

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

	(unaudited) March 31, 2022	December 31, 2021	(unaudited) March 31, 2021
Assets			
Cash and cash equivalents			
Cash and due from banks	\$ 11,076,452	\$ 9,931,724	\$ 10,759,131
Federal funds sold and interest bearing deposits	210,292,063	280,331,067	164,416,904
Total cash and cash equivalents	221,368,515	290,262,791	175,176,035
Time deposits in other financial institutions	2,476,920	3,478,221	8,732,396
Debt securities available for sale, at fair value	149,860,671	128,654,564	78,437,955
Debt securities held to maturity, at amortized cost	28,376,618	13,967,244	3,515,601
Equity securities, at cost	1,212,533	1,103,833	1,103,733
Loans	464,355,936	434,866,477	455,677,254
Less: allowance for loan losses	(2,052,567)	(1,998,728)	(1,955,434)
Net loans	462,303,369	432,867,749	453,721,820
Accrued interest receivable	1,609,199	1,701,446	2,123,934
Prepaid expenses	486,050	645,725	521,291
Other real estate owned	-	-	-
Premises and equipment, net	12,822,077	12,904,446	12,827,221
Computer software	314,486	342,148	365,169
Deferred income taxes	2,079,257	-	-
Bank owned life insurance and annuities	21,491,536	18,223,348	13,491,712
Other assets	845,340	327,271	1,400,028
Total assets	<u>\$ 905,246,571</u>	<u>\$ 904,478,786</u>	<u>\$ 751,416,895</u>
Liabilities and Stockholders' Equity			
Deposits			
Non-interest bearing	\$ 278,898,126	\$ 283,096,833	\$ 232,686,437
Interest bearing	527,563,420	520,148,789	420,797,862
Total deposits	806,461,546	803,245,622	653,484,299
Accrued interest payable	26,202	26,029	26,079
Dividends payable	828,228	800,620	801,981
Securities purchase payable	1,922,575	-	-
Accrued expenses	274,570	623,132	249,640
Non-qualified deferred compensation	636,316	645,716	519,539
Deferred income taxes	-	6,759	534,278
Other liabilities	564,068	41,992	65,337
Total liabilities	810,713,505	805,389,870	655,681,153
Stockholders' equity			
Common stock, par value \$1 per share;			
authorized 10,000,000 shares; issued and outstanding	2,760,760	2,760,760	2,765,452
Additional paid-in capital	2,398,533	2,398,533	2,562,103
Retained earnings	96,131,635	94,670,987	90,190,247
Accumulated other comprehensive income (loss), net of tax	(6,757,862)	(741,364)	217,940
Total stockholders' equity	94,533,066	99,088,916	95,735,742
Total liabilities and stockholders' equity	<u>\$ 905,246,571</u>	<u>\$ 904,478,786</u>	<u>\$ 751,416,895</u>

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

	For the three months ended	
	March 31, 2022	March 31, 2021
Interest revenue		
Loans, including fees	\$ 4,829,421	\$ 4,957,754
U. S. Treasury and government agency debt securities	141,407	57,228
Mortgage-backed debt securities	327,605	116,772
State and municipal debt securities	79,636	51,003
Federal funds sold and interest bearing deposits	95,490	35,932
Time deposits in other financial institutions	12,161	44,674
Total interest revenue	5,485,720	5,263,363
Interest expense		
Deposits	212,760	187,170
Net interest income	5,272,960	5,076,193
Provision for loan losses	75,000	125,000
Net interest income after provision for loan losses	5,197,960	4,951,193
Noninterest income		
Debit card and ATM	345,659	316,116
Service charges on deposit accounts	215,453	179,087
Merchant payment processing	56,317	13,517
Increase in cash surrender value of bank owned life insurance	73,279	85,933
Income from bank owned life insurance death proceeds	272,111	618,463
Dividends	3,310	4,595
Gain on disposition of debt securities	645	60,453
Loss on disposition of fixed assets	-	(4,931)
Miscellaneous	73,024	71,328
Total noninterest income	1,039,798	1,344,561
Noninterest expenses		
Salaries	1,359,240	1,248,957
Employee benefits	338,327	399,265
Occupancy	240,760	227,368
Furniture and equipment	220,793	203,685
Data processing	213,985	166,115
ATM and debit card	141,123	112,250
Marketing	86,536	35,614
Directors fees	80,150	75,100
Telecommunication services	86,663	82,145
Deposit insurance premiums	59,543	49,895
Other operating	447,262	439,932
Total noninterest expenses	3,274,382	3,040,326
Income before income taxes	2,963,376	3,255,428
Income taxes	674,500	660,000
Net income	2,288,876	2,595,428
Other comprehensive loss, net of tax		
Unrealized losses on available for sale debt securities arising during the period, net of tax	(6,016,498)	(589,263)
Comprehensive income	\$ (3,727,622)	\$ 2,006,165
Earnings per common share - basic and diluted	\$ 0.83	\$ 0.94

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

	For the three months ended	
	March 31, 2022	March 31, 2021
Cash flows from operating activities		
Interest received	\$ 5,752,336	\$ 6,397,335
Interest paid	(212,587)	(187,928)
Fees and commissions received	340,459	840,859
Cash paid to suppliers and employees	(3,255,943)	(2,932,677)
Income taxes paid	(28,696)	(14,450)
Net cash provided by operating activities	2,595,569	4,103,139
Cash flows from investing activities		
Time deposits matured, net of purchases	1,000,000	1,358
Available for sale debt securities		
Sales	313,998	4,171,167
Maturities, prepayments and calls	3,350,934	8,283,695
Purchases	(31,230,807)	(20,671,431)
Held to maturity debt securities		
Maturities, prepayments and calls	-	3,500,000
Purchases	(14,405,391)	-
Loans originated, net of principal reductions	(29,507,199)	(33,339,917)
Purchase of equity securities, at cost	(108,700)	-
Redemption of equity securities, at cost	-	136,500
Proceeds from sale of premises and equipment	-	3,449
Purchases of premises, equipment, and computer software	(123,078)	(106,747)
Bank owned life insurance death proceeds	348,686	-
Purchase of bank owned life insurance and annuities	(3,543,594)	-
Net cash used by investing activities	(73,905,151)	(38,021,926)
Cash flows from financing activities		
Net increase (decrease) in		
Time deposits	1,272,956	1,293,239
Other deposits	1,942,970	37,753,981
Common shares repurchased	-	(253,572)
Dividends paid	(800,620)	(804,150)
Net cash provided by financing activities	2,415,306	37,989,498
Net increase (decrease) in cash and cash equivalents	(68,894,276)	4,070,711
Cash and cash equivalents at beginning of period	290,262,791	171,105,324
Cash and cash equivalents at end of period	<u>\$ 221,368,515</u>	<u>\$ 175,176,035</u>
	-	-

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

	For the three months ended	
	March 31, 2022	March 31, 2021
Reconciliation of net income to net cash provided by		
operating activities		
Net income	\$ 2,288,876	\$ 2,595,428
Adjustments to reconcile net income to net cash provided by		
operating activities		
Premium amortization and discount accretion	177,791	199,655
Loss (gain) on disposition of investment securities	(645)	(60,453)
Provision for loan losses	75,000	125,000
Depreciation and amortization	233,109	246,723
Loss (gain) on disposition of premises, equipment, and software	-	4,931
Earnings on bank owned life insurance and annuities	(73,280)	(85,933)
Accrued and deferred income taxes	645,804	645,550
Decrease (increase) in		
Deferred loan fees and costs, net	(3,422)	1,124,411
Accrued interest receivable	92,247	278,288
Prepaid expenses	159,675	90,897
Other assets	(651,970)	(758,365)
Increase (decrease) in		
Accrued interest payable	173	(758)
Accrued expenses	(348,562)	(352,387)
Non-qualified deferred compensation	(9,400)	33,913
Other liabilities	10,173	16,239
Net cash provided by operating activities	<u>\$ 2,595,569</u>	<u>\$ 4,103,139</u>
	-	-
Supplemental cash flows information		
Non-cash transfers from loans to other real estate owned	\$ -	\$ -