



**PRESS RELEASE**  
*For Immediate Release*

## **blueharbor bank Reports Fourth Quarter 2017 Net Income**

MOORESVILLE, NC, February 9, 2018 – **blueharbor bank** (the “Bank”) today reported net income of \$26,277, or \$0.01 per diluted share, for the fourth quarter of 2017, compared to \$383,632, or \$0.13 per diluted share, for the fourth quarter of 2016. For the year ended December 31, 2017, the bank reported net income of \$1,327,828, or \$0.44 per diluted share, compared to \$1,227,567, or \$0.41 per diluted share, for the year ended December 31, 2016.

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% which will result in lower income taxes going forward, but caused a one-time increase in income tax expense of \$435,486. Excluding this one-time adjustment, net income for the fourth quarter of 2017 was \$461,763, a 20.4% increase over fourth quarter 2016. For the full year 2017, net income excluding the one-time adjustment was \$1,763,314, a 43.6% increase over the full year 2016 results.

Jim Marshall, President and Chief Executive Officer, noted, “We are very pleased with our year-to-date asset growth of 17.2% bringing us for the first time over the \$200 million threshold. We continue to strive to grow the bank in a safe and prudent manner by adding quality loans and investments. Our loans increased \$24.5 million, or 16.6%, in 2017 growing to \$171.7 million. While our earnings were impacted by the one-time charge from the passage of the Tax Act, we believe we will be able to recoup those expenses quickly with lower income tax expense in 2018 and beyond.”

Mr. Marshall concluded, “We have been pleased with the reception we received from our newest branch in Downtown Mooresville where we are gaining traction daily with new quality relationships. We look forward to bright things ahead in 2018 as we continue to provide the high level of service our customers expect and deserve.”

blueharbor bank, with \$204.3 million in assets, is headquartered in Mooresville with additional branches in Huntersville, Statesville and Downtown Mooresville. 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.” The blueharbor wealth advisors website is [www.blueharborwealthadvisors.com](http://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)		
	December 31, 2017	December 31, 2016		
Total Assets	\$ 204,329,702	\$ 174,344,719		
Total Gross Loans	171,718,137	147,250,053		
Allowance for Loan Losses	1,717,181	1,554,850		
Total Deposits	174,232,285	143,300,241		
Total Shareholders' Equity	25,035,523	23,678,187		
	(Unaudited)		(Unaudited)	(Audited)
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
Earnings and Per Share Data:	2017	2016	2017	2016
Interest Income	\$ 2,016,828	\$ 1,655,559	\$ 7,592,457	\$ 6,284,222
Interest Expense	242,427	161,923	878,055	603,980
Net Interest Income	1,774,401	1,493,636	6,714,402	5,680,242
Provision for Loan Losses	(41,063)	-	152,277	17,416
Net Interest Income after Provision for Loan Losses	1,815,464	1,493,636	6,562,125	5,662,826
Noninterest Income	154,367	164,235	613,292	532,691
Noninterest Expense	1,260,459	1,006,289	4,491,050	4,250,245
Net Income before Taxes	709,372	651,582	2,684,367	1,945,272
Income Taxes	683,095	267,950	1,356,539	717,705
Net Income	\$ 26,277	\$ 383,632	\$ 1,327,828	\$ 1,227,567
Basic Income per Share *	\$ 0.01	\$ 0.14	\$ 0.49	\$ 0.45
Diluted Income per Share *	\$ 0.01	\$ 0.13	\$ 0.44	\$ 0.41
Performance Ratios: **				
Return on average assets	0.05%	0.89%	0.70%	0.75%
Return on average equity	0.41%	6.44%	5.43%	5.28%

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

\*\* Annualized