surviving entity. The merger has been approved by each company's board of directors and is anticipated to close by the third quarter of 2017, subject to regulatory approvals, the approval of the shareholders of Hometown Bancorp, Inc. (MHC) and the members of Hometown Bancorp MHC and Wallkill Valley Federal Savings & Loan and other customary closing conditions.

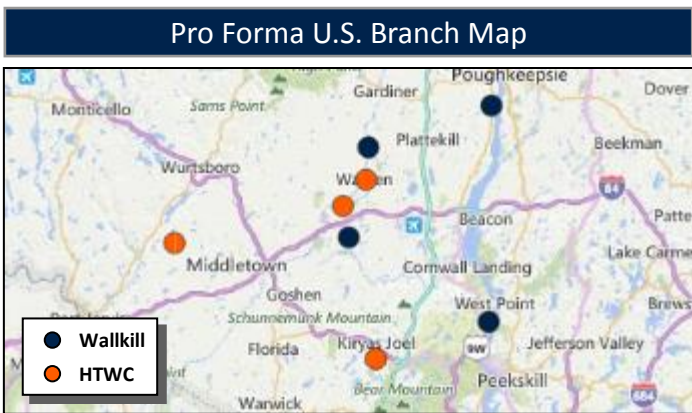
The merger will add to Wallkill Valley Federal Savings & Loan's already strong growth and will enhance its presence in Orange County. As of September 30, 2016, Hometown Bancorp, Inc. (MHC) had approximately \$123 million in assets, \$106 million in gross loans and \$104 million in deposits. At the time of closing, the combined institution is expected to be over \$320 million in assets, \$268 million in gross loans, \$256 million in total deposits with eight branches, located throughout Orange and Ulster Counties.

Wallkill Valley Federal Savings & Loan President and CEO Mike Horodyski shared, "We are excited about the opportunity to grow our brand through the combination of two great local banks with strong roots in the Hudson Valley. We feel that the acquisition will position us well in the future to help us as we continue our commitment to our customers and community."

Stephen Dederick, President and Chief Executive Officer of Hometown Bancorp, Inc. (MHC), stated, "We are excited to combine with an organization that shares our dedication to customer service and quality community banking. We each have a similar hometown customer focus that will continue to make decisions locally and with a vested interest in our communities."

Financial Highlights		
(\$ in thousands)	Wallkill	HTWC
Total Assets	\$193,697	\$122,950
Total Net Loans	155,871	105,697
Total Deposits	141,727	104,183
Total Equity	32,531	8,279
TCE / TA	16.21%	6.44%

1) Source: SNL Financial; excludes terminated transactions and self-advisory roles



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