

# Liberty Bay Bank

## Financial Report (Unaudited)

### September 30, 2016

(All dollars in thousands except earnings per share)

Balance Sheet				Income Statement			
		September 30, 2016	December 31, 2015	3rd Quarter		Nine Months Ended	
		September 30, 2016	December 31, 2015	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
<b>ASSETS</b>				<b>Interest income:</b>			
Cash and due from banks	\$	3,826	\$ 1,817	Loans	\$ 819	\$ 848	\$ 2,453
Short-term and overnight investments		4,155	7,363	Investment securities	69	60	191
Investment securities		24,139	10,926	Other	16	-	27
				Total interest income	904	908	\$2,671
Total loans		56,803	56,026	<b>Interest expense:</b>			
Allowance for loan & lease losses		(730)	(715)	Interest on Deposits	93	73	243
<b>Net Loans</b>		<b>56,073</b>	<b>55,311</b>	Borrowed Funds	46	15	113
				Total interest expense	139	88	356
Premises & equipment		392	445	<b>Net interest income</b>	<b>765</b>	<b>820</b>	<b>2,315</b>
Other Assets		3,832	2,691	Provision for loan losses	-	18	15
<b>Total Assets</b>	<b>\$</b>	<b>92,417</b>	<b>\$ 78,553</b>	<b>Net interest income after provision</b>	<b>765</b>	<b>802</b>	<b>2,300</b>
<b>LIABILITIES &amp; EQUITY</b>				<b>Non-interest income:</b>			
Deposits:				Service charges and fees	15	13	42
Non-interest checking	\$	18,696	\$ 14,907	Mortgage banking income, net	17	14	45
Interest checking, money market & savings		40,937	33,688	Other Income	64	1	154
Time deposits		7,940	11,193	<b>Total non-interest income</b>	<b>96</b>	<b>28</b>	<b>241</b>
<b>Total deposits</b>		<b>67,573</b>	<b>59,788</b>	<b>Non-interest expense:</b>			
Borrowed Funds		15,000	10,000	Compensation and benefits	460	439	1,362
Other liabilities		205	207	Occupancy & equipment expense	93	96	281
Total Liabilities		82,778	69,995	Other expenses	206	218	663
Shareholders' equity		9,639	8,558	<b>Total non-interest expense</b>	<b>759</b>	<b>753</b>	<b>2,306</b>
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>92,417</b>	<b>\$ 78,553</b>	<b>Pretax Income</b>	<b>102</b>	<b>77</b>	<b>235</b>
				Federal Income Taxes	(830)	-	(830)
				<b>Net Income (Loss)</b>	<b>\$ 932</b>	<b>\$ 77</b>	<b>\$ 1,065</b>

Balance Sheet Ratios:			Operating Ratios:				
Leverage Capital	9.29%	10.59%	Return on Average Assets	3.95%	0.39%	1.65%	0.24%
Tier I Risk Based Capital	13.80%	13.53%	Return on Average Equity	41.73%	3.80%	16.18%	2.32%
Total Risk Based Capital	14.98%	14.74%	Net Interest Margin	3.42%	4.44%	3.59%	4.28%
Allowance for Loan Loss Reserves to Loans	1.28%	1.28%	Basic EPS:				
Book Value Per Share	\$6.83	\$6.06	Shares Issued & Outstanding 1,411,261	\$0.66	\$0.05	\$0.75	\$0.10