Calvin B. Taylor Bankshares, Inc.
and Subsidiary

Financial Highlights

At period end	September 30, 2014	December 31, 2013	% Change
Assets	$ 474,503,665	$ 447,347,060	6.07%
Deposits	$ 385,591,425	$ 364,119,961	5.90%
Loans, net	$ 218,283,252	$ 222,098,060	-1.72%
Total capital	$ 80,378,162	$ 77,463,832	3.76%
Book value per share	$ 27.46	$ 26.24	4.65%
Total capital to total assets	16.94%	17.32%	

For the nine months ended	September 30, 2014	September 30, 2013	% Change
Average assets	$ 452,640,565	$ 443,543,300	2.05%
Average equity	$ 78,983,622	$ 78,079,382	1.16%
Net interest income	$ 10,311,306	$ 10,769,404	-4.25%
Net income	$ 3,405,543	$ 3,351,533	1.61%
Net income per share	$ 1.16	$ 1.13	2.65%
Return on average assets	1.00%	1.01%	
Return on average equity	5.75%	5.72%	

Calvin B. Taylor Bankshares, Inc. and Subsidiary
Consolidated Balance Sheets

	(unaudited) September 30, 2014	December 31, 2013
Assets		
Cash and due from banks	$ 71,797,261	$ 36,351,065
Federal funds sold	12,751,953	24,700,637
Interest-bearing bank deposits	20,080,304	20,353,091
Investment securities available for sale	46,103,813	41,916,197
Investment securities held to maturity (approximate fair value of $89,285,235 and $85,483,137)	89,249,292	85,395,290
Loans, less allowance for loan losses of $927,696 and $907,821	218,283,252	222,098,060
Premises and equipment	5,546,492	5,748,926
Other real estate owned	410,500	410,500
Accrued interest receivable	1,154,064	1,187,112
Computer software	153,956	167,161
Bank owned life insurance	8,137,892	7,949,941
Prepaid expenses	434,166	387,899
Other assets	400,720	681,181
Total assets	$ 474,503,665	$ 447,347,060
Liabilities and Stockholders' Equity		
Deposits		
Noninterest-bearing	$ 128,577,215	$ 102,435,574
Interest-bearing	257,014,210	261,684,387
Total deposits	385,591,425	364,119,961
Securities sold under agreements to repurchase	8,128,335	5,407,921
Accrued interest payable	23,398	27,024
Deferred income taxes	279,965	141,782
Other liabilities	102,380	186,540
Total liabilities	394,125,503	369,883,228
Stockholders' equity		
Common stock, par value $1 per share; authorized 10,000,000 shares; issued and outstanding 2,927,386 shares at September 30, 2014, and 2,951,828 shares at December 31, 2013	2,927,386	2,951,828
Additional paid-in capital	6,954,162	7,543,333
Retained earnings	69,634,249	66,228,706
Total tier 1 capital	79,515,797	76,723,867
Accumulated other comprehensive income, net of tax	862,365	739,965
Total stockholders' equity	80,378,162	77,463,832
Total liabilities and stockholders' equity	$ 474,503,665	$ 447,347,060

Calvin B. Taylor Bankshares, Inc. and Subsidiary
Consolidated Statements of Comprehensive Income (unaudited)

	For the nine months ended September 30,	
	2014	2013
Interest and dividend revenue		
Loans, including fees	$ 9,825,551	$ 10,554,088
U. S. Treasury and government agency securities	542,983	443,104
State and municipal securities	55,999	27,893
Federal funds sold and due from banks	93,427	53,711
Interest-bearing bank deposits	61,565	32,296
Equity securities	23,747	21,247
Total interest and dividend revenue	10,603,272	11,132,339
Interest expense		
Deposits	284,273	356,527
Borrowings	7,693	6,408
Total interest expense	291,966	362,935
Net interest income	10,311,306	10,769,404
Provision for loan losses	180,000	670,000
Net interest income after provision for loan losses	10,131,306	10,099,404
Noninterest revenue		
Service charges on deposit accounts	501,308	530,839
ATM and debit card	554,746	534,078
Increase in cash surrender value of bank owned life insurance	187,951	193,057
Gain (loss) on sale of other real estate owned and repossessed assets	-	(171,958)
Miscellaneous	325,362	314,084
Total noninterest revenue	1,569,367	1,400,100
Noninterest expenses		
Salaries and wages	2,697,313	2,744,561
Employee benefits	841,292	826,647
Occupancy	551,613	546,134
Furniture and equipment	324,557	319,192
Data processing	209,543	167,790
ATM and debit card	255,810	232,266
Deposit insurance premiums	155,202	151,719
Other operating	1,370,800	1,283,775
Total noninterest expenses	6,406,130	6,272,084
Income before income taxes	5,294,543	5,227,420
Income taxes	1,889,000	1,875,887
Net income	$ 3,405,543	$ 3,351,533
Earnings per common share - basic and diluted	$ 1.16	$ 1.13
Other comprehensive income (loss), net of tax		
Unrealized gains (losses) on available for sale investment securities arising during the period, net of taxes of $80,192 and ($60,401)	122,400	(120,480)
Comprehensive income	$ 3,527,943	$ 3,231,053