



PRESS RELEASE
For Immediate Release

blueharbor bank Reports Second Quarter 2017 Net Income

MOORESVILLE, NC, July 27, 2017 – **blueharbor bank** (the “Bank”) today reported a 55.6% increase in second quarter net income and a 38.2% increase in year-to-date net income over the prior year results. The bank reported net income of \$423,851, or \$0.14 per diluted share, for the second quarter of 2017, compared to \$284,352, or \$0.09 per diluted share, for the second quarter of 2016. For the six-months ended June 30, 2017, the bank reported net income of \$777,757, or \$0.26 per diluted share, compared to \$562,859, or \$0.19 per diluted share, for the six-months ended June 30, 2016. The bank reported year-to-date total assets growth of 10.3% to \$192.2 million primarily driven by the year-to-date loan growth of 12.6% to \$165.8 million.

Jim Marshall, President and Chief Executive Officer, noted, “Our continuing strategy of solid and controlled growth coupled with expense management once again produced strong financial results for the bank. As we build our asset base and keep expenses in check, our performance ratios continue to outpace many of our peers.”

“Year-to-date, our ROA has been strong at 0.86% in 2017, compared to 0.66% in 2016. In addition, our expense controls have resulted in an efficiency ratio of 61.7% year-to-date in 2017, compared to 70.4% in the prior year,” noted Mr. Marshall.

Mr. Marshall concluded, “As we look forward to the remainder of 2017, we believe we are positioned well for continued growth including heavy doses of blueharbor brand of banking with deep personal relationships influenced by common sense decision making and world class tech savvy products resulting in wins for all including the communities we serve.”

blueharbor bank, with \$192.2 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)
	June 30, 2017	December 31, 2016	June 30, 2016
Total Assets	\$ 192,236,195	\$ 174,344,719	\$ 162,082,359
Total Gross Loans	165,765,140	147,250,053	131,800,299
Allowance for Loan Losses	1,715,274	1,554,850	1,515,703
Total Deposits	158,734,657	143,300,241	135,841,119
Total Shareholders' Equity	24,590,156	23,678,187	23,252,881

Earnings and Per Share Data:	(Unaudited) Three Months Ended		(Unaudited) Six Months Ended	
	June 30, 2017	2016	June 30, 2017	2016
Interest Income	\$ 1,870,941	\$ 1,519,672	\$ 3,569,370	\$ 3,018,946
Interest Expense	221,477	143,723	399,857	288,996
Net Interest Income	1,649,464	1,375,949	3,169,513	2,729,950
Provision for Loan Losses	98,825	17,416	152,309	17,416
Net Interest Income after Provision for Loan Losses	1,550,639	1,358,533	3,017,204	2,712,534
Noninterest Income	172,270	116,413	311,016	242,998
Noninterest Expense	1,081,478	1,038,612	2,148,856	2,094,174
Net Income before Taxes	641,431	436,334	1,179,364	861,358
Income Taxes	217,580	151,982	401,607	298,499
Net Income	\$ 423,851	\$ 284,352	\$ 777,757	\$ 562,859
Basic Income per Share *	\$ 0.16	\$ 0.10	\$ 0.29	\$ 0.21
Diluted Income per Share *	\$ 0.14	\$ 0.09	\$ 0.26	\$ 0.19

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