



blueharbor bank Reports First Quarter 2025 Net Income

MOORESVILLE, NC, April 22, 2025 – **blueharbor bank** (the “Bank”) today reported earnings for the first quarter of 2025.

First Quarter 2025 Highlights

- Diluted earnings per share increase of 80% over 1st quarter 2024
- Return on average assets (ROA) of 1.93%
- Return on average equity (ROE) of 17.21%
- 46 basis point increase in yield on earning assets when compared to 1st quarter 2024
- Net interest margin remained high at 4.16%
- Efficiency ratio of 43.63%
- Book value of \$19.48, an increase of 5% over December 31, 2024

blueharbor bank reported net income of \$2,392,947 and \$0.79 per diluted share for the first quarter of 2025, an increase of 79%, or \$1,056,339, as compared to \$1,336,608 and \$0.44 per diluted share for the first quarter of 2024.

The Bank reported total assets of \$522.3 million at March 31, 2025, an increase of \$68.8 million, or 15%, when compared to \$453.5 million at March 31, 2024. Gross loans increased \$63.6 million, to \$435.0 million at March 31, 2025, from \$371.4 million at March 31, 2024. Total deposits were \$457.5 million at March 31, 2025, an increase of \$61.0 million, or 15%, when compared to \$396.5 million at March 31, 2024.

Asset quality remained very strong for the first quarter of 2025, with no non-performing assets, which is down from 0.01% reported at March 31, 2024.

Capital levels also remained solid with total risk-based capital at 14.5%, both common equity tier 1 and tier 1 to risk-weighted assets of 13.5%, and tier 1 leverage ratio of 12.1% for the quarter ended March 31, 2025.

Net interest income was \$4,878,315 for the quarter ending March 31, 2025, an increase of \$1,113,497, or 30%, from the same period in 2024. The change in net interest income was driven by a \$68.4 million increase in average loans outstanding and a 46 basis point increase in the yield on earning assets.

The bank recorded a quarterly reduction in the provision for credit losses of (\$13,377) for the first quarter of 2025, compared to a quarterly provision for credit losses of \$120,155 for the same period in 2024. The decrease in provision was due to lower loan growth in first quarter 2025 than in the first quarter of 2024. The allowance for loan losses to total loans was 0.95% at March 31, 2025.

Noninterest income was \$537,090 for the quarter ended March 31, 2025, a \$57,840, or 12%, increase over the \$479,250 that was recorded for the quarter ended March 31, 2024. The increase was due partially to the higher service charge fees and debit card income from the increase in the number of deposit accounts over the period. Another factor contributing to the change was an increase in mortgage loan fees.

Noninterest expense was \$2,362,635 for the quarter ended March 31, 2025, compared to \$2,384,066 for the quarter ended March 31, 2024. The decrease of \$21,431 was due to lower data processing expenses from the change in our core software provider in May 2024.

Jim Marshall, President and Chief Executive Officer, commented, "We continue to be pleased with our performance through the first quarter of 2025 despite increasing uncertainties surrounding the economy. Our credit quality remains solid as we maintain close contact with our customer base."

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.

Non-GAAP Financial Measures:

This press release contains certain financial measures determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Such non-GAAP financial measures include pre-tax annualized return on assets (ROA), pre-tax annualized return on equity (ROE) and efficiency ratio. Management uses these non-GAAP financial measures to assess the performance of blueharbor bank's core business. Management believes that these non-GAAP financial measures provide meaningful additional information about blueharbor bank to assist investors in evaluating operating results. The non-GAAP financial measures should be considered as additional views of the way our financial measures are affected by significant charges for credit costs and other factors. These non-GAAP financial measures should not be considered as a substitute for operating results

determined in accordance with GAAP and may not be comparable to other similarly titled measures of other companies.

SOURCE: blueharbor bank

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Summary Selected Financial Data

	(Unaudited) March 31, 2025	(Audited) December 31, 2024	(Unaudited) March 31, 2024
Balance Sheet Data:			
Total Assets	\$ 522,293,347	\$ 506,756,753	\$ 453,519,552
Total Gross Loans	434,977,897	432,756,829	371,403,724
Allowance for Loan Losses	4,124,685	4,131,598	3,542,165
Total Deposits	457,470,974	440,733,082	396,463,888
Total Shareholders' Equity	57,720,715	49,402,722	50,733,678

	(Unaudited) Three Months Ended March 31,	
	2025	2024
Earnings and Per Share Data:		
Interest Income	\$ 6,965,753	\$ 5,665,697
Interest Expense	2,087,438	1,900,879
Net Interest Income	4,878,315	3,764,818
Provision for Loan Losses	(13,377)	120,155
Net Interest Income after Provision for Loan Losses	4,891,692	3,644,663
Noninterest Income	537,090	479,250
Noninterest Expense	2,362,635	2,384,066
Net Income before Taxes	3,066,147	1,739,847
Income Taxes	673,200	403,239
Net Income	\$ 2,392,947	\$ 1,336,608
Basic Income per Share	\$ 0.81	\$ 0.46
Diluted Income per Share	\$ 0.79	\$ 0.44

Annualized Performance Ratios:

Return on average assets	1.93%	1.22%
Return on average equity	17.21%	10.72%
Efficiency ratio	43.63%	56.17%
Overhead ratio	37.42%	50.60%
Net Interest Margin	4.16%	3.64%
Cost of Funds	2.70%	2.79%

	(Unaudited) March 31, 2025	(Unaudited) March 31, 2024
Financial Ratios:		
Book Value	\$ 19.48	\$ 17.21
Nonperforming Assets to Total Assets Ratio	0.00%	0.01%
Loan to Deposit Ratio	95.1%	98.2%
Tier 1 Leverage Ratio	12.1%	12.2%
Common Equity Tier 1 Risk-Based Capital Ratio	13.5%	14.2%
Tier 1 Risk-Based Capital Ratio	13.5%	14.2%
Total Risk-Based Capital Ratio	14.5%	15.3%