



**PRESS RELEASE**  
*For Immediate Release*

## **blueharbor bank Reports Fourth Quarter and Full Year 2011 Net Income**

MOORESVILLE, N.C., January 30, 2012 – **blueharbor bank** today reported net income of \$112,509 for the fourth quarter of 2011 compared to net income of \$41,923 for the fourth quarter of 2010. The Bank's net income was \$411,954 for the year ended December 31, 2011, compared to \$186,569 for year ended December 31, 2010.

"During 2011, we were pleased to be able to report year over year growth in net income. The fourth quarter of 2011 was the ninth consecutive quarter of positive earnings for blueharbor bank since we turned profitable in the fourth quarter of 2009," noted Jim Marshall, President and Chief Executive Officer. The Bank's total assets grew to \$137.9 million at December 31, 2011, from \$130.3 million at December 31, 2010. Gross loans decreased to \$93.6 million at December 31, 2011, from \$100.3 million at December 31, 2010. Total deposits increased to \$117.4 million at December 31, 2011, from \$110.7 million at December 31, 2010.

Mr. Marshall continued, "While most economists believe 2012 will continue to be sluggish, in many respects we are beginning to see a slight increase in our lending activity. We stand ready to put our capital to use in our local markets to foster economic growth." blueharbor bank's capital position continues to be very strong with a total risk-based capital ratio of 19.0% relative to the FDIC minimum well-capitalized standard of 10.0%. As was the case last quarter, the bank anticipates continued volatility in commercial real estate values due to foreclosures and short sales. Until more of these sales are completed in our markets, blueharbor bank believes real estate valuations may continue to decline and possibly impact future earnings. The Bank's nonperforming assets to total assets ratio increased to 4.99% at December 31, 2011, from 4.23% at December 30, 2010.

"In the fourth quarter of 2011, our online account opening portal went live which allows individuals to open deposit accounts without the need to come into a branch, expanding our ability to reach a larger client base. Looking forward to 2012, we will continue to focus on delivering the exceptional customer service our clients have come to expect from blueharbor bank. I'd like to personally thank our shareholders and clients who are sharing their blueharbor bank experiences with their friends and neighbors. The referrals we see time and time again prove that our simple message of *Your money lives here* is hitting home with clients who want to bank locally with exceptional customer service," said Mr. Marshall.

blueharbor bank, with \$137.9 million in assets, is headquartered in Mooresville with a second branch in Huntersville. blueharbor bank's website is [www.blueharborbank.com](http://www.blueharborbank.com) and our common stock is quoted on the OTC Bulletin Board under the symbol "BLHK.OB".

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: Joe I. "Jim" Marshall, Jr.  
President and Chief Executive Officer  
blueharbor bank  
(704) 662-7700



### Summary Selected Financial Data

Balance Sheet Data:	December 31, 2011	December 31, 2010
Total Assets	\$ 137,868,547	\$ 130,340,983
Total Gross Loans	93,581,550	100,297,654
Allowance for Loan Losses	1,665,442	1,437,174
Total Deposits	117,361,941	110,730,217
Total Shareholders' Equity	19,232,230	18,467,621

Earnings and Per Share Data:	Three Months Ended		Twelve Months Ended	
	December 31, 2011	2010	December 31, 2011	2010
Interest Income	\$ 1,371,414	\$ 1,456,478	\$ 5,572,035	\$ 5,771,865
Interest Expense	259,656	361,811	1,211,439	1,670,138
Net Interest Income	1,111,758	1,094,667	4,360,596	4,101,727
Provision for Loan Losses	253,227	349,992	446,521	955,967
Net Interest Income after Provision for Loan Losses	858,531	744,675	3,914,075	3,145,760
Noninterest Income	119,000	75,668	450,963	360,415
Noninterest Expense	784,223	752,116	3,654,361	3,202,544
Net Income before Taxes	193,308	68,227	710,677	303,631
Income Taxes	80,799	26,304	298,723	117,062
Net Income	\$ 112,509	\$ 41,923	\$ 411,954	\$ 186,569
Basic Income per Share	\$ 0.06	\$ 0.02	\$ 0.22	\$ 0.10
Diluted Income per Share	\$ 0.06	\$ 0.02	\$ 0.22	\$ 0.10