



CONNECTING WITH  
OUR  
COMMUNITIES.



2017  
SECOND QUARTER  
REPORT



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

# HELPING TO KEEP OUR COMMUNITIES STRONG.

## CHILDREN'S ADVOCACY CENTER



The Children's Advocacy Center of the Bluegrass has made it their mission to reduce the trauma experienced by sexually abused children by providing services to them in a nurturing, friendly and safe environment. The Center strives to meet the unique needs of every child and provide support through compassionate, individualized care. They provide comprehensive services to the family as a whole to promote healing and prevent future harm.

## 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

	2017	2016	2015	2014	2013
<b>RESULTS OF OPERATIONS:</b>					
Net income	\$ 9,115,274	\$ 9,158,772	\$ 8,967,689	\$ 7,213,506	\$ 6,170,299
Net income per share	26.20	26.32	25.77	20.73	17.73
Cash dividends per share	0.00	0.00	0.00	0.00	0.00
Book value per share at quarter end	710.06	663.62	616.70	575.56	535.26
<b>AT JUNE 30:</b>					
Assets	\$2,315,608,477	\$2,254,473,791	\$2,130,931,380	\$2,082,171,167	\$2,101,380,243
Earning assets	2,185,381,146	2,119,266,324	1,994,376,928	1,922,488,853	1,945,033,310
Net loans	1,851,995,113	1,685,733,205	1,595,584,513	1,617,240,754	1,561,373,874
Deposits	1,939,641,781	1,880,798,939	1,798,880,596	1,749,193,021	1,775,738,596
Shareholders' equity	247,044,741	230,887,760	214,564,304	200,250,189	186,228,698
<b>PERFORMANCE RATIOS:</b>					
Return on average assets	0.80%	0.84%	0.85%	0.70%	0.59%
Return on average shareholders' equity	7.58%	8.13%	8.62%	7.38%	6.75%
Average tangible equity					
to average assets	10.02%	9.71%	9.25%	8.87%	8.11%
Net charge-offs to average loans	0.04%	0.05%	0.02%	0.15%	0.32%
Allowance for loan losses as a					
percentage of quarter end loans	1.16%	1.26%	1.40%	1.48%	1.64%
Net interest margin (tax equivalent)	3.92%	3.72%	3.70%	3.86%	3.60%

## CONSOLIDATED BALANCE SHEETS

	June 30 2017	June 30 2016
<b>ASSETS</b>		
Cash and due from banks	\$ 52,571,104	\$ 49,446,459
Federal funds sold	82,000,000	147,500,000
Total cash and cash equivalents	<u>134,571,104</u>	<u>196,946,459</u>
Securities	244,634,933	279,282,019
Loans, net of unearned income	1,873,697,135	1,707,254,353
Allowance for loan losses	(21,702,022)	(21,521,148)
Loans, net	<u>1,851,995,113</u>	<u>1,685,733,205</u>
Premises and equipment, net	32,866,996	35,327,527
Federal Home Loan Bank stock	6,751,100	6,751,100
Intangible assets	14,313,393	14,313,393
Prepaid expenses and other assets	30,475,838	36,120,088
<b>Total assets</b>	<u>\$ 2,315,608,477</u>	<u>\$ 2,254,473,791</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits:		
Non-interest bearing	\$ 653,636,858	\$ 582,410,894
Interest bearing	1,286,004,923	1,298,388,045
Total deposits	<u>1,939,641,781</u>	<u>1,880,798,939</u>
Customer sweep accounts	91,987,608	106,184,820
Federal funds purchased	500,000	500,000
Federal Home Loan Bank advances	552,984	574,986
Long term debt payable	15,000,000	15,000,000
Other liabilities	20,881,363	20,527,286
Total liabilities	<u>2,068,563,736</u>	<u>2,023,586,031</u>
<b>SHAREHOLDERS' EQUITY</b>		
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	242,673,600	226,754,405
Accumulated other comprehensive income (loss)	(5,998,547)	(6,236,333)
Total shareholders' equity	<u>247,044,741</u>	<u>230,887,760</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 2,315,608,477</u>	<u>\$ 2,254,473,791</u>

## CONSOLIDATED STATEMENTS OF INCOME

	For six months ended	
	June 30 2017	June 30 2016
<b>INTEREST INCOME</b>		
Interest and fees on loans	\$ 41,712,749	\$ 38,502,190
Interest on securities	2,251,897	1,781,753
Interest on short term investments	380,507	374,280
	<u>44,345,153</u>	<u>40,658,223</u>
<b>INTEREST EXPENSE</b>		
Interest on deposits	2,145,383	2,175,880
Interest on borrowed funds	431,018	414,412
	<u>2,576,401</u>	<u>2,590,292</u>
Net interest income	41,768,752	38,067,931
Provision for loan losses	1,845,333	497,000
Net interest income after provision for loan losses	<u>39,923,419</u>	<u>37,570,931</u>
<b>OTHER INCOME</b>		
Service charges on deposit accounts	3,824,185	3,829,221
Service charges on loans	5,210,700	5,803,662
Wealth management income	6,851,257	6,464,307
Other income	2,591,830	2,656,427
	<u>18,477,972</u>	<u>18,753,617</u>
<b>OTHER EXPENSES</b>		
Salaries	18,804,140	18,152,167
Benefits	4,822,334	4,256,503
Occupancy	9,198,148	8,875,161
Other non-interest expenses	13,875,110	13,497,512
	<u>46,699,732</u>	<u>44,781,343</u>
Income before provision for income taxes	11,701,659	11,543,205
Provision for income taxes	2,586,385	2,384,433
<b>Net income</b>	<u>\$ 9,115,274</u>	<u>\$ 9,158,772</u>
<b>Basic earnings per share</b>	\$ 26.20	\$ 26.32

# BOARDS OF DIRECTORS



*Luther Deaton, Jr.*  
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**  
*Partner  
Ray, Foley, Hensley & Company, PLLC Certified Public Accountants*

**Wilbert W. James, Jr.**  
*President, Toyota Motor Manufacturing, Kentucky, Inc.*

**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*

## **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**  
*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**

**Rick Avare**  
*MAP Entities*

**Jeremy Bates**  
*President, Bates Security*

**Anthony Beatty**  
*U.K. Campus Services & Public Safety*

**Jed Bullard**  
*Owner, E.D. Bullard Company*

**Michael Cox**  
*President, Denham-Blythe Co., Inc.*

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

**Pat Hayden**  
*Retired, Rector Hayden Real Estate*

**Dr. John Hobbs**  
*Central Internal Medicine*

**Glenn Hoskins**  
*Attorney, Webb, Hoskins, Brown & Thompson, PSC*

**Dave Houchin**  
*President, Intech Contracting, LLC*

**Debbie Long**  
*Owner, Dudley's on Short*

**Mark Nabity**  
*President, Grayhawk, LLC*

**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.*

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

**Charlie Scroggin**  
*Senior Vice President, HDR Quest Engineers, Inc.*

**Linda Slagel**  
*President, High Bridge Spring Water*

**Dr. Russell Travis**  
*Travis Neurosurgical Consulting*

**Randy Walker**  
*President, Randy Walker Electrical Contractors, Inc.*

**Greg White, DDS**  
*White, Greer and Maggard Orthodontists*

**Brian Wood**  
*Founder & CEO,  
BC Wood Properties, Inc.*

# 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**  
*EKU Professor  
Pastor, First Baptist Church*

**James R. Carr**  
*Builder and Developer*

**Shannon Combs**  
*Partner, Combs, Parsons and  
Collins Funeral Home*

**Jeff Fultz**  
*Market President*

**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.*

**Sandra J. Adams**  
*Owner, Zaxby's*

**Michael D. Foley**  
*Partner  
Ray, Foley, Hensley & Company,  
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, No. Kentucky Advisory Board of Directors

**Mark Ayer**  
*Managing Member  
Reading Investments, LLC*

**Tonya Burns-Gerakos**  
*Tonya Burns Law*

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

**Helen Carroll**  
*Retired*

**David Heidrich**  
*CEO, Zalla Companies*

**Kim Patton**  
*COO, SFA/PDT Architects*

**Doug Ridenour**  
*President, Federal  
Equipment*

**Greg Schrand**  
*President, GSE, Inc.*

**Gregory Shumate**  
*Member, Frost Brown Todd, LLC*

**James Uebel**  
*Market President*

**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.*

## Central Bank, Jefferson County Advisory Board of Directors

**Jonathan S. Blue**  
*Chairman, Blue Equity, LLC*

**Ronald L. Carmicle**  
*Owner, PLC Management*

**Marcia Cassady**  
*Director, Capital Link Consultants*

**Michael D. Foley**  
*Partner  
Ray, Foley, Hensley & Company,  
PLLC Certified  
Public Accountants*

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

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

**Jude Thompson**  
*Owner & CEO, Transform  
Business Solutions, LLC & Interim  
CEO, Delta Dental*

**Mark Wheeler**  
*Market President*

# 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  
Vice President &  
Compliance Officer

Donna J. Craven, CRCM  
Vice President

Danny C. Noland  
Vice President

John T. Miner, Jr.  
Auditing Officer

## COMMERCIAL BANKING

Gregory A. Bibb  
Executive Vice President

### 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

Matt Ratliff  
Assistant Vice President

### Credit Administration

Jason A. Smith  
Vice President

Samuel Collins  
Assistant Vice President

Adam Rodgers  
Credit Analyst Officer

### Loan Review

Marie A. Young  
Vice President

David Chrisman  
Senior Vice President

D. Keith Preston  
Vice President

Leigh M. Carr  
Assistant Vice President

LeeAnn Layne  
Assistant Vice President

### Loan Processing

Donna M. Turner  
Vice President

### Special Assets

Ellen Sharp  
Vice President

Steve Hall  
Vice President

Julie Szymanski  
Vice President

Becky Mullins  
Special Assets Officer

### Commercial Lending

Mark Kaufmann  
Senior Vice President

Mark R. Fox  
Vice President

David Ross  
Vice President

Jake Schirmer  
Vice President

Shane Anderson  
Assistant Vice President

Stephen J. Mallory  
Assistant Vice President

### Consumer Lending

Jerry F. Smalley  
Vice President

### Real Estate Lending

Paul R. Thornsberry  
Senior Vice President

Megan Barlow  
Vice President

Paul B. Drake  
Vice President

Gary Loucks  
Vice President

Jordan Owens  
Assistant Vice President

### Small Business

Ernest W. Dolihite  
Senior Vice President

Richard D. Hartley  
Vice President

Jeff Murphy  
Vice President

Terri A. Stein  
Vice President

## Central Bank Mortgage

Ed Workman  
Senior Vice President

Susan Bradley  
Vice President

Tom Breathitt  
Vice President

Brad Fields  
Vice President

Catherine Himes  
Vice President

Lorraine Kinley  
Vice President

Brian W. West  
Vice President

Vina Risner  
Assistant Vice President

Alicia Esenbock  
Secondary Mortgage  
Underwriter

Lisa Hart  
Secondary Mortgage  
Underwriter

## HUMAN RESOURCES

Susan Simmons  
Executive Vice President

Amy Manning  
Senior Vice President

Shelia Plymale  
Senior Vice President

June Carpenter  
Human Resources Officer

## TECHNOLOGY SERVICES

Julie Bondra  
Executive Vice President

Anna Clayton  
Vice President

Kevin J. Lippert  
Vice President

E. Sean Profit  
Vice President

David Hake  
Information Security  
Officer

Jason Hollis  
Infrastructure Officer

## RETAIL BANKING

David L. Moore  
Executive Vice President

Michael Gartner  
Senior Vice President

Chris McGaughey  
CRA Community  
Development Officer

## Banking Centers

Gina Ensminger  
Assistant Vice President



# OFFICERS

Angela M. Friesz  
*Assistant Vice President*

Karen Lackey  
*Assistant Vice President*

Philip Rochester  
*Assistant Vice President*

Lana Alexander  
*Retail Banking Officer*

Jeffrey Benton  
*Retail Banking Officer*

Sharon Bradley  
*Retail Banking Officer*

Barbara Johnson  
*Retail Banking Officer*

Laura M. Owens  
*Retail Banking Officer*

Ashley N. Rodgers  
*Retail Banking Officer*

Alexandra T. Wolf  
*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*

Robin Oliver  
*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*

## MARKETING

Stephen C. Kelly  
*Executive Vice President*

Lesley K. Catron  
*Marketing Officer*

## 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 Services

Timothy R. Austin  
*Assistant 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  
*BSA/AML & Operations  
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*

## 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*

Beverly Hicks  
*Commercial 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*

Ballard "Cash" Cassidy  
*Financial Advisor*

Jim DeMoss  
*Financial Advisor*

Deborah Fisher  
*Financial Advisor*

Jacobus M. Ockers  
*Financial Advisor*

Thomas E. Roberts, CFP®  
*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, Madison County

Jeff Fultz  
*Market President*

Cameron Abney  
*Senior Vice President &  
Senior Market Lender*

Scott Johnson  
*Vice President*

Ken Riley  
*Vice President*

Jeremy Meadows  
*Retail Banking Officer*

## 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*

## Mortgage Lending

Marcus P. Hanks  
*Vice President*

Monna Treadway  
*Vice President*

## Central Bank, Northern Kentucky

James Uebel  
*Market President*

Brett Blackwell  
*Senior Vice President &  
Senior Market Lender*

Donald Benzinger  
*Vice President*

Matthew E. Eilers  
*Vice President*

Karen J. Homan  
*Vice President*

Joshua Lehman  
*Assistant Vice President*

JB Schmidt  
*Commercial Lending Officer*

## Mortgage Lending

Dennis Barnes  
*Vice President*

## Retail Banking

Steven Gillespie  
*Vice President*

Jeffrey Wagner  
*Vice President*

Diana Webster  
*Vice President*

## Private Banking

John Finley  
*Senior Vice President*

Karen Hartig  
*Vice President*

Larry Luebbers  
*Vice President*

## Wealth Management

Troy Fedders  
*Vice President*

## Central Bank, Winchester

Glenn Leveridge  
*Market President*

Tim M. Duncan  
*Senior Vice President*

Tammy M. Carroll  
*Vice President*

Lisa T. Earlywine  
*Vice President*

Deborah R. Banks  
*Retail Banking Officer*

Erica Parks  
*Commercial Lending Officer*

## Mortgage Lending

Lee Coleman  
*Vice President*

Amy Turner  
*Vice President*

## Central Bank, Jefferson County

Mark Wheeler  
*Market President*

Amy Sullivan  
*Senior Vice President & Senior  
Market Lender*

Joan Strafer  
*Vice President*

Cyndi Caldwell Whitmer  
*Assistant Vice President*

## Mortgage Lending

Jeanie Gammon  
*Vice President*

## Retail Banking

David Bond  
*Vice President*

Elaine Fawbush  
*Assistant Vice President*

Lisa K. Kelly  
*Assistant Vice President*

Tanner Greenwell  
*Retail Banking Officer*

## Private Banking

Robert Slider  
*Senior Vice President*

Mary Littrell  
*Vice President*

Jim Morris  
*Vice President*

## Wealth Management

Bill Kaiser  
*Vice President*

# NOTES

---



[centralbank.com](http://centralbank.com)

(859) 253-6222

(800) 637-6884

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



EQUAL HOUSING

**LENDER**

Member FDIC