



PRESS RELEASE
For Immediate Release

blueharbor bank Reports Third Quarter Net Income

MOORESVILLE, NC, October 14, 2016 – **blueharbor bank** (the “Bank”) today reported net income of \$281,076, or \$0.09 per diluted share, for the third quarter of 2016, compared to \$310,775, or \$0.11 per diluted share, for the third quarter of 2015. For the nine-months ended September 30, 2016, the bank reported net income of \$843,935, or \$0.28 per diluted share, compared to \$663,994, or \$0.24 per diluted share, for the nine-months ended September 30, 2015.

Jim Marshall, President and Chief Executive Officer noted, “We continue to show strong earnings growth in 2016 with net income increasing 27.1% year-to-date from 2015 to 2016. This increase has primarily been driven by the impact of the growth in gross loans which have increased \$15.0 million, or 12.0%, so far this year. Our third quarter 2016 earnings were impacted by a \$100,000 write-down in value of our piece of bank owned real estate.”

“We continue to have a nice year of growth overall with total assets increasing \$13.9 million, or 9.0%, during 2016. Our message of putting your deposits to work in our local communities and common sense banking continues to resonate with our clients with total deposits increasing \$10.1 million, or 7.7%, over the same period,” noted Mr. Marshall.

Mr. Marshall concluded, “blueharbor wealth advisors continues to be a bright spot for us as assets under management continue to grow nicely. If you are not as happy with your investment performance, advice and counsel, please give us a call to put you in touch with a blueharbor wealth advisor.”

blueharbor bank, with \$169.2 million in assets, is headquartered in Mooresville with additional branches in Huntersville and Statesville and a loan production office in Charlotte. 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:	(Unaudited)	(Audited)	(Unaudited)
	September 30, 2016	December 31, 2015	September 30, 2015
Total Assets	\$ 169,157,389	\$ 155,248,454	\$ 152,131,829
Total Gross Loans	140,542,556	125,494,358	121,975,002
Allowance for Loan Losses	1,553,532	1,496,711	1,492,436
Total Deposits	141,274,356	131,139,759	127,236,024
Total Shareholders' Equity	23,495,489	22,534,169	22,407,622

Earnings and Per Share Data:	(Unaudited)		(Unaudited)	
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Interest Income	\$ 1,609,717	\$ 1,495,520	\$ 4,628,663	\$ 4,245,820
Interest Expense	153,061	134,045	442,057	379,573
Net Interest Income	1,456,656	1,361,475	4,186,606	3,866,247
Provision for Loan Losses	-	-	17,416	-
Net Interest Income after Provision for Loan Losses	1,456,656	1,361,475	4,169,190	3,866,247
Noninterest Income	125,458	114,581	368,456	332,293
Noninterest Expense	1,149,782	984,448	3,243,956	3,153,189
Net Income before Taxes	432,332	491,608	1,293,690	1,045,351
Income Taxes	151,256	180,833	449,755	381,357
Net Income	\$ 281,076	\$ 310,775	\$ 843,935	\$ 663,994
Basic Income per Share *	\$ 0.10	\$ 0.11	\$ 0.31	\$ 0.24
Diluted Income per Share *	\$ 0.09	\$ 0.11	\$ 0.28	\$ 0.24

* Share data has been restated to reflect 20% common stock dividend paid in April 2016.