



For Immediate Release

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**SEATTLE'S FIRST SOUND BANK
RELEASED FROM REGULATORY CONSENT ORDER**

SEATTLE, October 3, 2013 – First Sound Bank (OTCBB:FSWA) today announced that it is no longer operating under a consent order issued by the FDIC and the Washington State Department of Financial Institutions in early 2010. The Bank, which had incurred significant losses in an acquired leasing company and its commercial real estate loan portfolio during the economic downturn, had become significantly undercapitalized by the end of 2011.

According to Patrick Fahey, who joined First Sound Bank as CEO in January 2012, the Bank's capital ratios now exceed the regulatory thresholds of a well-capitalized institution, and its credit quality has improved dramatically to well within regulatory guidelines. In February 2013 First Sound Bank reported that it had raised \$7.9 million in new capital and repurchased from the U.S. Treasury, at a negotiated discount, the preferred stock that had been issued under the Troubled Asset Relief Program (TARP) in 2008.

"Our progress in restoring First Sound Bank to a strong financial condition is due to the efforts of a dedicated and determined staff and board of directors, our very loyal customers and shareholders, and the support we received from state and federal regulators," Fahey said.

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Seattle's First Sound Bank

"This achievement is a major milestone as First Sound Bank has moved from shrinking in size and resolving troubled assets to adding new customers and making new loans to local businesses." Reflecting on how some had written the Bank off 18 months ago, Fahey added, "We are grateful for the support we have had and look forward to contributing to the economic vitality of the region."

Forward-Looking Statements

Certain of the statements contained herein are forward-looking statements within the meaning of the Private Securities Reform Act. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "intend," "may increase," "may fluctuate," "hope" and similar expressions or future or conditional verbs such as "will," "should," "would" and "could." These forward-looking statements involve risks and uncertainties including, but not limited to, economic conditions, portfolio growth, and the credit performance of the portfolios, including bankruptcies and seasonal factors; changes in general economic conditions, including the performance of financial markets, prevailing inflation and interest rates, realized gains from sales of investments, gains from asset sales, and losses on commercial lending activities; results of various investment activities; the effects of competitors' pricing policies, of changes in laws and regulations on competition, and of demographic changes on target market populations' savings and financial planning needs; industry changes in information technology systems on which we are highly dependent; failure of acquisitions to produce revenue enhancements, cost savings at levels or within the time frames originally anticipated, or unforeseen integration difficulties; and the resolution of legal proceedings and related matters. In addition, the banking industry in general is subject to various monetary and fiscal policies and regulations, which include those adopted by the Federal Reserve Board, the Federal Deposit Insurance Corporation and state regulators, whose policies and regulations could affect First Sound Bank's performance. These statements are representative only on the date hereof, and the bank undertakes no obligation to update any forward-looking statements made.

About First Sound Bank

Seattle-based First Sound Bank offers customized banking for small- to medium-sized businesses, organizations, not-for-profits and professionals in the Puget Sound region. The Bank is committed to delivering personalized service, convenient access and competitive rates to support the needs of the business community. First Sound Bank offers online banking at www.firstsoundbank.com plus an expansive banking network in the western U.S., as well as ATM banking throughout the country and abroad.

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