



PRESS RELEASE
For Immediate Release

blueharbor bank Reports Third Quarter 2024 Net Income

MOORESVILLE, NC, October 24, 2024 – **blueharbor bank** (the “Bank”) today reported earnings for the third quarter of 2024.

Third Quarter 2024 Highlights

- Opened a full-service branch in Mount Airy.
- Return on average assets (ROA) of 1.60%
- Return on average equity (ROE) of 14.27% on very high capital levels
- Diluted income per share of \$0.63, a 34% increase over previous quarter
- Net interest margin expansion over second quarter 2024 of 22 basis points to 4.11%
- Loan growth of \$47.3 million, or 18% annualized, for the first nine months of 2024
- Deposit growth of \$49.6 million, or 18% annualized, for the first nine months of 2024
- Net Interest Income growth of \$853,000, or 23%, over third quarter 2023
- Book value of \$18.29, an increase of 14% over third quarter 2023

blueharbor bank reported net income of \$1,907,961 and \$0.63 per diluted share for the third quarter of 2024 compared to \$1,667,570 and \$0.55 per diluted share for the third quarter of 2023. For the nine months ended September 30, 2024, the Bank reported net income of \$4,674,158 and \$1.55 per diluted share compared to \$5,649,191 and \$1.85 per diluted share for the same nine months in 2023.

The Bank reported total assets of \$486.0 million at September 30, 2024, an increase of \$55.9 million, or 13%, when compared to \$430.1 million at December 31, 2023, and an increase of \$57.1 million, or 13%, when compared to September 30, 2023. Gross loans increased \$47.3 million, to \$404.1 million at September 30, 2024, from \$356.8 million at December 31, 2023. When compared to September 30, 2023, gross loans increased \$58.5 million, or 17%. Total deposits were \$424.4 million at September 30, 2024, an increase of \$49.6 million, or 13%, when compared to \$374.8 million at December 31, 2023, and an increase of \$47.8 million, or 13% when compared to September 30, 2023.

Asset quality remained very strong with total non-performing assets decreasing from \$52,770 at September 30, 2023, or 0.01% of total assets, to \$21,656 at September 30, 2024, or rounded to 0.00% of total assets.

Capital levels also remained solid at the end of the third quarter with total risk-based capital at 14.6%, both common equity tier 1 and tier 1 to risk-weighted assets of 13.6%, and tier 1 leverage ratio of 12.0%.

Net interest income was \$4,621,873 for the quarter ending September 30, 2024, an increase of \$852,720, or 23%, from the same period in 2023. The change in net interest income was due primarily to loan growth for the period.

For the quarter ending September 30, 2024, \$92,488 in provision for loan losses was recorded. This is an increase of \$21,146 from the provision for loan losses of \$71,342 that was recorded in the quarter ended

September 30, 2023. The increase in provision was attributable to the loan growth during the third quarter of 2024 as compared to the third quarter of 2023. The allowance for loan losses to total loans was 0.96% at September 30, 2024.

Noninterest expense was \$2,697,419 for the quarter ended September 30, 2024, compared to \$2,226,234 for the quarter ended September 30, 2023. The increase of \$471,185 was due to higher salary and employee benefit expenses.

Jim Marshall, President and Chief Executive Officer, commented, "The third quarter was a very good one for us on many fronts. Loan and deposit growth are on a very high pace that we expect to continue. Our earnings and net interest income continue to right size after the historic rapid increase in funding costs experienced over the last two years. Book value per share increased nicely at 5% quarter over previous quarter and 14% year over year.

We are excited to bring our common sense, high touch relationship approach to Mount Airy with local natives, Chris Nichols, Senior Commercial Lender for BLHK, and Tina Butcher, Branch Manager, leading our charge."

blueharbor bank is headquartered in Mooresville with branches in Statesville and Mount Airy and loan production offices in Belmont and Hickory. blueharbor bank's website is www.blueharborbank.com and our common stock is quoted on the OTCQX Market under the symbol "BLHK."

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

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Summary Selected Financial Data

	(Unaudited) September 30, 2024	(Audited) December 31, 2023	(Unaudited) September 30, 2023
Balance Sheet Data:			
Total Assets	\$ 486,032,938	\$ 430,128,638	\$ 428,920,778
Total Gross Loans	404,071,821	356,796,709	345,591,068
Allowance for Loan Losses	3,879,694	3,422,010	3,308,547
Total Deposits	424,358,688	374,829,306	376,568,658
Total Shareholders' Equity	54,307,979	49,402,722	46,997,856

	(Unaudited) Three Months Ended September 30,		(Unaudited) Nine Months Ended September 30,	
	2024	2023	2024	2023
Earnings and Per Share Data:				
Interest Income	\$ 6,751,483	\$ 5,180,789	\$ 18,666,913	\$ 14,694,867
Interest Expense	2,129,610	1,411,636	6,072,714	2,976,499
Net Interest Income	4,621,873	3,769,153	12,594,199	11,718,368
Provision for Loan Losses	92,488	71,342	445,183	120,479
Net Interest Income after Provision for Loan Losses	4,529,385	3,697,811	12,149,016	11,597,889
Noninterest Income	626,002	671,331	1,628,416	2,069,642
Noninterest Expense	2,697,419	2,226,234	7,745,083	6,400,946
Net Income before Taxes	2,457,968	2,142,908	6,032,349	7,266,585
Income Taxes	550,007	475,338	1,358,191	1,617,394
Net Income	\$ 1,907,961	\$ 1,667,570	\$ 4,674,158	\$ 5,649,191
Basic Income per Share	\$ 0.65	\$ 0.57	\$ 1.59	\$ 1.93
Diluted Income per Share	\$ 0.63	\$ 0.55	\$ 1.55	\$ 1.85

Annualized Performance Ratios:

Return on average assets	1.60%	1.57%	1.36%	1.82%
Return on average equity	14.27%	13.93%	12.08%	16.48%
Efficiency ratio	51.4%	50.1%	54.5%	46.4%
Overhead ratio	44.8%	41.3%	48.6%	37.0%
Net Interest Margin	4.11%	3.77%	3.89%	4.02%
Cost of Funds	2.87%	2.26%	2.83%	1.67%

	(Unaudited) September 30, 2024	(Unaudited) September 30, 2023
Financial Ratios:		
Book Value	\$ 18.29	\$ 16.07
Nonperforming Assets to Total Assets Ratio	0.00%	0.01%
Loan to Deposit Ratio	95.2%	95.2%
Tier 1 Leverage Ratio	12.0%	12.0%
Common Equity Tier 1 Risk-Based Capital Ratio	13.6%	14.3%
Tier 1 Risk-Based Capital Ratio	13.6%	14.3%
Total Risk-Based Capital Ratio	14.6%	15.3%