

# Liberty Bay Bank

## Financial Report (Unaudited)

### 2nd Quarter Ended June 30, 2015

(All dollars in thousands)

Balance Sheet	Income Statement						
	June 30, 2015	December 31, 2014	Second Quarter June 30, 2015	Second Quarter June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	
<b>ASSETS</b>			<b>Interest income:</b>				
Cash and due from banks	\$ 2,030	\$ 1,157	Loans	\$ 816	\$ 695	\$ 1,620	\$ 1,360
Short-term and overnight investments	4,965	3,761	Investment securities	50	48	103	92
Investment securities	13,122	13,688	Other	4	2	6	5
Total loans	57,523	55,718	Total interest income	870	745	1,729	1,457
Allowance for loan & lease losses	(687)	(660)	<b>Interest expense:</b>				
<b>Net Loans</b>	<b>56,836</b>	<b>55,058</b>	Interest on Deposits	77	59	148	113
Premises & equipment	493	499	Borrowed Funds	11	-	21	-
Other Assets	2,226	1,883	Total interest expense	88	59	169	113
<b>Total Assets</b>	<b>\$ 79,672</b>	<b>\$ 76,046</b>	<b>Net interest income</b>	<b>782</b>	<b>686</b>	<b>1,560</b>	<b>1,344</b>
<b>LIABILITIES &amp; EQUITY</b>			Provision for loan losses	-	-	27	-
Deposits:			<b>Net interest income after provision</b>	<b>782</b>	<b>686</b>	<b>1,533</b>	<b>1,344</b>
Non-interest checking	\$ 15,813	\$ 14,326	<b>Non-interest income:</b>				
Interest checking, money market & savings	29,594	28,028	Service charges and fees	10	14	21	26
Time deposits	16,946	22,638	Mortgage banking income, net	8	11	16	18
<b>Total deposits</b>	<b>62,353</b>	<b>64,992</b>	Other Income	17	25	44	44
Borrowed Funds	9,200	3,000	<b>Total non-interest income</b>	<b>35</b>	<b>50</b>	<b>81</b>	<b>88</b>
Other liabilities	205	215	<b>Non-interest expense:</b>				
Total Liabilities	71,758	68,207	Compensation and benefits	457	400	918	780
Shareholders' equity	7,914	7,839	Occupancy & equipment expense	98	97	195	194
<b>Total Liabilities and Equity</b>	<b>\$ 79,672</b>	<b>\$ 76,046</b>	Other expenses	234	227	439	438
			<b>Total non-interest expense</b>	<b>789</b>	<b>724</b>	<b>1,552</b>	<b>1,412</b>
			<b>Pretax Income</b>	<b>28</b>	<b>12</b>	<b>62</b>	<b>20</b>
			Federal Income Taxes	-	-	-	-
			<b>Net Income (Loss)</b>	<b>\$ 28</b>	<b>\$ 12</b>	<b>\$ 62</b>	<b>\$ 20</b>

#### Balance Sheet Ratios:

Leverage Capital	10.02%	10.44%
Tier I Risk Based Capital	12.86%	13.93%
Total Risk Based Capital	14.00%	15.12%
Allowance for Loan Loss Reserves to Loans	1.19%	1.18%

#### Operating Ratios:

Net Interest Margin	4.20%	4.26%	4.22%	4.25%
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