



PRESS RELEASE
For Immediate Release

blueharbor bank Reports Second Quarter 2013 Net Income

MOORESVILLE, N.C., July 16, 2013 – **blueharbor bank** (the “Bank”) today reported net income of \$315,011, or \$0.14 per share, for the second quarter of 2013, compared to \$149,243, or \$0.07 per share, for the second quarter of 2012. For the six-months ended June 30, 2013, the bank reported net income of \$500,010, or \$0.22 per share, compared to \$173,313, or \$0.08 per share, for the six-months ended June 30, 2012.

Total assets increased to \$134.1 million at June 30, 2013, from \$130.0 million at December 31, 2012, and decreased from \$136.9 million at June 30, 2012. Total deposits decreased to \$105.3 million at June 30, 2013, from \$106.2 million at December 31, 2012, and \$114.8 million at June 30, 2012.

Jim Marshall, President and Chief Executive Officer noted “We are pleased to report that the second quarter of 2013 is the 15th consecutive quarter of positive earnings for blueharbor bank. We have been able to continue to report these positive earnings through the dedication and hard work of our employees at all levels of the Bank. We are especially pleased that our earnings for the first six months of 2013 exceeded our earnings for all of 2012.”

Mr. Marshall continued, “During the first half of 2013, we have been able to increase gross loans \$5.3 million in what continues to be tough economic times in our region. While recent economic data suggests some improvement in the economy, many of our customers continue to see changes on a daily basis. We are thankful to continue to have very strong capital that will allow us to grow as the economy in the region improves and to weather any impact of credit issues our clients may face.”

Lastly, Mr. Marshall noted, “We look forward to continuing to serve the needs of our clients in the markets we live in. As such, we look forward to the continued rollout of a number of value-added services in the coming months including wealth management.”

blueharbor bank, with \$134.1 million in assets, is headquartered in Mooresville with a second branch in Huntersville. blueharbor bank’s website is www.blueharborbank.com and our common stock is quoted on the OTC Bulletin Board under the symbol “BLHK.OB”.

Summary Selected Financial Data schedule attached.

Forward-Looking Statement:

This press release contains forward-looking statements. Words such as "anticipates," "believes," "estimates," "expects," "intends," "should," "will," variations of such words and similar expressions are intended to identify forward-looking statements. These statements reflect management's current beliefs as to the expected outcomes of future events and are not guarantees of future performance. These statements involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. As such, actual results and outcomes may materially differ from what may be expressed or forecast in such forward-looking statements. Factors that could cause a difference include, among others: changes in the national and local economies or market conditions; changes in interest rates, deposit levels, loan demand and asset quality, including real estate and other collateral values; changes in banking regulations and accounting principles, policies or guidelines; and the impact of competition from traditional or new sources. These and other factors that may emerge could cause decisions and actual results to differ materially from current expectations. blueharbor bank takes no obligation to revise, update, or clarify forward-looking statements to reflect events or conditions after the date of this press release.

SOURCE: blueharbor bank

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Summary Selected Financial Data

Balance Sheet Data:	June 30, 2013	December 31, 2012	June 30, 2012	
Total Assets	\$ 134,127,523	\$ 130,023,887	\$ 136,886,503	
Total Gross Loans	104,042,868	98,066,631	91,341,124	
Allowance for Loan Losses	1,486,062	1,414,185	1,534,378	
Total Deposits	105,273,115	106,177,108	114,773,832	
Total Shareholders' Equity	20,099,577	19,683,439	19,372,908	

Earnings and Per Share Data:	Three Months Ended		Six Months Ended	
	June 30, 2013	2012	June 30, 2013	2012
Interest Income	\$ 1,419,466	\$ 1,377,302	\$ 2,795,307	\$ 2,712,911
Interest Expense	166,785	221,387	336,856	473,571
Net Interest Income	1,252,681	1,155,915	2,458,451	2,239,340
Provision for Loan Losses	(79,125)	(137,235)	70,488	80,524
Net Interest Income after Provision for Loan Losses	1,331,806	1,293,150	2,387,963	2,158,816
Noninterest Income	72,594	27,175	138,107	86,447
Noninterest Expense	880,483	1,068,159	1,691,570	1,944,241
Net Income before Taxes	523,917	252,166	834,500	301,022
Income Taxes	208,906	102,923	334,490	127,709
Net Income	\$ 315,011	\$ 149,243	\$ 500,010	\$ 173,313
Basic Income per Share	\$ 0.14	\$ 0.07	\$ 0.22	\$ 0.08
Diluted Income per Share	\$ 0.14	\$ 0.07	\$ 0.22	\$ 0.08