

Liberty Bay Bank

Financial Report (*Unaudited*)

March 31, 2019

(All dollars in thousands except per share info)

| Balance Sheet | | |
|---|-------------------|-------------------|
| | March 31, 2019 | December 31, 2018 |
| ASSETS | | |
| Cash and due from banks | \$2,550 | \$3,344 |
| Short-term and overnight investments | 19,585 | 10,790 |
| Investment securities | 18,725 | 19,263 |
| Total loans | 82,182 | 78,980 |
| Allowance for loan & lease losses | (776) | (773) |
| Net Loans | 81,405 | 78,207 |
| Premises & equipment | 1,580 | 1,622 |
| Other Assets | 2,437 | 2,253 |
| Total Assets | \$126,282 | \$115,479 |
| LIABILITIES & EQUITY | | |
| Deposits: | | |
| Non-interest checking | \$26,369 | \$27,726 |
| Interest checking, money market & savings | 53,642 | 53,345 |
| Time deposits | 16,307 | 11,329 |
| Total deposits | 96,318 | 92,400 |
| Borrowed Funds | 18,500 | 13,000 |
| Other liabilities | 292 | 304 |
| Total Liabilities | 115,110 | 105,704 |
| Shareholders' equity | 11,172 | 9,775 |
| Total Liabilities and Equity | \$126,282 | \$115,479 |
| Balance Sheet Ratios: | | |
| Leverage Capital | 10.12% | 9.05% |
| Tier I Risk Based Capital | 13.18% | 12.75% |
| Total Risk Based Capital | 14.13% | 13.79% |
| Allowance for Loan Loss Reserves to Loans | 0.94% | 0.98% |
| Book Value Per Share | \$6.94 | \$6.81 |

| Income Statement | | |
|---|------------------------------|--------------|
| | 1st Quarter Ending March 31, | |
| | 2019 | 2018 |
| Interest income: | | |
| Loans | \$1,140 | \$995 |
| Investment securities | 88 | 102 |
| Other | 16 | 4 |
| Total interest income | 1,244 | 1,101 |
| Interest expense: | | |
| Interest on Deposits | 177 | 123 |
| Borrowed Funds | 30 | 60 |
| Total interest expense | 207 | 183 |
| Net interest income | 1,037 | 918 |
| Provision for loan losses | 3 | 3 |
| Net interest income after provision | 1,034 | 915 |
| Non-interest income: | | |
| Service charges and fees | 20 | 5 |
| Mortgage banking income, net | 4 | 9 |
| Other Income | 3 | 14 |
| Total non-interest income | 27 | 28 |
| Non-interest expense: | | |
| Compensation and benefits | 554 | 474 |
| Occupancy & equipment expense | 141 | 124 |
| Other expenses | 280 | 245 |
| Total non-interest expense | 975 | 843 |
| Pretax Income | 86 | 100 |
| Federal Income Taxes | 18 | 21 |
| Net Income | \$68 | \$79 |
| Operating Ratios: | | |
| Return on Average Assets | 0.25% | 0.31% |
| Return on Average Equity | 2.72% | 3.45% |
| Net Interest Margin | 4.10% | 3.83% |
| Basic EPS (shares issued & outstanding | \$0.042 | \$0.055 |
| 3/31/19: 1,609,915; and 3/31/18: 1,435,582) | | |