blueharbor bank

PRESS RELEASE
For Immediate Release

blueharbor bank Reports Second Quarter 2026 Net Income

MOORESVILLE, NC, June 10, 2026 – **blueharbor bank** (the "Bank") today reported earnings for the second quarter of 2026.

Second Quarter 2026 Highlights

- Diluted earnings per share increase of 40% over 2nd quarter 2025
- Return on average assets (ROA) of 2.31%
- Return on average equity (ROE) of 20.75%
- Net interest margin of 4.36%
- Efficiency ratio of 34.67%
- Book value of $23.08, a 15% increase year over year

blueharbor bank reported net income of $3,521,941 and $1.16 per diluted share for the second quarter of 2026, an increase of 40%, or $1,009,242, as compared to $2,512,699 and $0.83 per diluted share for the second quarter of 2025. For the six months ended June 30, 2026, the Bank reported net income of $6,854,110 and $2.27 per diluted share compared to $4,905,646 and $1.63 per diluted share for the same six months in 2025.

The Bank reported total assets of $628.4 million at June 30, 2026, an increase of $21.6 million, or 4%, when compared to $606.8 million at December 31, 2025, and an increase of $83.9 million, or 15%, when compared to June 30, 2025. Gross loans increased $15.6 million, to $537.1 million at June 30, 2026, from $521.5 million at December 31, 2025. When compared to June 30, 2025, gross loans increased $74.9 million, or 16%. Total deposits were $551.2 million at June 30, 2026, an increase of $17.6 million, or 3%, when compared to $533.6 million at December 31, 2025, and an increase of $83.1 million, or 18% when compared to June 30, 2025.

Asset quality remained very strong for the second quarter of 2026, with zero non-performing assets for the seventh consecutive quarter.

Capital levels also remained high with total risk-based capital at 14.1%, both common equity tier 1 and tier 1 to risk-weighted assets of 13.1%, and tier 1 leverage ratio of 11.8% for the quarter ended June 30, 2026.

Net interest income was $6,391,815 for the quarter ending June 30, 2026, an increase of $1,115,608, or 21%, from the same period in 2025. The change in net interest income was driven by a $90.5 million increase in average loans outstanding and a 10 basis point increase in the yield on loans.

The bank recorded a quarterly provision for credit losses of $34,324 for the second quarter of 2026, compared to a quarterly provision for credit losses of $236,769 for the same period in 2025. The allowance for loan losses to total loans was 0.94% at June 30, 2026. The decrease in the provision is due to a lower increase in loans in second quarter 2026 than in second quarter 2025.

Noninterest income was $603,095 for the quarter ended June 30, 2026, a $30,235, or 5%, increase over the $572,860 that was recorded for the quarter ended June 30, 2025. The increase was due to the higher service charges and debit card income from the increase in the number of deposit accounts over the period.

Noninterest expense was $2,425,169 for the quarter ended June 30, 2026, compared to $2,375,524 for the quarter ended June 30, 2025. The increase of $49,645 was primarily due to an increase in the provision for unfunded commitments.

Jim Marshall, President and Chief Executive Officer, commented, “We are pleased with our very solid performance for the second quarter and first half of 2026. Our team continues to strengthen our valued relationships every day, which supports our consistent results.”

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

Balance Sheet Data:	(Unaudited) June 30, 2026	(Audited) December 31, 2025	(Unaudited) June 30, 2025
Total Assets	$ 628,381,363	$ 606,805,842	$ 544,453,521
Total Gross Loans	537,064,738	521,514,072	462,122,604
Allowance for Loan Losses	5,065,191	4,937,508	4,367,773
Total Deposits	551,192,009	533,574,744	468,098,141
Total Shareholders' Equity	69,622,879	65,292,096	59,180,454

	(Unaudited) Three Months Ended		(Unaudited) Six Months Ended	
	June 30,		June 30,	
Earnings and Per Share Data:	2026	2025	2026	2025
Interest Income	$ 8,862,840	$ 7,351,605	$ 17,439,803	$ 14,317,358
Interest Expense	2,471,025	2,075,398	4,855,089	4,162,835
Net Interest Income	6,391,815	5,276,207	12,584,714	10,154,523
Provision for Loan Losses	34,324	236,769	115,984	223,393
Net Interest Income after Provision for Loan Losses	6,357,491	5,039,438	12,468,730	9,931,130
Noninterest Income	603,095	572,860	1,199,103	1,109,950
Noninterest Expense	2,425,169	2,375,524	4,896,503	4,738,159
Net Income before Taxes	4,535,417	3,236,774	8,771,330	6,302,921
Income Taxes	1,013,476	724,075	1,917,220	1,397,275
Net Income	$ 3,521,941	$ 2,512,699	$ 6,854,110	$ 4,905,646
Basic Income per Share	$ 1.17	$ 0.85	$ 2.30	$ 1.67
Diluted Income per Share	$ 1.16	$ 0.83	$ 2.27	$ 1.63
Annualized Performance Ratios:				
Return on average assets	2.31%	1.94%	2.28%	1.94%
Return on average equity	20.75%	18.06%	20.57%	17.63%
Efficiency ratio	34.67%	40.61%	35.5%	42.1%
Overhead ratio	28.51%	34.17%	29.4%	35.7%
Net Interest Margin	4.36%	4.28%	4.36%	4.22%
Cost of Funds	2.61%	2.62%	2.61%	2.66%

Financial Ratios:	(Unaudited) June 30, 2026	(Unaudited) June 30, 2025
Book Value	$ 23.08	$ 20.00
Nonperforming Assets to Total Assets Ratio	0.00%	0.00%
Loan to Deposit Ratio	97.4%	98.7%
Tier 1 Leverage Ratio	11.8%	12.0%
Common Equity Tier 1 Risk-Based Capital Ratio	13.1%	13.1%
Tier 1 Risk-Based Capital Ratio	13.1%	13.1%
Total Risk-Based Capital Ratio	14.1%	14.1%