Calvin B. Taylor Bankshares, Inc.
and Subsidiary

Financial Highlights

At period end	March 31, 2018	December 31, 2017	% Change
Assets	$ 511,882,479	$ 521,968,436	-1.93%
Deposits	$ 427,975,609	$ 439,423,322	-2.61%
Loans, net	$ 300,828,910	$ 294,360,392	2.20%
Total capital	$ 83,161,779	$ 81,922,879	1.51%
Book value per share	$ 29.55	$ 29.11	1.51%
Total capital to total assets	16.25%	15.69%	
Loans to deposits	70.29%	66.99%	

For the three months ended	March 31, 2018	March 31, 2017	% Change
Average assets	$ 513,136,535	$ 479,408,811	7.04%
Average equity	$ 82,489,325	$ 81,080,161	1.74%
Net interest income	$ 4,235,192	$ 3,818,436	10.91%
Income before income taxes	$ 2,197,569	$ 1,969,722	11.57%
Net income	$ 1,682,720	$ 1,273,722	32.11%
Net income per share	$ 0.60	$ 0.44	36.36%
Stock Repurchased			
Number of shares	-	68,650	-100.00%
Repurchase amount	$ -	$ 1,842,293	-100.00%
Average price per share	$ -	$ 26.84	-100.00%
Ratios			
Return on average assets	1.31%	1.06%	
Return on average equity	8.16%	6.28%	
Efficiency ratio	61.68%	53.92%	

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

	(unaudited) March 31, 2018	December 31, 2017
Assets		
Cash and cash equivalents		
Cash and due from banks	$ 10,776,868	$ 11,585,565
Federal funds sold and interest bearing deposits	53,373,993	62,439,382
Total cash and cash equivalents	64,150,861	74,024,947
Time deposits in other financial institutions	33,824,243	32,538,834
Investment securities available for sale	35,684,934	34,589,634
Investment securities held to maturity (approximate fair value of $52,859,097 and $61,397,259)	52,983,275	61,720,696
Equity securities, at cost	851,538	851,538
Loans, less allowance for loan losses of $759,001 and $792,646	300,828,910	294,360,392
Premises and equipment	8,846,028	8,923,406
Other real estate owned	138,000	149,300
Accrued interest receivable	1,339,308	1,389,015
Computer software	185,344	212,045
Bank owned life insurance	12,317,820	12,240,267
Prepaid expenses	417,266	511,109
Deferred income taxes	11,551	-
Other assets	303,401	457,253
Total assets	$ 511,882,479	$ 521,968,436
Liabilities and Stockholders' Equity		
Deposits		
Noninterest-bearing	$ 133,678,508	$ 149,694,375
Interest-bearing	294,297,101	289,728,947
Total deposits	427,975,609	439,423,322
Accrued interest payable	18,540	18,491
Deferred income taxes	-	121,990
Other liabilities	726,551	481,754
Total liabilities	428,720,700	440,045,557
Stockholders' equity		
Common stock, par value $1 per share; authorized 10,000,000 shares; issued and outstanding 2,814,240 shares at March 31, 2018, and 2,814,240 shares at December 31, 2017	2,814,240	2,814,240
Additional paid-in capital	4,037,860	4,037,860
Retained earnings	76,543,399	74,604,790
Total tier 1 capital	83,395,499	81,456,890
Accumulated other comprehensive income (loss), net of tax	(233,720)	465,989
Total stockholders' equity	83,161,779	81,922,879
Total liabilities and stockholders' equity	$ 511,882,479	$ 521,968,436

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

	For the three months ended	
	March 31, 2018	March 31, 2017
Interest and dividend revenue		
Loans, including fees	$ 3,679,957	$ 3,421,369
U. S. Treasury and government agency securities	227,752	268,022
Mortgage backed securities	32,496	-
State and municipal securities	71,950	64,918
Federal funds sold and interest bearing deposits	199,939	62,882
Time deposits in other financial institutions	104,957	81,277
Equity securities	5,390	5,390
Total interest and dividend revenue	4,322,441	3,903,858
Interest expense		
Deposits	87,249	84,319
Borrowings	-	1,103
Total interest expense	87,249	85,422
Net interest income	4,235,192	3,818,436
Provision for loan losses	-	25,000
Net interest income after provision for loan losses	4,235,192	3,793,436
Noninterest revenue		
Service charges on deposit accounts	168,405	147,489
ATM and debit card	196,966	188,154
Merchant payment processing	32,925	30,038
Gain (loss) on disposition of investment securities	388,904	(1,823)
Decrease in fair value of equity securities	(19,624)	-
Loss on revaluation of other real estate owned	(11,300)	-
Increase in cash surrender value of bank owned life insurance	77,553	88,708
Miscellaneous	71,887	59,679
Total noninterest revenue	905,716	512,245
Noninterest expenses		
Salaries	1,110,011	1,001,005
Employee benefits	346,396	344,419
Occupancy	224,036	200,791
Furniture and equipment	147,134	123,361
Data processing	102,512	82,710
ATM and debit card	82,801	93,437
Deposit insurance premiums	40,471	37,106
Unauthorized wire transfer loss	411,001	-
Other operating	478,977	453,130
Total noninterest expenses	2,943,339	2,335,959
Income before income taxes	2,197,569	1,969,722
Income taxes	514,849	696,000
Net income	$ 1,682,720	$ 1,273,722
Other comprehensive income (loss), net of tax		
Unrealized gains (losses) on available for sale investment securities arising during the period, net of taxes of $(128,390) and $54,648	(443,820)	119,488
Comprehensive income	$ 1,238,900	$ 1,393,210
Earnings per common share - basic and diluted	$ 0.60	$ 0.44

Calvin B. Taylor Bankshares, Inc. and Subsidiary
Consolidated Statements of Cash Flows (unaudited)

	For the three months ended March 31, 2018	For the three months ended March 31, 2017
Cash flows from operating activities		
Interest and dividends received	$ 4,536,725	$ 4,118,815
Interest paid	(87,200)	(85,295)
Fees and commissions received	448,099	459,963
Cash paid to suppliers and employees	(2,772,683)	(2,322,515)
Income taxes paid	(17,424)	(5,652)
Net cash provided by operating activities	2,107,517	2,165,316
Cash flows from investing activities		
Certificates of deposit purchased, net of maturities	(1,285,409)	(1,239,434)
Proceeds from sale of investments available for sale	2,387,500	-
Proceeds from maturities of investments available for sale, including paydowns on mortgage-backed securities	4,341,861	6,120,000
Purchase of investments available for sale	(8,046,551)	(1,000,500)
Proceeds from maturities of investments held to maturity	9,085,000	4,155,000
Purchase of investments held to maturity	(493,195)	(2,082,520)
Loans made, net of principal reductions	(6,468,518)	(14,504,274)
Proceeds from sale of premises and equipment	375	-
Purchases of premises, equipment, and computer software	(54,954)	(541,494)
Net cash used by investing activities	(533,891)	(9,093,222)
Cash flows from financing activities		
Net increase (decrease) in		
Time deposits	(1,447,492)	229,004
Other deposits	(10,000,220)	(1,737,602)
Securities sold under agreements to repurchase	-	(193,047)
Common shares repurchased	-	(1,842,293)
Net cash used by financing activities	(11,447,712)	(3,543,938)
Net decrease in cash and cash equivalents	(9,874,086)	(10,471,844)
Cash and cash equivalents at beginning of period	74,024,947	53,330,091
Cash and cash equivalents at end of period	$ 64,150,861	$ 42,858,247

Calvin B. Taylor Bankshares, Inc. and Subsidiary
Consolidated Statements of Cash Flows continued (unaudited)

	For the three months ended	
	March 31, 2018	March 31, 2017
Reconciliation of net income to net cash provided by operating activities		
Net income	$ 1,682,720	$ 1,273,722
Adjustments to reconcile net income to net cash provided by operating activities		
Premium amortization and discount accretion	164,576	204,107
Loss (gain) on disposition of investment securities	(388,904)	1,823
Decrease in fair value of equity securities	19,624	
Provision for loan losses	-	25,000
Loss (gain) on disposition of premises, equipment, and software	(375)	-
Depreciation and amortization	159,032	136,500
Loss on revaluation of other real esate	11,300	-
Decrease (increase) in		
Accrued interest receivable	49,707	10,850
Cash surrender value of bank owned life insurance	(77,553)	(88,708)
Other assets	71,759	149,302
Increase (decrease) in		
Accrued interest payable	49	127
Accrued and deferred income taxes	497,425	690,348
Other liabilities	(81,843)	(237,755)
Net cash provided by operating activities	$ 2,107,517	$ 2,165,316