

Liberty Bay Bank

Financial Report (Unaudited)

March 31, 2017

(All dollars in thousands except per share info)

| Balance Sheet | | |
|---|------------------|-------------------|
| | March 31, 2017 | December 31, 2016 |
| ASSETS | | |
| Cash and due from banks | \$ 2,463 | \$ 1,943 |
| Short-term and overnight investments | 2,135 | 1,582 |
| Investment securities | 26,869 | 27,957 |
| Total loans | 61,919 | 61,562 |
| Allowance for loan & lease losses | (738) | (735) |
| Net Loans | 61,181 | 60,827 |
| Premises & equipment | 1,587 | 1,622 |
| Other Assets | 2,668 | 2,909 |
| Total Assets | \$ 96,903 | \$ 96,840 |
| LIABILITIES & EQUITY | | |
| Deposits: | | |
| Non-interest checking | \$ 18,965 | \$ 19,541 |
| Interest checking, money market & savings | 42,915 | 41,582 |
| Time deposits | 12,863 | 7,082 |
| Total deposits | 74,743 | 68,205 |
| Borrowed Funds | 12,350 | 19,000 |
| Other liabilities | 308 | 212 |
| Total Liabilities | 87,401 | 87,417 |
| Shareholders' equity | 9,502 | 9,423 |
| Total Liabilities and Equity | \$ 96,903 | \$ 96,840 |
| Balance Sheet Ratios: | | |
| Leverage Capital | 9.20% | 9.44% |
| Tier I Risk Based Capital | 13.42% | 13.20% |
| Total Risk Based Capital | 14.54% | 14.32% |
| Allowance for Loan Loss Reserves to Loans | 1.19% | 1.19% |
| Book Value Per Share | \$6.73 | \$6.68 |

| Income Statement | | |
|---|------------------------------|--------------|
| | 1st Quarter Ending March 31, | |
| | 2017 | 2016 |
| Interest income: | | |
| Loans | \$ 950 | \$ 811 |
| Investment securities | 120 | 59 |
| Other | 2 | 5 |
| Total interest income | 1,072 | 875 |
| Interest expense: | | |
| Interest on Deposits | 90 | 74 |
| Borrowed Funds | 53 | 28 |
| Total interest expense | 143 | 102 |
| Net interest income | 929 | 773 |
| Provision for loan losses | 3 | 15 |
| Net interest income after provision | 926 | 758 |
| Non-interest income: | | |
| Service charges and fees | 4 | 13 |
| Mortgage banking income, net | 12 | 15 |
| Other Income | 14 | 53 |
| Total non-interest income | 30 | 81 |
| Non-interest expense: | | |
| Compensation and benefits | 470 | 449 |
| Occupancy & equipment expense | 115 | 94 |
| Other expenses | 243 | 235 |
| Total non-interest expense | 828 | 778 |
| Pretax Income | 128 | 61 |
| Federal Income Taxes | 47 | - |
| Net Income (Loss) | \$ 81 | \$ 61 |
| Operating Ratios: | | |
| Return on Average Assets | 0.34% | 0.31% |
| Return on Average Equity - Pretax Income | 5.50% | 2.83% |
| Return on Average Equity - Net Income | 3.48% | 2.83% |
| Net Interest Margin | 4.09% | 4.17% |
| Basic EPS: 1,411,261 Shs Issued & Outstanding | \$0.06 | \$0.04 |