

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