



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
RESULTS OF OPERATIONS:					
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
AT JUNE 30:					
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
PERFORMANCE RATIOS:					
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
ASSETS		
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
Total assets	<u>\$ 2,315,608,477</u>	<u>\$ 2,254,473,791</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
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>
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	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>
Total liabilities and shareholders' equity	<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
INTEREST INCOME		
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>
INTEREST EXPENSE		
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>
OTHER INCOME		
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>
OTHER EXPENSES		
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
Net income	<u>\$ 9,115,274</u>	<u>\$ 9,158,772</u>
Basic earnings per share	\$ 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

(859) 253-6222

(800) 637-6884

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



Member FDIC