

**Calvin B. Taylor Bankshares, Inc.
and Subsidiary**

Financial Highlights

<u>At period end</u>	<u>March 31, 2015</u>	<u>December 31, 2014</u>	<u>% Change</u>
Assets	\$ 457,505,631	\$ 451,042,947	1.43%
Deposits	\$ 371,270,994	\$ 366,303,211	1.36%
Loans, net	\$ 232,514,655	\$ 225,483,766	3.12%
Total capital	\$ 79,550,888	\$ 78,490,941	1.35%
Book value per share	\$ 27.29	\$ 26.91	1.41%
Total capital to total assets	17.39%	17.40%	

<u>For the three months ended</u>	<u>March 31, 2015</u>	<u>March 31, 2014</u>	<u>% Change</u>
Average assets	\$ 449,347,676	\$ 441,302,372	1.82%
Average equity	\$ 78,197,254	\$ 77,443,445	0.97%
Net interest income	\$ 3,360,324	\$ 3,399,775	-1.16%
Net income	\$ 1,099,130	\$ 1,008,473	8.99%
Net income per share	\$ 0.38	\$ 0.34	11.76%
Return on average assets	0.98%	0.91%	
Return on average equity	5.62%	5.21%	

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

	(unaudited)	
	March 31, 2015	December 31, 2014
	<u>2015</u>	<u>2014</u>
Assets		
Cash and due from banks	\$ 40,744,641	\$ 37,937,508
Federal funds sold	16,277,047	12,752,587
Interest-bearing bank deposits	20,080,491	20,080,489
Investment securities available for sale	44,141,664	47,170,443
Investment securities held to maturity (approximate fair value of \$87,988,933 and \$91,292,681)	87,798,294	91,386,521
Loans, less allowance for loan losses of \$988,009 and \$907,821	232,514,655	225,483,766
Premises and equipment	5,519,353	5,458,034
Other real estate owned	410,500	410,500
Accrued interest receivable	1,078,304	1,093,821
Computer software	151,558	146,198
Bank owned life insurance	8,263,315	8,201,496
Prepaid expenses	314,755	433,781
Other assets	211,054	487,803
Total assets	<u>\$ 457,505,631</u>	<u>\$ 451,042,947</u>
Liabilities and Stockholders' Equity		
Deposits		
Noninterest-bearing	\$ 112,274,970	\$ 111,213,527
Interest-bearing	258,996,024	255,089,684
Total deposits	371,270,994	366,303,211
Securities sold under agreements to repurchase	5,742,523	5,702,986
Accrued interest payable	22,278	22,624
Deferred income taxes	286,669	285,213
Other liabilities	632,279	237,972
Total liabilities	<u>377,954,743</u>	<u>372,552,006</u>
Stockholders' equity		
Common stock, par value \$1 per share; authorized 10,000,000 shares; issued and outstanding 2,914,819 shares at March 31, 2015, and 2,917,119 shares at December 31, 2014	2,914,819	2,917,119
Additional paid-in capital	6,640,181	6,697,024
Retained earnings	69,053,273	67,954,143
Total tier 1 capital	78,608,273	77,568,286
Accumulated other comprehensive income, net of tax	942,615	922,655
Total stockholders' equity	<u>79,550,888</u>	<u>78,490,941</u>
Total liabilities and stockholders' equity	<u>\$ 457,505,631</u>	<u>\$ 451,042,947</u>

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

	For the three months ended March 31,	
	2015	2014
	<u>2015</u>	<u>2014</u>
Interest and dividend revenue		
Loans, including fees	\$ 3,132,932	\$ 3,262,018
U. S. Treasury and government agency securities	246,935	163,409
State and municipal securities	19,073	18,634
Federal funds sold and due from banks	23,652	26,037
Interest-bearing bank deposits	24,203	18,318
Equity securities	5,136	9,493
Total interest and dividend revenue	<u>3,451,931</u>	<u>3,497,909</u>
Interest expense		
Deposits	89,531	96,094
Borrowings	2,076	2,040
Total interest expense	<u>91,607</u>	<u>98,134</u>
Net interest income	3,360,324	3,399,775
Provision for loan losses	<u>80,000</u>	<u>123,000</u>
Net interest income after provision for loan losses	<u>3,280,324</u>	<u>3,276,775</u>
Noninterest revenue		
Service charges on deposit accounts	157,466	169,872
ATM and debit card	169,158	166,155
Increase in cash surrender value of bank owned life insurance	61,819	62,006
Miscellaneous	83,673	79,172
Total noninterest revenue	<u>472,116</u>	<u>477,205</u>
Noninterest expenses		
Salaries	894,992	897,146
Employee benefits	256,613	292,725
Occupancy	188,356	209,599
Furniture and equipment	116,376	122,502
Data processing	65,569	68,649
ATM and debit card	70,369	79,188
Deposit insurance premiums	54,131	53,072
Other operating	396,904	486,126
Total noninterest expenses	<u>2,043,310</u>	<u>2,209,007</u>
Income before income taxes	1,709,130	1,544,973
Income taxes	<u>610,000</u>	<u>536,500</u>
Net income	<u>\$ 1,099,130</u>	<u>\$ 1,008,473</u>
Earnings per common share - basic and diluted	<u>\$ 0.38</u>	<u>\$ 0.34</u>
Other comprehensive income (loss), net of tax		
Unrealized gains (losses) on available for sale investment securities arising during the period, net of taxes of \$1,456 and \$48,024	19,960	78,098
Comprehensive income	<u>\$ 1,119,090</u>	<u>\$ 1,086,571</u>