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2024 SECOND QUARTER REPORT



Central Bancshares, Inc.

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



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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FINANCIAL HIGHLIGHTS

As of and for the six months ended June 30

(dollars in thousands, except share data)

	2024	2023	2022	2021	2020
RESULTS OF OPERATIONS:					
Net income	\$ 16,416	\$ 17,697	\$ 7,992	\$ 16,788	\$ 10,150
Net income per share	0.48	0.51	0.23	0.48	0.29
Book value per share at quarter end	11.63	10.48	9.81	9.94	9.16
AT JUNE 30:					
Assets	\$ 3,564,991	\$ 3,601,890	\$ 3,850,840	\$ 3,467,780	\$ 3,147,408
Earning assets	3,382,718	3,414,109	3,644,657	3,366,059	3,034,433
Loans, net	2,816,427	2,476,769	2,090,979	3,362,482	2,359,550
Deposits	2,750,264	2,651,354	3,116,000	2,849,060	2,537,665
Shareholders' equity	397,372	364,488	341,234	345,791	318,690
PERFORMANCE RATIOS:					
Return on average assets	0.95%	0.99%	0.42%	0.99%	0.70%
Return on average shareholders' equity	8.51	10.06	4.61	10.06	6.52
Average tangible equity					
to average tangible assets	10.77	9.50	8.74	9.50	10.31
Net charge-offs to average loans	0.03	0.08	0.08	0.03	0.05
Allowance for credit losses as a					
percentage of quarter end loans	1.13	1.15	1.13	1.05	0.90
Net interest margin (tax equivalent)	3.85	3.79	2.57	3.18	3.58

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	June 30 2024	June 30 2023
ASSETS		
Cash and due from financial institutions	\$ 56,427	\$ 57,217
Interest bearing deposits with other financial institutions	10,000	14,400
Total cash and cash equivalents	<u>66,427</u>	<u>71,617</u>
Debt securities	516,100	881,256
Loans, net of unearned income	2,848,588	2,505,654
Allowance for credit losses	(32,161)	(28,885)
Loans, net	<u>2,816,427</u>	<u>2,476,769</u>
Premises and equipment, net	89,668	93,452
Federal Home Loan Bank stock	8,030	12,799
Intangible assets	14,313	14,313
Prepaid expenses and other assets	54,026	51,684
Total assets	<u>\$ 3,564,991</u>	<u>\$ 3,601,890</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 1,049,630	\$ 1,118,676
Interest bearing	1,700,634	1,532,678
Total deposits	<u>2,750,264</u>	<u>2,651,354</u>
Repurchase agreements	206,488	254,544
Federal funds purchased	500	500
Federal Home Loan Bank advances	90,000	217,000
Subordinated debentures	15,000	15,000
Other liabilities	105,367	99,004
Total liabilities	<u>3,167,619</u>	<u>3,237,402</u>
SHAREHOLDERS' EQUITY		
Common stock (voting), \$10 par value; 350,000 shares authorized;		
341,681 and 347,922 shares issued and outstanding at June 30, 2024 and 2023, respectively	3,417	3,479
Common stock (non-voting), no par value; 34,650,000 shares authorized;		
33,825,725 and 34,444,278 shares issued and outstanding at June 30, 2024 and 2023, respectively	-	-
Additional paid-in capital	6,767	6,890
Retained earnings	407,756	383,596
Accumulated other comprehensive loss	(20,568)	(29,477)
Total shareholders' equity	<u>397,372</u>	<u>364,488</u>
Total liabilities and shareholders' equity	<u>\$ 3,564,991</u>	<u>\$ 3,601,890</u>

	For the six months ended	
	June 30 2024	June 30 2023
CONSOLIDATED STATEMENTS OF INCOME		
(in thousands, except share data)		
INTEREST INCOME		
Loans, including fees	\$ 76,447	\$ 60,622
Debt securities	9,228	11,822
Interest on deposits with other financial institutions	441	2,353
	<u>86,116</u>	<u>74,797</u>
INTEREST EXPENSE		
Interest on deposits	19,804	9,130
Interest on borrowed funds	3,605	1,950
	<u>23,409</u>	<u>11,080</u>
Net interest income	62,707	63,717
Provision for credit losses	2,953	3,476
Net interest income after provision for credit losses	<u>59,754</u>	<u>60,241</u>
NON-INTEREST INCOME		
Service charges on deposit accounts	2,840	2,958
Service charges on loans	5,270	4,977
Wealth management income	10,027	9,087
Other income	4,826	4,760
	<u>22,963</u>	<u>21,782</u>
NON-INTEREST EXPENSE		
Salaries	24,150	22,552
Benefits	6,165	6,071
Occupancy and equipment	10,254	10,305
Other non-interest expenses	22,275	21,408
	<u>62,844</u>	<u>60,336</u>
Income before income taxes	19,873	21,687
Income taxes	3,457	3,990
Net income	<u>\$ 16,416</u>	<u>\$ 17,697</u>
Basic earnings per share	\$ 0.48	\$ 0.51

BOARDS OF DIRECTORS



Luther Deaton, Jr.
Luther Deaton, Jr.
Chairman, President & CEO

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