



CONNECTING WITH
OUR
COMMUNITIES.



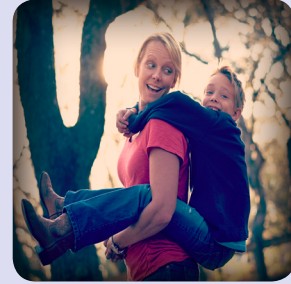
2018
SECOND QUARTER
REPORT



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

HELPING TO KEEP OUR COMMUNITIES STRONG.

YMCA OF
CENTRAL KENTUCKY



The YMCA of Central Kentucky is a dynamic association of men, women and children joined together by a shared commitment to nurturing the potential of kids, promoting healthy living and fostering a sense of social responsibility. The Y is dedicated to building programs for youth development, for healthy living and for social responsibility that promote strong families, character values, youth leadership, community development and international understanding.

MISSION STATEMENT

The mission of Central Bankshares 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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For additional copies or
INFORMATION

MARKETING
CENTRAL BANK
300 West Vine Street
Lexington, KY 40507

FINANCIAL HIGHLIGHTS

For six months ended June 30

	2018	2017	2016	2015	2014
RESULTS OF OPERATIONS:					
Net income	\$ 13,639,149	\$ 9,115,274	\$ 9,158,772	\$ 8,967,689	\$ 7,213,506
Net income per share	39.20	26.20	26.32	25.77	20.73
Cash dividends per share	0.00	0.00	0.00	0.00	0.00
Book value per share at quarter end	771.56	710.06	663.62	616.70	575.56
AT JUNE 30:					
Assets	\$ 2,510,925,600	\$ 2,315,608,477	\$ 2,254,473,791	\$ 2,130,931,380	\$ 2,082,171,167
Earning assets	2,396,638,378	2,185,381,146	2,119,266,324	1,994,376,928	1,922,488,853
Net loans	2,018,026,649	1,851,995,113	1,685,733,205	1,595,584,513	1,617,240,754
Deposits	2,052,387,374	1,939,641,781	1,880,798,939	1,798,880,596	1,795,252,403
Shareholders' equity	268,444,096	247,044,741	230,887,760	214,564,304	200,250,189
PERFORMANCE RATIOS:					
Return on average assets	1.12%	0.80%	0.84%	0.85%	0.70%
Return on average shareholders' equity	10.50%	7.58%	8.13%	8.62%	7.38%
Average tangible equity					
to average assets	10.12%	10.02%	9.71%	9.25%	8.87%
Net charge-offs to average loans	0.02%	0.04%	0.05%	0.02%	0.15%
Allowance for loan losses as a					
percentage of quarter end loans	1.04%	1.16%	1.26%	1.40%	1.48%
Net interest margin (tax equivalent)	3.98%	3.94%	3.75%	3.70%	3.86%

CONSOLIDATED BALANCE SHEETS

	June 30 2018	June 30 2017
ASSETS		
Cash and due from banks	\$ 43,943,403	\$ 52,571,104
Federal funds sold	151,000,000	82,000,000
Total cash and cash equivalents	<u>194,943,403</u>	<u>134,571,104</u>
Securities	220,860,629	244,634,933
Loans, net of unearned income	2,039,210,715	1,873,697,135
Allowance for loan losses	(21,184,066)	(21,702,022)
Loans, net	<u>2,018,026,649</u>	<u>1,851,995,113</u>
Premises and equipment, net	31,549,159	32,866,996
Federal Home Loan Bank stock	6,751,100	6,751,100
Intangible assets	14,313,393	14,313,393
Prepaid expenses and other assets	24,481,267	30,475,838
Total assets	<u>\$ 2,510,925,600</u>	<u>\$ 2,315,608,477</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 685,772,287	\$ 653,636,858
Interest bearing	1,366,615,087	1,286,004,923
Total deposits	<u>2,052,387,374</u>	<u>1,939,641,781</u>
Customer sweep accounts	127,444,175	91,987,608
Federal funds purchased	500,000	500,000
Federal Home Loan Bank advances	25,430,646	552,984
Long term debt payable	15,000,000	15,000,000
Other liabilities	21,719,309	20,881,363
Total liabilities	<u>2,242,481,504</u>	<u>2,068,563,736</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	264,223,838	242,673,600
Accumulated other comprehensive income (loss)	(6,149,430)	(5,998,547)
Total shareholders' equity	<u>268,444,096</u>	<u>247,044,741</u>
Total liabilities and shareholders' equity	<u>\$ 2,510,925,600</u>	<u>\$ 2,315,608,477</u>

CONSOLIDATED STATEMENTS OF INCOME

	For six months ended	
	June 30 2018	June 30 2017
INTEREST INCOME		
Interest and fees on loans	\$ 47,330,989	\$ 41,712,749
Interest on securities	2,483,978	2,251,897
Interest on short term investments	1,104,309	380,507
	<u>50,919,276</u>	<u>44,345,153</u>
INTEREST EXPENSE		
Interest on deposits	3,981,883	2,145,383
Interest on borrowed funds	752,262	431,018
	<u>4,734,145</u>	<u>2,576,401</u>
Net interest income	46,185,131	41,768,752
Provision for loan losses	1,046,835	1,845,333
Net interest income after provision for loan losses	<u>45,138,296</u>	<u>39,923,419</u>
OTHER INCOME		
Service charges on deposit accounts	3,589,399	3,824,185
Service charges on loans	4,998,832	5,210,700
Wealth management income	7,394,641	6,851,257
Other income	2,532,120	2,591,830
	<u>18,514,992</u>	<u>18,477,972</u>
OTHER EXPENSES		
Salaries	19,634,531	18,804,140
Benefits	5,093,580	4,822,334
Occupancy	9,358,705	9,198,148
Other non-interest expenses	13,704,180	13,875,110
	<u>47,790,996</u>	<u>46,699,732</u>
Income before provision for income taxes	15,862,292	11,701,659
Provision for income taxes	2,223,143	2,586,385
Net income	<u>\$ 13,639,149</u>	<u>\$ 9,115,274</u>
Basic earnings per share	\$ 39.20	\$ 26.20

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.

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

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Retired, Keeneland Association, Inc.

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U.K. Campus Services & Public Safety

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Retired, Rector Hayden Real Estate

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Co-owner, Atchison Heller Construction

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Central Internal Medicine

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President, Kentucky American Water Co.

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Sherman Carter Barnhart Architects

Nick Strong
President, Old Colony Insurance

Bill Thomason
President, Keeneland Association

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White, Greer and Maggard Orthodontists

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Partner
Ray, Foley, Hensley & Company, PLLC Certified Public Accountants

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NOTES



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