

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	
ASSETS			Interest income:				
Cash and due from banks	\$ 3,826	\$ 1,817	Loans	\$ 819	\$848	\$2,453	\$2,468
Short-term and overnight investments	4,155	7,363	Investment securities	69	60	191	163
Investment securities	24,139	10,926	Other	16	-	27	6
			Total interest income	904	908	\$2,671	2,637
Total loans	56,803	56,026	Interest expense:				
Allowance for loan & lease losses	(730)	(715)	Interest on Deposits	93	73	243	221
Net Loans	56,073	55,311	Borrowed Funds	46	15	113	36
			Total interest expense	139	88	356	257
Premises & equipment	392	445	Net interest income	765	820	2,315	2,380
Other Assets	3,832	2,691	Provision for loan losses	-	18	15	45
Total Assets	\$ 92,417	\$ 78,553	Net interest income after provision	765	802	2,300	2,335
LIABILITIES & EQUITY			Non-interest income:				
Deposits:			Service charges and fees	15	13	42	34
Non-interest checking	\$ 18,696	\$ 14,907	Mortgage banking income, net	17	14	45	30
Interest checking, money market & savings	40,937	33,688	Other Income	64	1	154	45
Time deposits	7,940	11,193	Total non-interest income	96	28	241	109
Total deposits	67,573	59,788	Non-interest expense:				
Borrowed Funds	15,000	10,000	Compensation and benefits	460	439	1,362	1,357
Other liabilities	205	207	Occupancy & equipment expense	93	96	281	291
Total Liabilities	82,778	69,995	Other expenses	206	218	663	657
			Total non-interest expense	759	753	2,306	2,305
Shareholders' equity	9,639	8,558	Pretax Income	102	77	235	139
			Federal Income Taxes	(830)	-	(830)	-
Total Liabilities and Equity	\$ 92,417	\$ 78,553	Net Income (Loss)	\$ 932	\$77	1,065	\$139

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