PARAGON COMMERCIAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
June 30, 2015 and December 31, 2014

ASSETS	June 30, 2015	December 31, 2014	Changes	% Change
(In thousands)	(Unaudited)			
Cash and due from banks:				
Interest-earning	$ 55,563	$ 19,400	$ 36,163	186.4%
Non-interest-earning	22,386	16,995	5,391	31.7%
Investment securities - available for sale, at fair value	168,048	183,675	(15,627)	-8.5%
Loans-net of unearned income and deferred fees	991,445	868,405	123,040	14.2%
Allowance for loan losses	(7,569)	(6,869)	(700)	10.2%
Net loans	983,876	861,536	122,340	14.2%
Premises and equipment, net	16,611	17,071	(460)	-2.7%
Bank owned life insurance	27,827	27,421	406	1.5%
Federal Home Loan Bank stock, at cost	8,699	7,006	1,693	24.2%
Interest Receivable	3,944	3,636	308	8.5%
Deferred tax assets	5,527	4,925	602	12.2%
Other real estate owned and repossessed property	13,679	14,991	(1,312)	-8.8%
Other assets	7,259	8,599	(1,340)	-15.6%
Total assets	$ 1,313,419	$ 1,165,255	$ 148,164	12.7%
LIABILITIES				
Deposits:				
Demand, non-interest bearing	$ 162,758	$ 118,895	$ 43,863	36.9%
Money market accounts and interest checking	489,675	375,833	113,842	30.3%
Time deposits	372,402	388,912	(16,510)	-4.2%
Total deposits	1,024,835	883,640	141,195	16.0%
Repurchase agreements and federal funds purchased	26,546	27,482	(936)	-3.4%
Borrowings	146,039	142,256	3,783	2.7%
Subordinated debentures	18,558	18,558	-	0.0%
Other liabilities	6,297	5,657	640	11.3%
Total liabilities	1,222,275	1,077,593	144,682	13.4%
STOCKHOLDERS' EQUITY				
Common stock, $0.008 par value; 20,000,000 shares authorized; 4,553,141 and 4,530,000 issued and outstanding as of June, 30 2015 and December 31, 2014	36	36	-	0.0%
Additional paid-in-capital	52,694	52,358	336	0.6%
Retained earnings	39,084	34,126	4,958	14.5%
Accumulated other comprehensive income	(670)	1,142	(1,812)	-158.7%
Total stockholders' equity	91,144	87,662	3,482	4.0%
Total liabilities and stockholders' equity	$ 1,313,419	$ 1,165,255	$ 148,164	12.7%

PARAGON COMMERCIAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Six months ended June 30, 2015 and 2014

(In thousands)	2015 (Unaudited)	2014 (Unaudited)	Changes	% Change
Interest income:				
Loans and loan fees	$ 20,966	$ 18,417	$ 2,549	13.8%
Investment securities	2,299	2,192	107	4.9%
Federal funds and other interest income	66	40	26	65.0%
Total interest income	23,331	20,649	2,682	13.0%
Interest expense:				
Interest-bearing checking and money markets	1,260	999	261	26.1%
Time deposits	1,810	2,810	(1,000)	-35.6%
Borrowings and repurchase agreements	596	629	(33)	-5.2%
Total interest expense	3,666	4,438	(772)	-17.4%
Net interest income	19,665	16,211	3,454	21.3%
Provision for loan losses	750	538	212	39.4%
Net interest income after provision for loan losses	18,915	15,673	3,242	20.7%
Noninterest income:				
Mortgage banking revenues	112	50	62	124.0%
Deposit service charges and other fees	105	118	(13)	-11.0%
Gain on sale of securities	423	87	336	386.2%
Increase in cash surrender value of bank owned life insurance	407	396	11	2.8%
Net loss on sale or write-down of other real estate	(463)	(181)	(282)	155.8%
Other noninterest income	224	144	80	55.6%
Total noninterest income	808	614	194	31.6%
Noninterest expenses:				
Salaries and employee benefits	6,336	5,807	529	9.1%
Occupancy	837	356	481	135.1%
Loan and foreclosure related expenses	469	258	211	81.8%
FDIC and other supervisory assessments	479	497	(18)	-3.6%
Data processing	579	552	27	4.9%
Professional fees	455	626	(171)	-27.3%
Furniture, equipment and software	901	583	318	54.5%
Directors fees and expenses	417	443	(26)	-5.9%
Other expenses	1,807	1,550	257	16.6%
Total noninterest expenses	12,280	10,672	1,608	15.1%
Net income before tax expense	7,443	5,615	1,828	32.6%
Income tax expense	2,485	1,886	599	31.8%
Net income	$ 4,958	$ 3,729	$ 1,229	33.0%
Earnings per share - basic	$ 1.10	$ 0.84	$ 0.26	31.0%
Earnings per share - diluted	$ 1.10	$ 0.84	$ 0.26	31.0%
Weighted Average Shares:				
Basic	4,492,912	4,439,642	53,270	1.2%
Fully Diluted	4,528,553	4,459,202	69,351	1.6%

PARAGON COMMERCIAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended June 30, 2015 and 2013

(In thousands)	2015 (Unaudited)	2014 (Unaudited)	Changes	% Change
Interest income:				
Loans and loan fees	$ 10,899	$ 9,305	$ 1,594	17.1%
Investment securities	1,072	1,072	-	0.0%
Federal funds and other interest income	40	24	16	66.7%
Total interest income	12,011	10,401	1,610	15.5%
Interest expense:				
Interest-bearing checking and money markets	645	533	112	21.0%
Time deposits	846	1,394	(548)	-39.3%
Borrowings and repurchase agreements	307	271	36	13.3%
Total interest expense	1,798	2,198	(400)	-18.2%
Net interest income	10,213	8,203	2,010	24.5%
Provision for loan losses	179	-	179	n/a
Net interest income after provision for loan losses	10,034	8,203	1,831	22.3%
Noninterest income:				
Mortgage banking revenues	75	25	50	200.0%
Deposit service charges and other fees	54	71	(17)	-23.9%
Net loss on sale of securities	-	(9)	9	n/a
Increase in cash surrender value of bank owned life insurance	206	201	5	2.5%
Net loss on sale or write-down of other real estate	(126)	(115)	(11)	9.6%
Other noninterest income	115	67	48	71.6%
Total noninterest income	324	240	84	35.0%
Noninterest expenses:				
Salaries and employee benefits	3,117	2,916	201	6.9%
Occupancy	488	247	241	97.6%
Loan and foreclosure related expenses	298	150	148	98.7%
FDIC and other supervisory assessments	252	224	28	12.5%
Data processing	299	290	9	3.1%
Professional fees	318	329	(11)	-3.3%
Furniture and equipment	451	307	144	46.9%
Directors fees and expenses	211	211	-	0.0%
Other expenses	966	792	174	22.0%
Total noninterest expenses	6,400	5,466	934	17.1%
Net income before tax expense	3,958	2,977	981	33.0%
Income tax expense	1,308	800	508	63.5%
Net income	$ 2,650	$ 2,177	$ 473	21.7%
Earnings per share - basic	$ 0.59	$ 0.49	$ 0.10	20.4%
Earnings per share - diluted	$ 0.59	$ 0.49	$ 0.10	20.4%
Weighted Average Shares:				
Basic	4,500,695	4,442,750	57,945	1.3%
Fully Diluted	4,533,572	4,463,350	70,222	1.6%