



PRESS RELEASE
For Immediate Release

blueharbor bank Reports Fourth Quarter 2018 Net Income

MOORESVILLE, NC, January 25, 2019 – **blueharbor bank** (the “Bank”) today reported net income of \$517,682, or \$0.17 per diluted share, for the fourth quarter of 2018, an increase of \$491,405 compared to \$26,277, or \$0.01 per diluted share, for the fourth quarter of 2017. For the year ended December 31, 2018, the bank reported net income of \$2,404,739, or \$0.83 per diluted share, an increase of 81% compared to \$1,327,828, or \$0.44 per diluted share, for the year ended December 31, 2017.

The 2017 financial results were impacted in the fourth quarter 2017 by the one-time decrease to the deferred tax asset of \$435,486 due to the passage of The Tax Cuts and Jobs Act. The Tax Act reduced the Bank’s federal tax rate from 34% to 21% that resulted in lower income taxes beginning in 2018, but caused a one-time increase in income tax expense of \$435,486. Net income excluding the one-time adjustment was \$461,763 for the fourth quarter of 2017, and \$1,763,314 for the full year 2017.

“As we close out 2018, we are pleased to have surpassed \$2.4 million in net income in 2018 with an ROA of 1.17%, both figures up significantly over 2017. We look toward 2019 anticipating continued growth with excellent capital ratios. We remain committed to serving our clients while maintaining our high credit standards,” noted Jim Marshall, President and Chief Executive Officer.

Mr. Marshall concluded, “We are excited to announce that we have recently added two experienced Commercial Lenders to our team who are both well known in their markets. Steve Howard, a Lake Norman native, is working in our Huntersville Branch serving the Huntersville and northern Mecklenburg communities. Thom Kincaid, a Statesville native, is working in Statesville reaching out to the Statesville and Iredell County communities. Come by and see them for your commercial loan and deposit account needs.”

blueharbor bank, with \$214.1 million in assets, is headquartered in Mooresville with additional branches in Huntersville, Statesville and Downtown Mooresville. 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

CONTACT: Jim Marshall
President and Chief Executive Officer
blueharbor bank
(704) 662-7700



Summary Selected Financial Data

Balance Sheet Data:	(Unaudited) December 31, 2018	(Audited) December 31, 2017
Total Assets	\$ 214,081,827	\$ 204,329,702
Total Gross Loans	179,426,465	171,718,137
Allowance for Loan Losses	1,830,150	1,717,181
Total Deposits	177,706,773	174,232,285
Total Shareholders' Equity	28,692,391	25,035,523

Earnings and Per Share Data:	(Unaudited) Three Months Ended December 31,		(Unaudited) Twelve Months Ended December 31,	
	2018	2017	2018	2017
Interest Income	\$ 2,270,176	\$ 2,016,828	\$ 8,586,297	\$ 7,592,457
Interest Expense	312,550	242,427	1,107,987	878,055
Net Interest Income	1,957,626	1,774,401	7,478,310	6,714,402
Provision for Loan Losses	133,255	(41,063)	174,637	152,277
Net Interest Income after Provision for Loan Losses	1,824,371	1,815,464	7,303,673	6,562,125
Noninterest Income	206,873	154,367	752,550	613,292
Noninterest Expense	1,372,760	1,260,459	4,985,916	4,491,050
Net Income before Taxes	658,484	709,372	3,070,307	2,684,367
Income Taxes	140,802	683,095	665,568	1,356,539
Net Income	<u>\$ 517,682</u>	<u>\$ 26,277</u>	<u>\$ 2,404,739</u>	<u>\$ 1,327,828</u>
Basic Income per Share	<u>\$ 0.18</u>	<u>\$ 0.01</u>	<u>\$ 0.86</u>	<u>\$ 0.49</u>
Diluted Income per Share	<u>\$ 0.17</u>	<u>\$ 0.01</u>	<u>\$ 0.83</u>	<u>\$ 0.44</u>

Annualized Performance Ratios:

Return on average assets	0.98%	0.05%	1.17%	0.70%
Return on average equity	7.26%	0.41%	9.04%	5.43%
Efficiency ratio	63.4%	65.4%	60.6%	61.3%

Financial Ratios:	(Unaudited) December 31, 2018	(Unaudited) December 31, 2017
Book Value	\$ 9.89	\$ 9.21
Texas Ratio	6.38%	3.99%
Nonperforming Assets to Total Assets Ratio	0.91%	0.52%
Tier 1 Leverage Ratio	13.8%	12.5%
Common Equity Tier 1 Risk-Based Capital Ratio	15.5%	14.2%
Tier 1 Risk-Based Capital Ratio	15.5%	14.2%
Total Risk-Based Capital Ratio	16.4%	15.2%