



CONNECTING WITH
OUR
COMMUNITIES.



2019
SECOND QUARTER
REPORT



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

HELPING TO KEEP OUR COMMUNITIES STRONG.

LEXINGTON
PUBLIC LIBRARY



The Lexington Public Library serves a merged city-county jurisdiction of 300,000+ people through a central library, five neighborhood branches, an active Outreach department, and rapidly expanding virtual services. Central Bank is proud to support their vision of a community engaged in a lifetime of discovery, as they work to expand their services in all locations.

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.

CONTENTS

Financial Highlights	1
Consolidated Balance Sheets	2
Consolidated Statements of Income	3
Boards of Directors	4
Officers	6

For additional copies or
INFORMATION

MARKETING
CENTRAL BANK
300 West Vine Street
Lexington, KY 40507

FINANCIAL HIGHLIGHTS

For six months ended June 30
(dollars in thousands, except share data)

	2019	2018	2017	2016	2015
RESULTS OF OPERATIONS:					
Net income	\$ 16,516	\$ 13,639	\$ 9,115	\$ 9,159	\$ 8,968
Net income per share	0.47	0.39	0.26	0.26	0.26
Cash dividends per share	0.00	0.00	0.00	0.00	0.00
Book value per share at quarter end	8.55	7.72	7.10	6.64	6.17
AT JUNE 30:					
Assets	\$ 2,675,493	\$ 2,510,926	\$ 2,315,608	\$ 2,254,474	\$ 2,130,931
Earning assets	2,575,699	2,417,823	2,207,083	2,140,787	2,017,030
Net loans	2,112,764	2,018,027	1,851,995	1,685,733	1,595,585
Deposits	2,141,569	2,052,387	1,939,642	1,880,799	1,798,881
Shareholders' equity	297,325	268,444	247,045	230,888	214,564
PERFORMANCE RATIOS:					
Return on average assets	1.29%	1.12%	0.80%	0.84%	0.85%
Return on average shareholders' equity	11.58%	10.50%	7.58%	8.13%	8.62%
Average tangible equity					
to average tangible assets	10.71%	10.12%	10.02%	9.71%	9.25%
Net charge-offs to average loans	0.05%	0.02%	0.04%	0.05%	0.02%
Allowance for loan losses as a					
percentage of quarter end loans	1.00%	1.04%	1.16%	1.26%	1.40%
Net interest margin (tax equivalent)	4.10%	4.02%	3.94%	3.75%	3.70%

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	June 30 2019	June 30 2018
ASSETS		
Cash and due from financial institutions	\$ 50,761	\$ 43,943
Interest bearing deposits with other financial institutions	175,400	151,000
Total cash and cash equivalents	<u>226,161</u>	<u>194,943</u>
Debt securities	259,537	220,861
Loans, net of unearned income	2,134,011	2,039,211
Allowance for loan losses	(21,247)	(21,184)
Loans, net	<u>2,112,764</u>	<u>2,018,027</u>
Premises and equipment, net	29,639	31,549
Federal Home Loan Bank stock	6,751	6,751
Intangible assets	14,313	14,313
Prepaid expenses and other assets	26,328	24,482
Total assets	<u>\$ 2,675,493</u>	<u>\$ 2,510,926</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 699,752	\$ 685,772
Interest bearing	1,441,817	1,366,615
Total deposits	<u>2,141,569</u>	<u>2,052,387</u>
Repurchase agreements	145,144	127,444
Federal funds purchased	500	500
Federal Home Loan Bank advances	50,412	25,431
Subordinated debentures	15,000	15,000
Other liabilities	25,543	21,720
Total liabilities	<u>2,378,168</u>	<u>2,242,482</u>
SHAREHOLDERS' EQUITY		
Common stock (voting), \$10 par value; 350,000 shares authorized; 347,922 shares issued and outstanding	3,479	3,479
Common stock (non-voting), no par value; 34,650,000 shares authorized; 34,444,278 and zero shares issued and outstanding at June 30, 2019 and 2018, respectively	-	-
Additional paid-in capital	6,890	6,890
Retained earnings	293,490	264,224
Accumulated other comprehensive income (loss)	(6,534)	(6,149)
Total shareholders' equity	<u>297,325</u>	<u>268,444</u>
Total liabilities and shareholders' equity	<u>\$ 2,675,493</u>	<u>\$ 2,510,926</u>

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

	For six months ended	
	June 30 2019	June 30 2018
INTEREST INCOME		
Interest and fees on loans	\$ 53,216	\$ 47,331
Interest on debt securities	3,437	2,484
Interest on deposits with other financial institutions	1,683	1,104
	<u>58,336</u>	<u>50,919</u>
INTEREST EXPENSE		
Interest on deposits	7,115	3,982
Interest on borrowed funds	1,134	752
	<u>8,249</u>	<u>4,734</u>
Net interest income	50,087	46,185
Provision for loan losses	2,061	1,047
Net interest income after provision for loan losses	<u>48,026</u>	<u>45,138</u>
OTHER INCOME		
Service charges on deposit accounts	3,551	3,589
Service charges on loans	4,816	4,999
Wealth management income	7,367	7,395
Other income	3,746	2,532
	<u>19,480</u>	<u>18,515</u>
OTHER EXPENSES		
Salaries	20,404	19,937
Benefits	5,515	4,791
Occupancy	9,785	9,359
Other non-interest expenses	14,279	13,704
	<u>49,983</u>	<u>47,791</u>
Income before provision for income taxes	17,523	15,862
Provision for income taxes	1,007	2,223
Net income	<u>\$ 16,516</u>	<u>\$ 13,639</u>
Basic earnings per share	\$ 0.47	\$ 0.39

BOARDS OF DIRECTORS



Luther Deaton, Jr.
Chairman, President & CEO

Central Bancshares, Inc. and Central Bank & Trust Co. Board of Directors

Luther Deaton, Jr.
Chairman, President & CEO, Central Bancshares, Inc. and Central Bank & Trust Co.

Joan D. Kincaid
Vice Chairman of the Board, Central Bancshares, Inc. and Central Bank & Trust Co.

Michael D. Foley
Retired Partner
RFH, PLLC Certified Public Accountants

Wayne M. Martin
VP of Development,
Retail Division,
Booth Energy

Nick Nicholson
Retired, Keeneland
Association, Inc.

G. Michael Ritchie
Executive Vice President,
Quantum Spatial, Inc.

Paul E. Sullivan
Partner, Frost Brown Todd,
LLC

Advisory Boards of Directors

Central Bank, Georgetown Advisory Board of Directors

Dallas Blankenship
Retired Superintendent,
Scott County Board of
Education

Mason "Butch" Glass
Community Volunteer

William C. Haugh
CEO, Georgetown
Community Hospital

George H. Lusby
Retired Scott County
Judge Executive

Kimberly E. Marshall
Market President

Randy Mason
Owner-Operator,
McDonald's

W. Thomas Prather
Chairman, Central Bank,
Georgetown &
Mayor of Georgetown

Central Bank, Lexington Advisory Board of Directors

Dennis Anderson
President, Anderson
Communities

John Atchison
Co-owner, Atchison Heller
Construction

Rick Avare
MAP Entities

Ray Ball
Owner, Ball Homes

Anthony Beatty
U.K. Campus Services &
Public Safety

Jed Bullard
Owner, E.D. Bullard
Company

Lucas Campbell
Gorman Company

Kevin Doyle
CFO, Congleton Hacker
Company

William Farish, Jr.
President, Lane's End Farm

Crinda Francke
President, ExecuTrain of
Kentucky

Linda Griffin
President, High Bridge
Spring Water

Joseph L. Grossman
President & CEO,
Appalachian Regional
Healthcare, Inc.

Pat Hayden
Retired, Rector Hayden
Real Estate

John Irvin, Jr.
Attorney, Kinkead & Stilz,
PLLC

Judge Mary Noble
Retired Judge, Kentucky
Supreme Court

Bruce Pieratt
Owner, Pieratt's

Bill Quigg
President, Richmond
Baking Company

Ed Quinn
President & CEO,
R.J. Corman Railroad
Company

Dr. Marcus Randall
President, Kentucky
Medical Services
Foundation

Nick Rowe
President, Kentucky
American Water Co.

Adolph Rupp III
Rupp & Associates, Inc.

Kenny Schomp
President & Owner,
Lexington Truck Sales, Inc.

Nick Strong
President, Old Colony
Insurance

Bill Thomason
President, Keeneland
Association

Lawrence Weathers
Chief of Police, Lexington

Central Bank, Louisville Advisory Board of Directors

Jonathan S. Blue
Chairman, Blue Equity, LLC

Ronald L. Carmicle
Owner, PLC Management

Marcia Cassidy
Director, Capital Link
Consultants

Michael D. Foley
Retired Partner
RFH, PLLC Certified Public
Accountants

William P. Malone
Retired, Deming, Malone,
Livesay & Ostroff

William E. Summers IV
Retired, Deputy Mayor,
Louisville Metro
Government

Jude Thompson
CEO, Delta Dental

Mark Wheeler
Market President

BOARDS OF DIRECTORS

Central Bank, Madison County Advisory Board of Directors

Dianna Ackerman
Broker/Owner, ERA Professional
Hometown Services

Frankie C. Blevins, Jr.
Attorney, Blevins Law, LLC

Robert R. Blythe
Mayor of Richmond
Pastor, First Baptist Church

James R. Carr
Builder and Developer

Shannon Combs
Partner, Combs, Parsons and
Collins Funeral Home

Jeff Fultz
Market President

Greg Gerard
President, Baptist Health
Richmond

James Ernest Hillard
Owner, Middletown Industrial

Mike Rice
Owner, Cars of Kentucky, Inc.

Rita H. Smart
Owner, The Bennett House

Central Bank, Nicholasville Advisory Board of Directors

Joan D. Kincaid
Vice Chairman of the Board,
Central Bancshares, Inc. and
Central Bank & Trust Co.

Sandra J. Adams
Owner, Zaxby's

Michael D. Foley
Retired Partner
RFH, PLLC Certified Public
Accountants

Ben A. Rainwater
Tutt Construction

Paul E. Sullivan
Partner, Frost Brown Todd, LLC

Benjamin G. Taylor
Taylor Made Farm & Sales
Agency, Inc.

Alan S. VanArsdall
Market President

Central Bank, Northern Kentucky Advisory Board of Directors

Mark Ayer
Managing Member
Reading Investments, LLC

Adam Bortz
CEO, Towne Properties

Tonya Burns-Gerakos
Tonya Burns Law

Chris Carle
Senior Vice President & COO, St.
Elizabeth Healthcare, Florence

Wayne Carlisle
President & CEO
Carlisle Enterprises

David Heidrich
CEO, Zalla Companies

Thomas J. Munninghoff
President, Munninghoff, Lange
& Co.

Greg Schrand
President, GSE, Inc.

Gregory Shumate
Member, Frost Brown Todd, LLC

James Uebel
Market President

Paul Verst
President & CEO, Verst Group
Logistics, Inc., and Zenith Logistics
Agency, Inc.

John Yeager
Owner, Ashley Development

Central Bank, Winchester Advisory Board of Directors

Gerald F. (Kelly) Healy III
Director of Operations
McDonald's

Glenn Leveridge
Market President

Rex McCrary, D.M.D.
Dentist

Jeff Monohan
President
The Allen Company

Ralph J. Palmer
President, Palmer
Engineering Co.

Patricia M. Smith
President, MD Consulting, Inc.

Robert Strode
Retired

Mary Jane Warner
Manager of Power Delivery, East
Kentucky Power Cooperative, Inc.

OFFICERS

Central Bancshares, Inc.

Luther Deaton, Jr.
Chairman, President &
CEO

Joan D. Kincaid
Vice Chairman

Susan L. Simmons
Vice President

Ranee Leland
Vice President &
Corporate Secretary

Edward Barnes
Treasurer

Central Bank, Lexington

ADMINISTRATION

Luther Deaton, Jr.
Chairman, President &
CEO

Ranee Leland
Vice President &
Corporate Secretary

Auditing

Craig L. Daniels, CPA
Executive Vice President

Lisa S. Grant, CRCM
Senior Vice President &
Compliance Officer

Donna J. Craven, CRCM
Vice President

Danny C. Noland
Vice President

John T. Miner, Jr.
Auditing Officer

COMMERCIAL BANKING

Paul R. Thornsberry
Executive Vice President

Commercial Lending

David Ross
Senior Vice President

Mark R. Fox
Vice President

Stephen J. Mallory
Vice President

Jeff Murphy
Vice President

Shane Anderson
Assistant Vice President

Commercial Real Estate Lending

Megan Barlow
Vice President

Susan A. Dean
Vice President

Paul B. Drake
Vice President

Gary Loucks
Vice President

Jordan Owens
Vice President

Consumer Lending

D. Keith Preston
Vice President

Jerry F. Smalley
Vice President

Central Bank Mortgage

Catherine Himes
Senior Vice President

Susan Bradley
Vice President

Tom Breathitt
Vice President

Brad Fields
Vice President

Rebecca Haddix
Vice President

Lorraine Kinley
Vice President

Brian W. West
Vice President

Vina Risner
Assistant Vice President

Lisa Hart
Secondary Mortgage
Underwriter Officer

Bradley Sutherland
Mortgage Lending Officer

Corporate Services

Karen Rowland, CTP
Senior Vice President

Joan Patterson, CTP
Vice President

Lisa K. Vickers
Vice President

Chris Campbell
Assistant Vice President

Allison Carter
Assistant Vice President

Ashley N. Rodgers
Cash Management
Officer

Credit Analysis

Jason A. Smith
Senior Vice President

Special Assets

Ellen Sharp
Senior Vice President

Steve Hall
Vice President

Julie Szymanski
Vice President

Becky Mullins
Special Assets Officer

Loan Review

Marie A. Young
Vice President

LeeAnn Layne
Vice President

Leigh M. Carr
Assistant Vice President

Small Business

Richard D. Hartley
Vice President

Terri A. Stein
Vice President

HUMAN RESOURCES

Susan Simmons
Executive Vice President

Amy Manning
Senior Vice President

Shelia Plymale
Senior Vice President

June Carpenter
Assistant Vice President

TECHNOLOGY SERVICES

Julie Bondra
Executive Vice President

Anna Clayton
Senior Vice President

Kevin J. Lippert
Senior Vice President

David Hake
Vice President

E. Sean Proffit
Vice President

Kyle Hamilton
Technology Officer

RETAIL BANKING

Gregory M. Shewmaker
Executive Vice President

Michael Gartner
Senior Vice President

Matthew S. Ratliff
Vice President

Chris McGaughey
CRA Community
Development Officer

Banking Centers

Lana Alexander
Assistant Vice President

Gina Ensminger
Assistant Vice President

Angela M. Friesz
Assistant Vice President

Barbara Johnson
Assistant Vice President

Karen Lackey
Assistant Vice President

Shawn McWilliams
Assistant Vice President

Philip Rochester
Assistant Vice President

OFFICERS

Alexandra T. Wolf
Assistant Vice President

Sharon Bradley
Retail Banking Officer

Sheila Carmack
Retail Banking Officer

Rachel Jones
Retail Banking Officer

Laura M. Owens
Retail Banking Officer

Client Services

Cathy K. Combs
Senior Vice President

Diane Gentry
Client Services Officer

FINANCIAL PLANNING

Edward Barnes
*Executive Vice President &
Chief Financial Officer*

Mark. A. Hampton, CPA
Senior Vice President

Lisa A. Williamson
Assistant Vice President

Mark Kendall
Financial Planning Officer

ENTERPRISE RISK MANAGEMENT

C. Gregory Stacy
Executive Vice President

Beth Lakes Robinson
Vice President

Funds Management

James R. Nall
Assistant Vice President

Michael Danhauer
*Funds Management
Officer*

MARKETING

Stephen C. Kelly
Executive Vice President

Lesley K. Catron
Assistant Vice President

Correspondent Banking

Doug Flynn
*Correspondent Banking
Officer*

OPERATIONS AND SUPPORT

Operations

Laura Schweitzer
Executive Vice President

Karen G. Crawley
Senior Vice President

Robin Michul
Senior Vice President

Harvey Sword
Vice President

Internet Banking

Brenda P. Oaks
Assistant Vice President

Card Services

Beverly Smalley
Assistant Vice President

Loan Processing

Donna M. Turner
Vice President

Loan Services

Timothy R. Austin
Vice President

Shawn Presnell
Vice President

Deposit Services

Lisa Durham
Vice President

Bruce McHone
Deposit Services Officer

Bank Security

Shane Ensminger
*Vice President & Director
of Security*

Angela D. Campbell
Assistant Vice President

Alan Stewart
Security Officer

WEALTH MANAGEMENT

Trust

Barry Hickey
Executive Vice President

Business Development

Charles N. Rush, Jr.
Vice President

Employee Benefits

Vicky L. Foster
Vice President

Sheila C. Parks
Vice President

Operations

Gayle Dockery
Assistant Vice President

Leigh Ann Young
Assistant Vice President

Personal Trust

Kathryn Wilson Gibson
Senior Vice President

Elizabeth Johns
Vice President

Matthew Frank, CFP®
Assistant Vice President

Anna Hovekamp
Assistant Vice President

Lauren Lovely
Trust Officer

Investment Management

Timothy D. Fyffe
Senior Vice President

Thomas Corr
Vice President

R. Scott King
Vice President

Chris Taylor
Trust Officer

Private Banking

Gregory M. Shewmaker
Executive Vice President

Rita L. Bugg
Vice President

Leslie Fannin
Vice President

Alicia Jordan
Vice President

Mark Ruddell
Vice President

Christopher Thomason
Vice President

Central Insurance Services

Ross Barnette
President

Tom Francis
Vice President

Rob Wessel
Vice President

Justin Whipple
Vice President

Steven P. Wright
Vice President

Don Yaden
Vice President

Chris Harrison
Assistant Vice President

Andrew Alexander
*Commercial Insurance
Officer*

Joanna Gwinn-Estill
Insurance Officer

Central Investment Center, Inc.

Jeff Ginnan
*Executive Vice President &
Senior Financial Advisor*

Jeff Fields, CRPS®
*Vice President &
Financial Advisor*

Tony Brown
Financial Advisor

Deborah Fisher
Financial Advisor

Thomas E. Roberts, CFP®
Financial Advisor

John Saunier
Financial Advisor

OFFICERS

Jennifer Wilson
Financial Advisor

Central Bank, Georgetown

Kimberly E. Marshall
Market President

Jennifer J. Roberts
Vice President

Patricia Voigt
Vice President

Jennifer Phillips
Assistant Vice President

Mortgage Lending

Ashley Weir
Vice President

Central Bank, Louisville

Mark Wheeler
Market President

Amy Sullivan
*Senior Vice President &
Senior Market Lender*

John Hubbuch, Jr.
Vice President

Joan Strafer
Vice President

Mortgage Lending

Jeanie Gammon
Vice President

Bridgette Wingate
Mortgage Lending Officer

Retail Banking

Edman Cundiff
Vice President

Elaine Fawbush
Assistant Vice President

Lisa K. Kelly
Assistant Vice President

Private Banking

Robert Slider
Senior Vice President

Mary Littrell
Vice President

Jim Morris
Vice President

M. Trish Osborn
Vice President

Wealth Management

Bill Kaiser
Vice President

Ballard "Cash" Cassady
Personal Trust Officer

Central Bank, Madison County

Jeff Fultz
Market President

Cameron Abney
*Senior Vice President &
Senior Market Lender*

Ken Riley
Vice President

Mortgage Lending

Donna Haney
Vice President

Central Bank, Nicholasville

Alan S. VanArsdall
Market President

Cathy Lowe
Vice President

Jill Slone
Assistant Vice President

Kathy Moore
Retail Banking Officer

Brandy Osborne
Commercial Lending Officer

Adam Rodgers
Commercial Lending Officer

Mortgage Lending

Monna Treadway
Vice President

Central Bank, Northern Kentucky

James Uebel
Market President

Brett Blackwell
*Senior Vice President &
Senior Market Lender*

Donald Benzinger
Senior Vice President

Matthew E. Eilers
Vice President

Karen J. Homan
Vice President

Amy Roberts
Vice President

JB Schmidt
Commercial Lending Officer

Mortgage Lending

Dennis Barnes
Vice President

Dottie Dawson
Mortgage Lending Officer

Retail Banking

Steven Gillespie
Vice President

Mark Minton
Vice President

Diana Webster
Vice President

Private Banking

John Finley
Senior Vice President

Karen Hartig
Vice President

Larry Luebbers
Vice President

Wealth Management

Jeff Augsback
Trust Officer

Central Bank, Winchester

Glenn Leveridge
Market President

Tim M. Duncan
Senior Vice President

Tammy M. Carroll
Vice President

Lisa T. Earlywine
Vice President

Erica Parks
Assistant Vice President

Deborah R. Banks
Retail Banking Officer

Crystal Hunt
Retail Banking Officer

Mortgage Lending

Lee Coleman
Vice President

Paula Beebe
Mortgage Lending Officer

NOTES



centralbank.com

(859) 253-6222

(800) 637-6884

Central Bank & Trust Co. is a wholly owned subsidiary of Central Bancshares, Inc.



Member FDIC