

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

Financial Highlights

<u>At period end</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>% Change</u>
Assets	\$ 462,784,684	\$ 451,042,947	2.60%
Deposits	\$ 375,303,572	\$ 366,303,211	2.46%
Loans, net	\$ 234,974,145	\$ 225,483,766	4.21%
Total capital	\$ 80,462,279	\$ 78,490,941	2.51%
Book value per share	\$ 27.67	\$ 26.91	2.82%
Total capital to total assets	17.39%	17.40%	

<u>For the six months ended</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>% Change</u>
Average assets	\$ 453,986,683	\$ 441,469,219	2.84%
Average equity	\$ 79,177,143	\$ 77,858,809	1.69%
Net interest income	\$ 6,821,379	\$ 6,868,542	-0.69%
Net income	\$ 2,244,457	\$ 2,193,946	2.30%
Net income per share	\$ 0.77	\$ 0.74	4.05%
Return on average assets	0.99%	0.99%	
Return on average equity	5.67%	5.64%	

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

	(unaudited)	
	June 30, 2015	December 31, 2014
	<u> </u>	<u> </u>
Assets		
Cash and due from banks	\$ 45,394,297	\$ 37,937,508
Federal funds sold	17,288,358	12,752,587
Interest-bearing bank deposits	20,824,097	20,080,489
Investment securities available for sale	44,079,151	47,170,443
Investment securities held to maturity (approximate fair value of \$82,988,234 and \$91,292,681)	82,826,311	91,386,521
Loans, less allowance for loan losses of \$1,052,424 and \$908,588	234,974,145	225,483,766
Premises and equipment	6,575,037	5,458,034
Other real estate owned	450,500	410,500
Accrued interest receivable	1,198,350	1,093,821
Computer software	201,398	146,198
Bank owned life insurance	8,325,454	8,201,496
Prepaid expenses	325,990	433,781
Other assets	321,596	487,803
Total assets	<u>\$ 462,784,684</u>	<u>\$ 451,042,947</u>
Liabilities and Stockholders' Equity		
Deposits		
Noninterest-bearing	\$ 117,893,103	\$ 111,213,527
Interest-bearing	<u>257,410,469</u>	<u>255,089,684</u>
Total deposits	375,303,572	366,303,211
Securities sold under agreements to repurchase	6,667,047	5,702,986
Accrued interest payable	22,005	22,624
Deferred income taxes	253,496	285,213
Other liabilities	<u>76,285</u>	<u>237,972</u>
Total liabilities	<u>382,322,405</u>	<u>372,552,006</u>
Stockholders' equity		
Common stock, par value \$1 per share; authorized 10,000,000 shares; issued and outstanding 2,908,204 shares at June 30, 2015, and 2,917,119 shares at December 31, 2014	2,908,204	2,917,119
Additional paid-in capital	6,475,378	6,697,024
Retained earnings	<u>70,198,600</u>	<u>67,954,143</u>
Total tier 1 capital	79,582,182	77,568,286
Accumulated other comprehensive income, net of tax	<u>880,097</u>	<u>922,655</u>
Total stockholders' equity	<u>80,462,279</u>	<u>78,490,941</u>
Total liabilities and stockholders' equity	<u>\$ 462,784,684</u>	<u>\$ 451,042,947</u>

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

	For the six months ended June 30,	
	2015	2014
Interest and dividend revenue		
Loans, including fees	\$ 6,344,400	\$ 6,574,290
U. S. Treasury and government agency securities	489,429	338,676
State and municipal securities	53,641	37,739
Federal funds sold and due from banks	48,692	54,093
Interest-bearing bank deposits	50,653	38,481
Equity securities	14,597	19,127
Total interest and dividend revenue	<u>7,001,412</u>	<u>7,062,406</u>
Interest expense		
Deposits	175,710	189,352
Borrowings	4,323	4,512
Total interest expense	<u>180,033</u>	<u>193,864</u>
Net interest income	6,821,379	6,868,542
Provision for loan losses	165,000	173,000
Net interest income after provision for loan losses	<u>6,656,379</u>	<u>6,695,542</u>
Noninterest revenue		
Service charges on deposit accounts	314,990	343,007
ATM and debit card	368,610	355,348
Increase in cash surrender value of bank owned life insurance	123,958	124,782
Miscellaneous	211,246	203,634
Total noninterest revenue	<u>1,018,804</u>	<u>1,026,771</u>
Noninterest expenses		
Salaries	1,807,821	1,794,246
Employee benefits	575,049	560,771
Occupancy	372,493	384,209
Furniture and equipment	226,830	224,515
Data processing	130,455	141,418
ATM and debit card	150,455	161,148
Deposit insurance premiums	105,932	104,156
Other operating	820,691	910,904
Total noninterest expenses	<u>4,189,726</u>	<u>4,281,367</u>
Income before income taxes	3,485,457	3,440,946
Income taxes	1,241,000	1,247,000
Net income	<u>\$ 2,244,457</u>	<u>\$ 2,193,946</u>
Earnings per common share - basic and diluted	<u>0.77</u>	<u>0.74</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 (\$31,717) and \$71,814	(42,558)	118,599
Comprehensive income	<u>\$ 2,201,899</u>	<u>\$ 2,312,545</u>