



PRESS RELEASE
For Immediate Release

blueharbor bank Reports 32% Increase in First Quarter 2014 Net Income

MOORESVILLE, NC, April 29, 2014 – **blueharbor bank** (the “Bank”) today reported net income of \$243,518, or \$0.10 per share, for the first quarter of 2014, compared to \$185,000, or \$0.08 per share, for the first quarter of 2013.

Jim Marshall, President and Chief Executive Officer noted, “We are pleased that the loan growth experienced in late 2013 continued throughout the first quarter of 2014 as well. Comparing March 31, 2014, to December 31, 2013, we saw an increase in our total assets of \$6.9 million, or 5.4%, from \$127.3 million to \$134.1 million, which was driven by our increase in gross loans of \$7.2 million, or 7.3%. Our total deposits increased \$4.5 million, or 4.3%, over the same period.”

Mr. Marshall noted, “Nationally we may be seeing some leading indicators suggest a slowing economy with long US Bond interest rates falling and some large national home builder equities weakening. Time will tell if these developing clouds will influence what now appears to be a growing and healthy local economy.”

Mr. Marshall concluded, “Our balance sheet with very high capital ratios remains solid and continues to position us well into the future for growth and profitability.”

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

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:	March 31, 2014	December 31, 2013	March 31, 2013
Total Assets	\$ 134,145,571	\$ 127,262,375	\$ 130,913,259
Total Gross Loans	106,941,817	99,710,921	98,874,801
Allowance for Loan Losses	1,488,968	1,425,151	1,570,277
Total Deposits	107,583,437	103,127,819	106,441,118
Total Shareholders' Equity	20,621,371	20,247,314	19,847,465

Earnings and Per Share Data:	Three Months Ended	
	March 31, 2014	2013
Interest Income	\$ 1,318,631	\$ 1,375,840
Interest Expense	137,961	170,069
Net Interest Income	1,180,670	1,205,771
Provision for Loan Losses	58,252	149,614
Net Interest Income after Provision for Loan Losses	1,122,418	1,056,157
Noninterest Income	91,542	65,512
Noninterest Expense	827,017	811,084
Net Income before Taxes	386,943	310,585
Income Taxes	143,425	125,585
Net Income	\$ 243,518	\$ 185,000
Basic Income per Share	\$ 0.11	\$ 0.08
Diluted Income per Share	\$ 0.10	\$ 0.08