



PRESS RELEASE
For Immediate Release

blueharbor bank Reports First Quarter 2020 Net Income

MOORESVILLE, NC, April 27, 2020 – **blueharbor bank** (the “Bank”) today reported net income of \$699,090 and \$0.23 per diluted share for the first quarter of 2020, an increase of 17% or \$102,690 as compared to \$596,400 and \$0.20 per diluted share for the first quarter of 2019.

This increase in net income is partially due to an increase in interest income of \$195,468, slightly offset by an increase in interest expense of \$13,614. Average interest earning assets for the quarter ended March 31, 2020, were \$224.8 million, an increase of \$21.8 million over the average interest earning assets for the quarter ended March 31, 2019, of \$203.0 million. The increase consisted mainly of an increase in the average commercial loans of \$21.2 million. Average interest bearing liabilities for the quarter ended March 31, 2020, were \$150.7 million, an increase of \$8.9 million over the average interest bearing liabilities for the quarter ended March 31, 2019, of \$141.8 million. The yield on interest earning assets decreased 15 basis points from 4.78% for the quarter ended March 31, 2019, to 4.63% for the quarter ended March 31, 2020. The cost of interest bearing liabilities also decreased 4 basis points from 1.15% for the quarter ended March 31, 2019, to 1.11% for the quarter ended March 31, 2020.

The increase in net income is also partially due to an increase in fees on mortgage loans sold in the secondary market, which is included in non-interest income, of \$92,645 when comparing March 31, 2020, to March 31, 2019. Offsetting these increases in net income is an increase in the Provision for Loan Losses of \$113,493. The increase in provision for the quarter ended March 31, 2020, is due primarily to an increase in qualitative factors for the economic uncertainty caused by the COVID-19 pandemic.

Return on average assets was 1.14% for the quarter ended March 31, 2020, an increase of 4 basis points, up from 1.10% at March 31, 2019. Return on average equity also increased for the quarter, up 61 basis points to 8.61% at March 31, 2020, from 8.00% at March 31, 2019.

Jim Marshall, President and Chief Executive Officer noted, “The last two weeks we have been very busy doing the true work of a Community Bank by providing SBA Paycheck Protection Plan loans to the small business customers of our bank. We have provided over 100 loans totaling over \$12 million that supported over 1,200 small business jobs in our markets. blueharbor bank is and will continue to be proactive in making our communities a better place to live and work.”

blueharbor bank, with \$258.2 million in assets, is headquartered in Mooresville with additional branches in Huntersville, Statesville and Downtown Mooresville and loan production office in Belmont. 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 below.

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

	(Unaudited) March 31, 2020	(Audited) December 31, 2019	(Unaudited) March 31, 2019
Balance Sheet Data:			
Total Assets	\$ 258,174,387	\$ 245,680,057	\$ 226,154,044
Total Gross Loans	210,706,470	206,891,923	187,971,253
Allowance for Loan Losses	2,231,975	2,068,919	1,879,713
Total Deposits	221,592,524	207,521,409	188,954,748
Total Shareholders' Equity	32,897,449	32,003,529	29,226,850

	(Unaudited) Three Months Ended March 31,	
	2020	2019
Earnings and Per Share Data:		
Interest Income	\$ 2,580,086	\$ 2,384,618
Interest Expense	417,141	403,527
Net Interest Income	2,162,945	1,981,091
Provision for Loan Losses	161,708	48,215
Net Interest Income after Provision for Loan Losses	2,001,237	1,932,876
Noninterest Income	391,635	176,935
Noninterest Expense	1,502,697	1,356,324
Net Income before Taxes	890,175	753,487
Income Taxes	191,085	157,087
Net Income	<u>\$ 699,090</u>	<u>\$ 596,400</u>
Basic Income per Share	<u>\$ 0.24</u>	<u>\$ 0.21</u>
Diluted Income per Share	<u>\$ 0.23</u>	<u>\$ 0.20</u>

Annualized Performance Ratios:

Return on average assets	1.14%	1.10%
Return on average equity	8.61%	8.00%
Efficiency ratio	58.8%	62.9%

	(Unaudited) March 31, 2020	(Unaudited) March 31, 2019
Financial Ratios:		
Book Value	\$ 11.14	\$ 10.07
Texas Ratio	2.21%	6.17%
Nonperforming Assets to Total Assets Ratio	0.30%	0.85%
Tier 1 Leverage Ratio	13.3%	13.4%
Common Equity Tier 1 Risk-Based Capital Ratio	14.9%	15.0%
Tier 1 Risk-Based Capital Ratio	14.9%	15.0%
Total Risk-Based Capital Ratio	15.9%	15.9%