



CONNECTING WITH
OUR
COMMUNITIES.



2018
THIRD QUARTER
REPORT



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

HELPING TO KEEP OUR COMMUNITIES STRONG.

KENTUCKY HORSE PARK FOUNDATION



The Kentucky Horse Park Foundation is a non-profit 501 (c)3 organization dedicated to enhancing, expanding, and improving the Kentucky Horse Park. Central Bank is proud to help support their vision for the park as the world's leading equestrian destination, as a working horse farm, a world-renowned center for show and competition, and an international center for equine education.

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 nine months ended September 30

	2018	2017	2016	2015	2014
RESULTS OF OPERATIONS:					
Net income	\$ 20,894,604	\$ 14,707,462	\$ 13,975,624	\$ 13,564,090	\$ 11,546,118
Net income per share	60.06	42.27	40.17	38.99	33.19
Cash dividends per share	0.00	0.00	0.00	0.00	0.00
Book value per share at quarter end	792.00	726.26	677.72	629.79	588.21
AT SEPTEMBER 30:					
Assets	\$ 2,543,959,659	\$ 2,350,421,609	\$ 2,260,969,391	\$ 2,140,724,327	\$ 2,095,390,839
Earning assets	2,446,323,914	2,248,303,455	2,154,988,147	2,028,028,539	1,975,269,280
Net loans	2,013,297,051	1,921,904,255	1,717,554,790	1,622,353,939	1,645,326,605
Deposits	2,068,165,970	1,928,626,475	1,877,083,768	1,784,484,173	1,749,193,021
Shareholders' equity	275,555,605	252,681,145	235,794,925	219,116,407	204,651,133
PERFORMANCE RATIOS:					
Return on average assets	1.12%	0.85%	0.84%	0.85%	0.74%
Return on average shareholders' equity	10.52%	8.01%	8.14%	8.55%	7.77%
Average tangible equity					
to average assets	10.17%	10.06%	9.71%	9.30%	8.92%
Net charge-offs to average loans	0.08%	0.06%	0.10%	0.08%	0.18%
Allowance for loan losses as a					
percentage of quarter end loans	1.02%	1.12%	1.23%	1.32%	1.44%
Net interest margin (tax equivalent)	3.96%	3.95%	3.73%	3.66%	3.87%

CONSOLIDATED BALANCE SHEETS

	September 30 2018	September 30 2017
ASSETS		
Cash and due from banks	\$ 49,230,114	\$ 45,027,865
Federal funds sold	182,900,000	70,300,000
Total cash and cash equivalents	<u>232,130,114</u>	<u>115,327,865</u>
Securities	223,634,176	228,481,805
Loans, net of unearned income	2,033,997,422	1,943,605,954
Allowance for loan losses	(20,700,371)	(21,701,699)
Loans, net	<u>2,013,297,051</u>	<u>1,921,904,255</u>
Premises and equipment, net	31,006,249	32,403,332
Federal Home Loan Bank stock	6,751,100	6,751,100
Intangible assets	14,313,393	14,313,393
Prepaid expenses and other assets	22,827,576	31,239,859
Total assets	\$ 2,543,959,659	\$ 2,350,421,609
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 696,997,047	\$ 661,473,856
Interest bearing	1,371,168,923	1,267,152,619
Total deposits	<u>2,068,165,970</u>	<u>1,928,626,475</u>
Customer sweep accounts	132,796,667	102,633,453
Federal funds purchased	500,000	500,000
Federal Home Loan Bank advances	25,426,133	25,444,020
Long term debt payable	15,000,000	15,000,000
Other liabilities	26,515,284	25,536,516
Total liabilities	<u>2,268,404,054</u>	<u>2,097,740,464</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	271,479,293	248,265,789
Accumulated other comprehensive income (loss)	(6,293,376)	(5,954,332)
Total shareholders' equity	<u>275,555,605</u>	<u>252,681,145</u>
Total liabilities and shareholders' equity	\$ 2,543,959,659	\$ 2,350,421,609

CONSOLIDATED STATEMENTS OF INCOME

	For nine months ended	
	September 30 2018	September 30 2017
INTEREST INCOME		
Interest and fees on loans	\$ 71,984,588	\$ 63,729,900
Interest on securities	3,837,239	3,350,950
Interest on short term investments	1,970,289	753,056
	<u>77,792,116</u>	<u>67,833,906</u>
INTEREST EXPENSE		
Interest on deposits	6,642,619	3,463,468
Interest on borrowed funds	1,199,481	755,695
	<u>7,842,100</u>	<u>4,219,163</u>
Net interest income	69,950,016	63,614,743
Provision for loan losses	1,751,835	2,310,333
Net interest income after provision for loan losses	<u>68,198,181</u>	<u>61,304,410</u>
OTHER INCOME		
Service charges on deposit accounts	5,433,855	5,763,251
Service charges on loans	7,606,904	7,781,470
Wealth management income	10,981,373	10,211,901
Other income	4,179,628	3,744,647
	<u>28,201,760</u>	<u>27,501,269</u>
OTHER EXPENSES		
Salaries	29,454,080	28,279,974
Benefits	7,627,976	6,849,737
Occupancy	14,293,581	13,911,007
Other non-interest expenses	20,672,970	20,540,306
	<u>72,048,607</u>	<u>69,581,024</u>
Income before provision for income taxes	24,351,334	19,224,655
Provision for income taxes	3,456,730	4,517,193
Net income	<u>\$ 20,894,604</u>	<u>\$ 14,707,462</u>
Basic earnings per share	\$ 60.06	\$ 42.27

BOARDS OF DIRECTORS

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.
Retired, 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

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
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

Ray Ball
Owner, Ball Homes

Jeremy Bates
President, Bates Security

Anthony Beatty
U.K. Campus Services & Public Safety

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

Steve Heller
Co-owner, Atchison Heller Construction

Dr. John Hobbs
Central Internal Medicine

Glenn Hoskins
Lexington Building Supply

Dave Houchin
President, Intech Contracting, LLC

Debbie Long
Owner, Dudley's on Short

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.

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

Steve S.J. Sherman
Sherman Carter Barnhart Architects

Nick Strong
President, Old Colony Insurance

Bill Thomason
President, Keeneland Association

Greg White, DDS
White, Greer and Maggard Orthodontists

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

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
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

BOARDS OF DIRECTORS

Jude Thompson

Owner & CEO, Transform
Business Solutions, LLC &
President & CEO, Delta Dental

Mark Wheeler

Market President

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

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.

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, 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

Helen Carroll

Retired

David Heidrich

CEO, Zalla Companies

Doug Ridenour

President, Federal
Equipment

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

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

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
Assistant Vice President

Credit Analysis

Jason A. Smith
Senior Vice President

Matt Murphy
Credit Administration Officer

Loan Processing

Donna M. Turner
Vice President

Loan Review

Marie A. Young
Vice President

David Chrisman
Senior Vice President

Leigh M. Carr
Assistant Vice President

LeeAnn Layne
Assistant Vice President

Special Assets

Ellen Sharp
Senior Vice President

Steve Hall
Vice President

Julie Szymanski
Vice President

Becky Mullins
Special Assets Officer

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

Consumer Lending

Jerry F. Smalley
Vice President

Real Estate Lending

Megan Barlow
Vice President

Paul B. Drake
Vice President

Gary Loucks
Vice President

Jordan Owens
Vice President

Small Business

Ernest W. Dolihite
Senior Vice President

Richard D. Hartley
Vice President

D. Keith Preston
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

Rebecca Haddix
Mortgage Underwriter Manager

Lisa Hart
Secondary Mortgage Underwriter

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 Profit
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

Gina Ensminger
Assistant Vice President

Angela M. Friesz
Assistant Vice President

Karen Lackey
Assistant Vice President

Philip Rochester
Assistant Vice President

OFFICERS

Lana Alexander
Retail Banking Officer

Jeffrey Benton
Retail Banking Officer

Sharon Bradley
Retail Banking Officer

Sheila Carmack
Retail Banking Officer

Barbara Johnson
Retail Banking Officer

Laura M. Owens
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*

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
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 Enslinger
*Vice President & Director
of Security*

Angela D. Campbell
*BSA/AML & Operations
Officer*

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
Trust Officer

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

Andrew Alexander
*Commercial Insurance
Officer*

Joanna Gwinn-Estlin
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

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, Louisville

Mark Wheeler
Market President

Amy Sullivan
*Senior Vice President & Senior
Market Lender*

Joan Strafer
Vice President

Cyndi Caldwell Whitmer
Vice President

Mortgage Lending

Jeanie Gammon
Vice President

Retail Banking

Edman Cundiff
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

M. Trish Osborn
Vice President

Wealth Management

Bill Kaiser
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

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

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
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

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

Bradley Sutherland
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