



PRESS RELEASE
For Immediate Release

blueharbor bank Reports 2016 Net Income

MOORESVILLE, NC, January 27, 2017 – **blueharbor bank** (the “Bank”) today reported net income of \$383,632, or \$0.13 per diluted share, for the fourth quarter of 2016, compared to \$261,213, or \$0.09 per diluted share, for the fourth quarter of 2015. For the year ended December 31, 2016, the bank reported net income of \$1,227,567, or \$0.41 per diluted share, compared to \$925,207, or \$0.33 per diluted share, for the year ended December 31, 2015. The bank reported total assets growth of 12.3% to \$174.3 million in 2016 driven by loan growth of 17.3% to \$147.3 million.

Jim Marshall, President and Chief Executive Officer, noted, “We had an excellent year in many regards. Quality loan growth was up nicely and our expense control complemented a record earnings year for us. blueharbor wealth advisors assets under management are beginning to make a meaningful impact for us too.”

“Our asset quality is in very good shape and our regulatory capital levels continue to well exceed most banks in North Carolina,” noted Mr. Marshall.

Mr. Marshall concluded, “Our markets continue to experience nice growth relative to other pockets in North Carolina and the Southeast and we expect this to continue into 2017.”

blueharbor bank, with \$174.3 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) December 31, 2016	(Audited) December 31, 2015
Total Assets	\$ 174,344,719	\$ 155,248,454
Total Gross Loans	147,250,053	125,494,358
Allowance for Loan Losses	1,554,850	1,496,711
Total Deposits	143,300,241	131,139,759
Total Shareholders' Equity	23,678,187	22,534,169

Earnings and Per Share Data:	(Unaudited) Three Months Ended December 31,		(Unaudited) (Audited) Twelve Months Ended December 31,	
	2016	2015	2016	2015
Interest Income	\$ 1,655,559	\$ 1,467,197	\$ 6,284,222	\$ 5,713,017
Interest Expense	161,923	145,821	603,980	525,394
Net Interest Income	1,493,636	1,321,376	5,680,242	5,187,623
Provision for Loan Losses	-	-	17,416	-
Net Interest Income after Provision for Loan Losses	1,493,636	1,321,376	5,662,826	5,187,623
Noninterest Income	164,235	118,001	532,691	450,294
Noninterest Expense	1,006,289	1,025,166	4,250,245	4,178,356
Net Income before Taxes	651,582	414,211	1,945,272	1,459,561
Income Taxes	267,950	152,998	717,705	534,354
Net Income	<u>\$ 383,632</u>	<u>\$ 261,213</u>	<u>\$ 1,227,567</u>	<u>\$ 925,207</u>
Basic Income per Share *	<u>\$ 0.14</u>	<u>\$ 0.10</u>	<u>\$ 0.45</u>	<u>\$ 0.34</u>
Diluted Income per Share *	<u>\$ 0.13</u>	<u>\$ 0.09</u>	<u>\$ 0.41</u>	<u>\$ 0.33</u>

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