

Quarterly Statement of Condition Third Quarter, September 30, 2009

Central Bank & Trust Co.

Central Bank, FSB

Central Insurance Services

Central Bank of Jefferson County

Central Investment Center, Inc.

Salt Lick Deposit Bank



Showing you the way.



Central Bancshares, Inc.

Central Bancshares' Mission Statement

The mission of Central Bancshares is to be a high-performance financial services company that delivers superior service and value to each customer we serve. We will emphasize customer and employee satisfaction – always mindful that quality people will make the Central difference.

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Member FDIC



Financial Highlights

Results of Operations:

Consolidated Balance Sheets

| | September 30, 2009 | September 30, 2008 |
|---|-------------------------|-------------------------|
| ASSETS | | |
| Cash and due from banks | \$ 35,986,519 | \$ 29,946,221 |
| Federal funds sold | 15,800,000 | 7,600,000 |
| Money market investments | 80,088 | 80,088 |
| <i>Total cash and cash equivalents</i> | <u>51,866,607</u> | <u>37,626,309</u> |
| Securities | 127,354,399 | 161,543,343 |
| Loans and leases, net of unearned income | 1,657,202,551 | 1,510,817,758 |
| Allowance for credit losses | (21,130,518) | (20,394,117) |
| <i>Loans and leases, net</i> | <u>1,636,072,033</u> | <u>1,490,423,641</u> |
| Premises and equipment, net | 49,630,601 | 53,922,316 |
| Federal Home Loan Bank stock | 7,959,300 | 7,893,200 |
| Intangible assets | 17,634,907 | 17,763,951 |
| Prepaid expenses and other assets | 61,142,528 | 46,772,605 |
| Total assets | \$ 1,951,660,375 | \$ 1,815,945,365 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Deposits: | | |
| Non-interest bearing | \$ 276,748,986 | \$ 276,031,622 |
| Interest bearing | 1,349,010,775 | 1,204,520,448 |
| <i>Total deposits</i> | <u>1,625,759,761</u> | <u>1,480,552,070</u> |
| Federal funds purchased and securities sold under repurchase agreements | 30,800,000 | 24,325,000 |
| Customer sweep accounts | 55,382,047 | 75,050,687 |
| Federal Home Loan Bank advances | 42,669,622 | 56,383,497 |
| Long term debt payable | 37,600,000 | 17,575,000 |
| Other liabilities | 15,018,802 | 11,197,326 |
| <i>Total liabilities</i> | <u>1,807,230,232</u> | <u>1,665,083,580</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 | 142,263,226 | 142,161,412 |
| Accumulated other comprehensive income | (8,202,771) | (1,669,315) |
| <i>Total shareholders' equity</i> | <u>144,430,143</u> | <u>150,861,785</u> |
| Total liabilities and shareholders' equity | \$ 1,951,660,375 | \$ 1,815,945,365 |

Consolidated Income Statements

(For nine months ended)

| | September 30, 2009 | September 30, 2008 |
|---|---------------------|---------------------|
| INTEREST INCOME | | |
| Interest and fees on loans | \$ 67,827,093 | \$ 71,471,814 |
| Interest on securities | 2,420,723 | 4,753,553 |
| Interest on short term investments | 83,049 | 86,199 |
| | <u>70,330,865</u> | <u>76,311,566</u> |
| INTEREST EXPENSE | | |
| Interest on deposits | 21,576,136 | 25,756,740 |
| Interest on borrowed funds | 2,801,561 | 3,829,569 |
| | <u>24,377,697</u> | <u>29,586,309</u> |
| Net interest income | 45,953,168 | 46,725,257 |
| Provision for credit losses | 7,318,391 | 4,173,768 |
| Net interest income after provision for credit losses | <u>38,634,777</u> | <u>42,551,489</u> |
| OTHER INCOME | | |
| Service charges on deposit accounts | 8,129,721 | 7,496,828 |
| Service charges on loans | 6,354,091 | 4,389,993 |
| Wealth management income | 6,575,731 | 7,382,056 |
| Other income | 942,921 | 5,439,036 |
| | <u>22,002,464</u> | <u>24,707,913</u> |
| OTHER EXPENSES | | |
| Salaries | 21,727,574 | 22,970,821 |
| Benefits | 6,511,930 | 5,257,833 |
| Occupancy | 13,284,303 | 12,681,579 |
| Other non-interest expenses | 20,167,702 | 16,569,272 |
| | <u>61,691,509</u> | <u>57,479,505</u> |
| Income before provision for income taxes | (1,054,268) | 9,779,897 |
| Provision for income taxes | (2,056,333) | 1,767,031 |
| Net income | <u>\$ 1,002,065</u> | <u>\$ 8,012,866</u> |
| Basic earnings per share | <u>\$ 2.88</u> | <u>\$ 23.03</u> |
| Weighted average number of common shares outstanding | 347,922 | 347,922 |

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