

Quarterly Statement of Condition Third Quarter, September 30, 2013

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



Showing you the way.

 Central Bancshares, Inc.

Central Bancshares' 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

	2013	2012	2011	2010	2009
Results of Operations:					
Net income	\$ 9,106,561	\$ 9,633,237	\$ 8,096,871	\$ 3,181,443	\$ 1,002,065
Net income per share	26.17	27.69	23.27	9.14	2.88
Cash dividends per share	0.00	0.00	0.00	0.00	3.75
Book value per share at quarter end	542.15	509.16	471.46	443.15	415.12
At September 30:					
Assets	\$ 2,132,778,718	\$ 2,168,866,600	\$ 2,124,636,429	\$ 2,175,179,945	\$ 1,951,660,375
Earning assets	1,994,979,250	2,033,366,083	1,968,083,318	2,009,258,984	1,807,038,586
Net loans and leases	1,560,920,858	1,634,930,422	1,650,473,789	1,746,052,321	1,636,072,033
Deposits	1,787,433,040	1,876,384,001	1,842,605,471	1,837,979,588	1,625,759,761
Shareholders' equity	188,625,789	177,147,050	164,030,348	154,181,962	144,430,143
Performance Ratios:					
Return on average assets	0.58%	0.60%	0.51%	0.20%	0.07%
Return on average shareholders' equity	6.56%	7.45%	6.70%	2.75%	0.91%
Average shareholders' equity to average assets	8.14%	7.40%	6.84%	6.58%	6.73%
Net charge-offs to average loans and leases	0.37%	0.55%	0.48%	0.66%	0.50%
Allowance for credit losses as a percentage of quarter end loans and leases	1.72%	1.75%	1.64%	1.37%	1.28%
Net interest margin (tax equivalent)	3.59%	3.79%	4.00%	3.91%	3.45%

Note: All periods prior to 2013 include the balances and results of Salt Lick Deposit Bank which was sold effective January 1, 2013.

Consolidated Balance Sheets

	September 30, 2013	September 30, 2012
ASSETS		
Cash and due from banks	\$ 54,106,967	\$ 35,269,270
Federal funds sold	130,100,000	201,800,000
<i>Total cash and cash equivalents</i>	<u>184,206,967</u>	<u>237,069,270</u>
Securities	270,787,726	157,608,596
Loans and leases, net of unearned income	1,588,301,726	1,610,021,127
Allowance for credit losses	(27,380,868)	(28,489,251)
<i>Loans and leases, net</i>	<u>1,560,920,858</u>	<u>1,581,531,876</u>
Premises and equipment, net	38,106,125	38,411,781
Federal Home Loan Bank stock	7,050,900	7,050,900
Intangible assets	15,001,561	15,460,012
Prepaid expenses and other assets	56,704,581	67,787,715
Assets held for sale, Salt Lick Deposit Bank	\$ 0	\$ 63,946,450
Total assets	<u>2,132,778,718</u>	<u>2,168,866,600</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 431,054,221	\$ 410,263,999
Interest bearing	1,356,378,819	1,403,701,704
<i>Total deposits</i>	<u>1,787,433,040</u>	<u>1,813,965,703</u>
Customer sweep accounts	101,502,303	48,505,358
Federal funds purchased	500,000	0
Federal Home Loan Bank advances	2,826,267	13,713,335
Long term debt payable	37,600,000	37,600,000
Other liabilities	14,291,319	12,530,481
Liabilities held for sale, Salt Lick Deposit Bank	0	65,404,673
<i>Total liabilities</i>	<u>1,944,152,929</u>	<u>1,991,719,550</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	182,506,854	170,152,883
Accumulated other comprehensive income (loss)	(4,250,753)	(3,375,521)
<i>Total shareholders' equity</i>	<u>188,625,789</u>	<u>177,147,050</u>
Total liabilities and shareholders' equity	<u>\$ 2,132,778,718</u>	<u>\$ 2,168,866,600</u>

Consolidated Income Statements

(For nine months ended)

	September 30, 2013	September 30, 2012
INTEREST INCOME		
Interest and fees on loans	\$ 58,551,224	\$ 64,423,687
Interest on securities	1,783,538	1,315,271
Interest on short term investments	<u>321,203</u>	<u>291,684</u>
	60,655,965	66,030,642
INTEREST EXPENSE		
Interest on deposits	6,680,021	9,139,401
Interest on borrowed funds	<u>2,117,718</u>	<u>2,380,289</u>
	8,797,739	11,519,690
Net interest income	51,858,226	54,510,952
Provision for credit losses	<u>6,446,683</u>	<u>9,442,064</u>
Net interest income after provision for credit losses	45,411,543	45,068,888
OTHER INCOME		
Service charges on deposit accounts	6,689,161	7,255,163
Service charges on loans	8,210,460	8,219,120
Wealth management income	8,801,886	8,012,842
Other income	<u>2,683,013</u>	<u>2,307,644</u>
	26,384,520	25,794,769
OTHER EXPENSES		
Salaries	24,270,520	23,397,642
Benefits	5,793,494	5,187,505
Occupancy	12,593,879	12,830,093
Other non-interest expenses	<u>19,238,658</u>	<u>19,798,638</u>
	61,896,551	61,213,878
Income before provision for income taxes	9,899,512	9,649,779
Provision for income taxes	<u>792,951</u>	<u>16,542</u>
Net income	\$ 9,106,561	\$ 9,633,237
Basic earnings per share	\$ 26.17	\$ 27.69

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