

CONNECTING WITH OUR COMMUNITIES.









2019 THIRD QUARTER REPORT



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

HELPING TO KEEP OUR COMMUNITIES STRONG.

THE NEST







The Nest – Center for Women, Children, and Families, provides high quality, comprehensive services to women, children and families in crisis, while working to prevent child abuse and neglect. Central Bank is proud to share in their mission to provide a safe place for education, counseling, and support to children and families in crisis.

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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For additional copies or INFORMATION

MARKETING CENTRAL BANK 300 West Vine Street Lexington, KY 40507

FINANCIAL HIGHLIGHTS

For nine months ended September 30 (dollars in thousands, except share data)

(dollars in thousands, except share data)					
	2019	2018	2017	2016	2015
RESULTS OF OPERATIONS:					
Net income	\$ 24,417	\$ 20,895 \$	14,707 \$	13,976 \$	13,564
Net income per share	0.70	0.60	0.42	0.40	0.39
Cash dividends per share	0.00	0.00	0.00	0.00	0.00
Book value per share at quarter end	8.77	7.92	7.26	6.78	6.30
AT SEPTEMBER 30:					
Assets	\$ 2,702,142	\$ 2,543,960 \$	2,350,422 \$	2,260,969 \$	2,140,724
Earning assets	2,590,070	2,447,282	2,248,303	2,154,988	2,028,029
Net loans	2,063,825	2,013,297	1,921,904	1,717,555	1,622,354
Deposits	2,153,725	2,068,166	1,928,626	1,877,084	1,784,484
Shareholders' equity	305,216	275,556	252,681	235,795	219,116
PERFORMANCE RATIOS:					
Return on average assets	1.25%	1.12%	0.85%	0.84%	0.85%
Return on average shareholders' equity	11.19%	10.52%	8.01%	8.14%	8.55%
Average tangible equity					
to average tangible assets	10.74%	10.17%	10.06%	9.71%	9.30%
Net charge-offs to average loans	0.16%	0.08%	0.06%	0.10%	0.08%
Allowance for loan losses as a					
percentage of quarter end loans	0.94%	1.02%	1.12%	1.23%	1.32%
Net interest margin (tax equivalent)	4.05%	3.99%	3.95%	3.73%	3.66%

ASSETS Cash and due from financial institutions Interest bearing deposits with other financial institutions	\$			
	\$			
Interest bearing denosity with other financial institutions		60,081	\$	49,230
mieresi bearing aeposiis wiin omer tinanciai institutions		239,700		182,900
Total cash and cash equivalents		299,781		232,130
Debt securities		260,202		223,634
Loans, net of unearned income		2,083,417		2,033,997
Allowance for loan losses		(19,592)		(20,700)
Loans, net		2,063,825		2,013,297
Premises and equipment, net		29,115		31,006
Federal Home Loan Bank stock		6,751		6,751
Intangible assets		14,313		14,313
Prepaid expenses and other assets		28,155		22,829
Total assets	\$	2,702,142	\$	2,543,960
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits:				
Non-interest bearing	\$	708,284	\$	696,997
Interest bearing	·	1,445,441	·	1,3 <i>7</i> 1,169
Total deposits		2,153,725		2,068,166
Repurchase agreements		144,757		132,797
Federal funds purchased		500		500
Federal Home Loan Bank advances		50,408		25,426
Subordinated debentures		15,000		15,000
Other liabilities		32,536		26,515
Total liabilities	_	2,396,926		2,268,404
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;		5,		2,
34,444,278 and zero shares issued and outstanding at September 30, 2019				
and 2018, respectively		_		_
Additional paid-in capital		6,890		6,890
Retained earnings		301,391		271,479
Accumulated other comprehensive income (loss)		(6,544)		(6,292)
Total shareholders' equity		305,216		275,556
Total liabilities and shareholders' equity	<u>\$</u>	2,702,142	\$	2,543,960

	For nine months ended				
CONSOLIDATED STATEMENTS OF INCOME (in thousands, except share data)		September 30 2019		September 30 2018	
INTEREST INCOME					
Interest and fees on loans	\$	80,162	\$	<i>7</i> 1,985	
Interest on debt securities		5,121		3,837	
Interest on deposits with other financial institutions		2,954		1,970	
		88,237		77,792	
INTEREST EXPENSE					
Interest on deposits		10,696		6,643	
Interest on borrowed funds		1, <i>7</i> 52		1,199	
		12,448		7,842	
Net interest income		75,789		69,950	
Provision for loan losses		2,672		1,752	
Net interest income after provision for loan losses		73,117		68,198	
OTHER INCOME					
Service charges on deposit accounts		5,442		5,434	
Service charges on loans		<i>7</i> ,893		7,607	
Wealth management income		10,984		10,981	
Other income		5,552		4,180	
		29,871		28,202	
OTHER EXPENSES					
Salaries		31,111		29,908	
Benefits		8,816		7,174	
Occupancy		15,040		14,293	
Other non-interest expenses		20,978		20,673	
'		75,945		72,048	
Income before provision for income taxes		27,043		24,352	
Provision for income taxes		2,626		3,457	
Net income	\$	24,417	\$	20,895	
Basic earnings per share	\$	0.70	\$	0.60	

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 &
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Partner, Frost Brown Todd,
IIC

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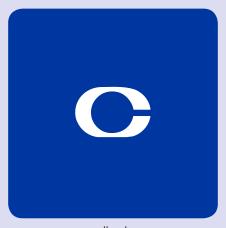
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