

Quarterly Statement of Condition Second Quarter, June 30, 2012

Central Bank & Trust Co.
Central Insurance Services
Central Bank of Jefferson County
Central Investment Center, Inc.
Salt Lick Deposit Bank



Showing you the way.

 Central Bancshares, Inc.

Central Bancshares' Mission Statement

The mission of Central Bancshares is to be a high-performance financial services company that delivers superior service and value to each customer we serve. We will emphasize customer and employee satisfaction – always mindful that quality people will make the Central difference.

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Financial Highlights

	2012	2011	2010	2009	2008
Results of Operations:					
Net income	\$ 6,236,462	\$ 5,778,375	\$ 3,390,596	\$ 706,583	\$ 5,711,205
Net income per share	17.92	16.61	9.75	2.03	16.42
Cash dividends per share	0.00	0.00	0.00	2.50	4.50
Book value per share at quarter end	498.53	466.11	443.68	415.54	429.14
At June 30:					
Assets	\$ 2,130,888,177	\$ 2,108,346,500	\$ 2,120,360,611	\$ 1,976,240,150	\$ 1,819,017,971
Earning assets	1,952,972,650	1,929,807,015	1,935,439,283	1,800,049,239	1,642,911,634
Net loans and leases	1,634,177,922	1,681,483,283	1,751,086,986	1,602,842,572	1,462,865,759
Deposits	1,838,962,932	1,824,806,829	1,788,472,396	1,646,789,078	1,431,763,205
Shareholders' equity	173,450,399	162,169,002	154,365,749	144,575,076	149,306,596
Performance Ratios:					
Return on average assets	0.59%	0.55%	0.33%	0.07%	0.64%
Return on average shareholders' equity	7.33%	7.29%	4.45%	0.97%	7.75%
Average shareholders' equity to average assets	7.38%	6.78%	6.62%	6.75%	7.31%
Net charge-offs to average loans and leases	0.22%	0.29%	0.40%	0.23%	0.20%
Allowance for credit losses as a percentage of quarter end loans and leases	1.85%	1.45%	1.19%	1.42%	1.34%
Net interest margin (tax equivalent)	3.86%	4.08%	3.98%	3.44%	3.88%

Consolidated Balance Sheets

	June 30, 2012	June 30, 2011
ASSETS		
Cash and due from banks	\$ 46,626,708	\$ 41,071,629
Federal funds sold	147,200,000	138,500,000
<i>Total cash and cash equivalents</i>	<u>193,826,708</u>	<u>179,571,629</u>
Securities	163,555,340	101,276,347
Loans and leases, net of unearned income	1,665,012,619	1,706,167,120
Allowance for credit losses	(30,834,697)	(24,683,837)
<i>Loans and leases, net</i>	<u>1,634,177,922</u>	<u>1,681,483,283</u>
Premises and equipment, net	41,618,628	45,594,715
Federal Home Loan Bank stock	7,959,300	7,959,300
Intangible assets	16,274,790	16,769,378
Prepaid expenses and other assets	73,475,489	75,691,848
Total assets	\$ 2,130,888,177	\$ 2,108,346,500
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 399,738,931	\$ 377,721,098
Interest bearing	1,439,224,001	1,447,085,731
<i>Total deposits</i>	<u>1,838,962,932</u>	<u>1,824,806,829</u>
Customer sweep accounts	52,125,398	54,930,146
Federal Home Loan Bank advances	16,438,620	16,940,966
Long term debt payable	37,600,000	37,600,000
Other liabilities	12,310,828	11,899,557
<i>Total liabilities</i>	<u>1,957,437,778</u>	<u>1,946,177,498</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	166,756,108	155,280,786
Accumulated other comprehensive income (loss)	(3,675,397)	(3,481,472)
<i>Total shareholders' equity</i>	<u>173,450,399</u>	<u>162,169,002</u>
Total liabilities and shareholders' equity	\$ 2,130,888,177	\$ 2,108,346,500

Consolidated Income Statements

(For six months ended)

	June 30, 2012	June 30, 2011
INTEREST INCOME		
Interest and fees on loans	\$ 43,158,921	\$ 47,435,028
Interest on securities	885,914	990,545
Interest on short term investments	187,415	159,131
	<u>44,232,250</u>	<u>48,584,704</u>
INTEREST EXPENSE		
Interest on deposits	6,173,405	8,529,040
Interest on borrowed funds	1,586,375	1,575,584
	<u>7,759,780</u>	<u>10,104,624</u>
Net interest income	36,472,470	38,480,080
Provision for credit losses	5,724,472	6,832,804
Net interest income after provision for credit losses	<u>30,747,998</u>	<u>31,647,276</u>
OTHER INCOME		
Service charges on deposit accounts	4,812,113	5,680,968
Service charges on loans	5,101,435	3,888,209
Wealth management income	5,396,569	5,236,194
Other income	1,387,320	1,257,486
	<u>16,697,437</u>	<u>16,062,857</u>
OTHER EXPENSES		
Salaries	15,681,830	15,290,765
Benefits	3,540,820	4,006,098
Occupancy	8,512,158	8,366,193
Other non-interest expenses	13,460,648	14,088,841
	<u>41,195,456</u>	<u>41,751,897</u>
Income before provision for income taxes	6,249,979	5,958,236
Provision for income taxes	13,517	179,861
Net income	<u>\$ 6,236,462</u>	<u>\$ 5,778,375</u>
Basic earnings per share	\$ 17.92	\$ 16.61

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