



PRESS RELEASE

For Immediate Release

blueharbor bank Reports Third Quarter Net Income and Share Repurchase Plan

MOORESVILLE, NC, October 21, 2015 – **blueharbor bank** (the “Bank”) today reported net income of \$310,775, or \$0.14 per diluted share, for the third quarter of 2015, compared to \$352,675, or \$0.14 per diluted share, for the third quarter of 2014. For the nine-months ended September 30, 2015, the bank reported net income of \$663,994, or \$0.29 per diluted share, compared to \$898,268, or \$0.36 per diluted share, for the nine-months ended September 30, 2014.

In addition, the Bank reported today that its Board of Directors approved the repurchase of \$400,000 of common stock over the coming year. The share repurchase plan calls for the repurchase of approximately 2.4% of the 2,279,991 common shares currently outstanding. The share repurchases will be at times and in amounts decided by management in its discretion. The Board has also established a range of purchase prices, with management being directed to take into consideration market and economic trends, the number of shares to be repurchased and other factors in determining the price within such range to be offered from time to time. The Board may terminate or suspend such repurchase authority at any time. Jim Marshall, President and Chief Executive Officer noted, “The board believes that given our strong balance sheet, deep capital position and book value of \$9.82 per share, the repurchase of a modest amount of our stock is a prudent thing to do in this environment.”

Mr. Marshall stated, “We have experienced our best quarter of the year in several regards in an environment that is tepid at best for quality loan and deposit growth. Total assets have increased 12.3% year-to-date to \$152.1 million at September 30, 2015. In addition, our loan and deposit growth has been solid relative to our peers as our gross loans have increased 8.7% to \$122.0 million, while our total deposits have increased 18.8% to \$127.2 million.”

Mr. Marshall continued, “Our balance sheet strength is at its peak since our inception. Our asset quality for the quarter is outstanding with a Texas Ratio of less than 5% compared to a NC average of over 20% (as of the last measured period of June 30, 2015) while our nonperforming assets are 0.72% of total assets. Both of these figures are solid by any measurement.”

Mr. Marshall concluded, “Overall, all our fundamentals are sound and our recently invested resources for growth and relationship building are beginning to reflect on our balance sheet and income statement. The environment remains competitive for top quality growth and profitability but we continue to remain optimistic in our markets, our exceptional employees, and our relationships with our customers.”

blueharbor bank, with \$152.1 million in assets, is headquartered in Mooresville with branches in Huntersville and Statesville with a loan production office in Gastonia. 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:	September 30, 2015	December 31, 2014	September 30, 2014	
Total Assets	\$ 152,118,209	\$ 135,436,649	\$ 136,932,984	
Total Gross Loans	121,975,002	112,172,836	112,226,949	
Allowance for Loan Losses	1,492,436	1,497,157	1,456,606	
Total Deposits	127,236,024	107,057,211	114,041,067	
Total Shareholders' Equity	22,394,002	21,668,534	21,271,836	
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
Earnings and Per Share Data:	2015	2014	2015	2014
Interest Income	\$ 1,495,520	\$ 1,456,205	\$ 4,245,820	\$ 4,186,596
Interest Expense	134,045	137,105	379,573	411,391
Net Interest Income	1,361,475	1,319,100	3,866,247	3,775,205
Provision for Loan Losses	-	-	-	107,914
Net Interest Income after Provision for Loan Losses	1,361,475	1,319,100	3,866,247	3,667,291
Noninterest Income	114,581	139,262	332,293	336,326
Noninterest Expense	984,448	901,244	3,153,189	2,580,573
Net Income before Taxes	491,608	557,118	1,045,351	1,423,044
Income Taxes	180,833	204,443	381,357	524,776
Net Income	\$ 310,775	\$ 352,675	\$ 663,994	\$ 898,268
Basic Income per Share	\$ 0.14	\$ 0.15	\$ 0.29	\$ 0.39
Diluted Income per Share	\$ 0.14	\$ 0.14	\$ 0.29	\$ 0.36