



PRESS RELEASE
For Immediate Release

blueharbor bank Reports Second Quarter 2014 Net Income

MOORESVILLE, NC, July 18, 2014 – **blueharbor bank** (the “Bank”) today reported net income of \$302,076, or \$0.12 per diluted share, for the second quarter of 2014, compared to \$315,011, or \$0.14 per diluted share, for the second quarter of 2013. For the six-months ended June 30, 2014, the bank reported net income of \$545,593, or \$0.22 per diluted share, compared to \$500,010, or \$0.22 per diluted share, for the six-months ended June 30, 2013.

Jim Marshall, President and Chief Executive Officer noted, “We are pleased with the loan growth we have seen in the first half of 2014. Comparing June 30, 2014, to December 31, 2013, we saw an increase in our gross loans of \$14.8 million, or 14.8%, from \$99.7 million to \$114.5 million which drove our total assets up of \$12.7 million, or 10.0%, from \$127.3 million to \$140.0 million. We have funded our loan growth with our local deposits which increased \$10.9 million, or 10.6%, over the same period.”

Mr. Marshall noted, “We are also seeing some nice loan activity in our expansion of mortgage products to include construction, portfolio and secondary market products. We have also added mobile banking that will allow our clients to deposit checks, pay bills, transfer among accounts and more.”

Mr. Marshall concluded, “We continue to see increasing confidence in our local economy which fits nicely with our growth strategy to deploy and utilize a capital position among the highest in NC with total risk-based capital of 17.8%.”

blueharbor bank, with \$140.0 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.” The blueharbor wealth advisors website is www.blueharborwealthadvisors.com.

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, 2014	December 31, 2013	June 30, 2013	
Total Assets	\$ 140,039,384	\$ 127,262,375	\$ 134,127,523	
Total Gross Loans	114,501,063	99,710,921	104,042,868	
Allowance for Loan Losses	1,456,272	1,425,151	1,486,062	
Total Deposits	114,049,839	103,127,819	105,273,115	
Total Shareholders' Equity	20,949,479	20,247,314	20,099,577	

Earnings and Per Share Data:	Three Months Ended		Six Months Ended	
	June 30, 2014	2013	June 30, 2014	2013
Interest Income	\$ 1,411,760	\$ 1,419,466	\$ 2,730,391	\$ 2,795,307
Interest Expense	136,326	166,785	274,286	336,856
Net Interest Income	1,275,434	1,252,681	2,456,105	2,458,451
Provision for Loan Losses	49,661	(79,125)	107,914	70,488
Net Interest Income after Provision for Loan Losses	1,225,773	1,331,806	2,348,191	2,387,963
Noninterest Income	105,522	72,594	197,064	138,107
Noninterest Expense	852,311	880,483	1,679,329	1,691,570
Net Income before Taxes	478,984	523,917	865,926	834,500
Income Taxes	176,908	208,906	320,333	334,490
Net Income	\$ 302,076	\$ 315,011	\$ 545,593	\$ 500,010
Basic Income per Share	\$ 0.13	\$ 0.14	\$ 0.24	\$ 0.22
Diluted Income per Share	\$ 0.12	\$ 0.14	\$ 0.22	\$ 0.22