PARAGON COMMERCIAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
March 31, 2015 and December 31, 2014

ASSETS	March 31, 2015	December 31, 2014	Changes	% Change
(In thousands)	(Unaudited)			
Cash and due from banks:				
Interest-earning	$ 81,333	$ 19,400	$ 61,933	319.2%
Non-interest-earning	16,777	16,995	(218)	-1.3%
Investment securities - available for sale, at fair value	154,185	183,675	(29,490)	-16.1%
Loans-net of unearned income and deferred fees	944,039	868,405	75,634	8.7%
Allowance for loan losses	(7,553)	(6,869)	(684)	10.0%
Net loans	936,486	861,536	74,950	8.7%
Premises and equipment, net	16,824	17,071	(247)	-1.4%
Bank owned life insurance	27,621	27,421	200	0.7%
Federal Home Loan Bank stock, at cost	8,274	7,006	1,268	18.1%
Interest Receivable	3,530	3,636	(106)	-2.9%
Deferred tax assets	5,004	4,925	79	1.6%
Other real estate owned and repossessed property	14,577	14,991	(414)	-2.8%
Other assets	6,566	8,599	(2,033)	-23.6%
Total assets	$ 1,271,177	$ 1,165,255	$ 105,922	9.1%
LIABILITIES				
Deposits:				
Demand, non-interest bearing	$ 145,799	$ 118,895	$ 26,904	22.6%
Money market accounts and interest checking	447,774	375,833	71,941	19.1%
Time deposits	354,512	388,912	(34,400)	-8.8%
Total deposits	948,085	883,640	64,445	7.3%
Repurchase agreements and federal funds purchased	33,183	27,482	5,701	20.7%
Borrowings	176,650	142,256	34,394	24.2%
Subordinated debentures	18,558	18,558	-	0.0%
Other liabilities	4,677	5,657	(980)	-17.3%
Total liabilities	1,181,153	1,077,593	103,560	9.6%
STOCKHOLDERS' EQUITY				
Common stock, $0.008 par value; 20,000,000 shares authorized; 4,537,595 and 4,530,000 issued and outstanding as of March, 31 2015 and December 31, 2014	36	36	-	0.0%
Additional paid-in-capital	52,567	52,358	209	0.4%
Retained earnings	36,434	34,126	2,308	6.8%
Accumulated other comprehensive income	987	1,142	(155)	-13.6%
Total stockholders' equity	90,024	87,662	2,362	2.7%
Total liabilities and stockholders' equity	$ 1,271,177	$ 1,165,255	$ 105,922	9.1%

PARAGON COMMERCIAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Three month ended March 31, 2015 and 2014

(In thousands)	2015 (Unaudited)	2014 (Unaudited)	Changes	% Change
Interest income:				
Loans and loan fees	$ 10,067	$ 9,112	$ 955	10.5%
Investment securities	1,227	1,120	107	9.6%
Federal funds and other interest income	26	16	10	62.5%
Total interest income	11,320	10,248	1,072	10.5%
Interest expense:				
Interest-bearing checking and money markets	615	466	149	32.0%
Time deposits	964	1,416	(452)	-31.9%
Borrowings and repurchase agreements	289	358	(69)	-19.3%
Total interest expense	1,868	2,240	(372)	-16.6%
Net interest income	9,452	8,008	1,444	18.0%
Provision for loan losses	571	538	33	6.1%
Net interest income after provision for loan losses	8,881	7,470	1,411	18.9%
Noninterest income:				
Mortgage banking revenues	37	25	12	48.0%
Deposit service charges and other fees	51	47	4	8.5%
Gain on sale of securities	423	96	327	340.6%
Increase in cash surrender value of bank owned life insurance	201	195	6	3.1%
Net loss on sale or write-down of other real estate	(337)	(66)	(271)	410.6%
Other noninterest income	109	77	32	41.6%
Total noninterest income	484	374	110	29.4%
Noninterest expenses:				
Salaries and employee benefits	3,219	2,891	328	11.3%
Occupancy	349	109	240	220.2%
Problem loan and foreclosure related expenses	171	108	63	58.3%
FDIC and other supervisory assessments	227	273	(46)	-16.8%
Data processing	280	262	18	6.9%
Professional fees	137	297	(160)	-53.9%
Furniture and equipment	450	276	174	63.0%
Directors fees and expenses	206	232	(26)	-11.2%
Other expenses	841	758	83	10.9%
Total noninterest expenses	5,880	5,206	674	12.9%
Net income before tax expense	3,485	2,638	847	32.1%
Income tax expense	1,177	1,086	91	8.4%
Net income	$ 2,308	$ 1,552	$ 756	48.7%
Earnings per share - basic *	$ 0.52	$ 0.35	$ 0.17	48.6%
Earnings per share - diluted *	$ 0.51	$ 0.35	$ 0.16	46.1%
Weighted Average Shares:				
Basic *	4,485,043	4,436,500	48,543	1.1%
Fully Diluted *	4,514,111	4,447,500	66,611	1.5%

* Split adjusted