

Quarterly Statement of Condition Second Quarter, June 30, 2013

Central Bank & Trust Co.
Central Insurance Services
Central Bank of Jefferson County
Central Investment Center, Inc.



Showing you the way.

 Central Bancshares, Inc.

Central Bancshares' Mission Statement

The mission of Central Bancshares is to become Kentucky's leading, high performing, community banking company by empowering our staff to deliver consistently superior service and value to our customers, shareholders and communities. We will be successful because Central Bankers are our greatest resource and our most sustainable advantage.

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Financial Highlights

	2013	2012	2011	2010	2009
Results of Operations:					
Net income	\$ 6,170,299	\$ 6,236,462	\$ 5,778,375	\$ 3,390,596	\$ 706,583
Net income per share	17.73	17.92	16.61	9.75	2.03
Cash dividends per share	0.00	0.00	0.00	0.00	2.50
Book value per share at quarter end	535.26	498.53	466.11	443.68	415.54
At June 30:					
Assets	\$ 2,101,380,243	\$ 2,130,888,177	\$ 2,108,346,500	\$ 2,120,360,611	\$ 1,976,240,150
Earning assets	1,945,033,310	1,952,972,650	1,929,807,015	1,935,439,283	1,800,049,239
Net loans and leases	1,561,373,874	1,634,177,922	1,681,483,283	1,751,086,986	1,602,842,572
Deposits	1,775,738,596	1,838,962,932	1,824,806,829	1,788,472,396	1,646,789,078
Shareholders' equity	186,228,698	173,450,399	162,169,002	154,365,749	144,575,076
Performance Ratios:					
Return on average assets	0.59%	0.59%	0.55%	0.33%	0.07%
Return on average shareholders' equity	6.75%	7.33%	7.29%	4.45%	0.97%
Average shareholders' equity to average assets	8.11%	7.38%	6.78%	6.62%	6.75%
Net charge-offs to average loans and leases	0.32%	0.22%	0.29%	0.40%	0.23%
Allowance for credit losses as a percentage of quarter end loans and leases	1.64%	1.85%	1.45%	1.19%	1.42%
Net interest margin (tax equivalent)	3.60%	3.86%	4.08%	3.98%	3.44%

Note: All periods prior to 2013 include the balances and results of Salt Lick Deposit Bank which was sold effective January 1, 2013.

Consolidated Balance Sheets

	June 30, 2013	June 30, 2012
ASSETS		
Cash and due from banks	\$ 43,200,971	\$ 45,162,392
Federal funds sold	126,200,000	147,200,000
<i>Total cash and cash equivalents</i>	<u>169,400,971</u>	<u>192,362,392</u>
Securities	250,328,448	160,205,983
Loans and leases, net of unearned income	1,587,327,721	1,612,175,466
Allowance for credit losses	(25,953,847)	(30,238,425)
<i>Loans and leases, net</i>	<u>1,561,373,874</u>	<u>1,581,937,041</u>
Premises and equipment, net	37,042,337	38,707,003
Federal Home Loan Bank stock	7,050,900	7,050,900
Intangible assets	15,089,071	15,583,659
Prepaid expenses and other assets	61,094,642	71,986,933
Assets held for sale, Salt Lick Deposit Bank	\$ 0	\$ 63,054,266
Total assets	<u>2,101,380,243</u>	<u>2,130,888,177</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 416,896,583	\$ 391,708,591
Interest bearing	1,358,842,013	1,385,461,909
<i>Total deposits</i>	<u>1,775,738,596</u>	<u>1,777,170,500</u>
Customer sweep accounts	86,126,769	52,125,398
Federal Home Loan Bank advances	2,833,580	13,728,892
Long term debt payable	37,600,000	37,600,000
Other liabilities	12,852,600	11,999,326
Liabilities held for sale, Salt Lick Deposit Bank	0	64,813,662
<i>Total liabilities</i>	<u>1,915,151,545</u>	<u>1,957,437,778</u>
SHAREHOLDERS' EQUITY		
Common stock, par value, \$10 a share; 350,000 shares authorized, 347,922 shares outstanding	3,479,220	3,479,220
Additional paid-in capital	6,890,468	6,890,468
Retained earnings	179,570,592	166,756,108
Accumulated other comprehensive income (loss)	(3,711,582)	(3,675,397)
<i>Total shareholders' equity</i>	<u>186,228,698</u>	<u>173,450,399</u>
Total liabilities and shareholders' equity	<u>\$ 2,101,380,243</u>	<u>\$ 2,130,888,177</u>

Consolidated Income Statements

(For six months ended)

	June 30, 2013	June 30, 2012
INTEREST INCOME		
Interest and fees on loans	\$ 39,187,694	\$ 43,158,921
Interest on securities	1,046,163	885,914
Interest on short term investments	207,312	187,415
	<u>40,441,169</u>	<u>44,232,250</u>
INTEREST EXPENSE		
Interest on deposits	4,791,047	6,173,405
Interest on borrowed funds	1,414,703	1,586,375
	<u>6,205,750</u>	<u>7,759,780</u>
Net interest income	34,235,419	36,472,470
Provision for credit losses	4,251,000	5,724,472
Net interest income after provision for credit losses	<u>29,984,419</u>	<u>30,747,998</u>
OTHER INCOME		
Service charges on deposit accounts	4,403,886	4,812,113
Service charges on loans	5,786,688	5,101,435
Wealth management income	5,672,418	5,396,569
Other income	2,104,761	1,387,320
	<u>17,967,753</u>	<u>16,697,437</u>
OTHER EXPENSES		
Salaries	16,168,145	15,681,830
Benefits	3,830,685	3,540,820
Occupancy	8,384,190	8,512,158
Other non-interest expenses	12,662,666	13,460,648
	<u>41,045,686</u>	<u>41,195,456</u>
Income before provision for income taxes	6,906,486	6,249,979
Provision for income taxes	736,187	13,517
Net income	<u>\$ 6,170,299</u>	<u>\$ 6,236,462</u>
Basic earnings per share	<u>\$ 17.73</u>	<u>\$ 17.92</u>

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