


Central Bancshares, Inc.

CONNECTING WITH
OUR
COMMUNITIES.



2015
FIRST QUARTER
REPORT



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

HELPING TO KEEP OUR COMMUNITIES STRONG.

THE HOPE CENTER



The Hope Center of Lexington is a nonprofit organization we have partnered with since their formative days in the early-90s. Now an essential element of the community, the Hope Center has made it their mission to care for homeless and at-risk men and women. Events such as The Night of Hope and Education Builds Hope raise the awareness and funds that are used to help, heal, and provide hope to individuals in Central Kentucky.

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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INFORMATION

CENTRAL BANK
300 West Vine Street
Lexington, KY 40507

FINANCIAL HIGHLIGHTS

For three months ended March 31

	2015	2014	2013	2012	2011
RESULTS OF OPERATIONS:					
Net income	\$ 4,461,946	\$ 3,167,389	\$ 3,077,738	\$ 3,210,765	\$ 2,387,773
Net income per share	12.82	9.10	8.85	9.23	6.86
Cash dividends per share	0.00	0.00	0.00	0.00	0.00
Book value per share at quarter end	603.49	563.60	526.60	489.66	456.04
AT SEPTEMBER 30:					
Assets	\$2,136,759,954	\$2,111,065,113	\$2,111,204,277	\$2,131,532,379	\$2,120,841,940
Earning assets	2,022,149,616	1,976,689,453	1,982,736,880	1,984,825,537	1,956,509,558
Net loans	1,601,744,966	1,599,105,435	1,549,293,031	1,628,566,777	1,700,704,934
Deposits	1,802,625,810	1,795,252,403	1,794,226,708	1,845,927,255	1,842,671,089
Shareholders' equity	209,966,967	196,088,556	183,217,184	170,364,594	158,666,840
PERFORMANCE RATIOS:					
Return on average assets	0.85%	0.62%	0.60%	0.61%	0.45%
Return on average shareholders' equity	8.63%	6.58%	6.82%	7.61%	6.10%
Average tangible equity					
to average assets	9.17%	8.78%	8.06%	7.31%	6.69%
Net charge-offs to average loans	0.00%	0.12%	0.06%	0.07%	0.09%
Allowance for loan losses as a					
percentage of quarter end loans	1.42%	1.46%	1.77%	1.84%	1.46%
Net interest margin (tax equivalent)	3.75%	3.81%	3.60%	3.88%	4.12%

*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

	March 31 2015	March 31 2014
ASSETS		
Cash and due from banks	\$ 40,378,972	\$ 48,604,384
Federal funds sold	193,900,000	81,200,000
Total cash and cash equivalents	<u>234,278,972</u>	<u>129,804,384</u>
Securities	197,813,161	266,674,026
Loans, net of unearned income	1,624,757,923	1,622,847,118
Allowance for loan losses	<u>(23,012,957)</u>	<u>(23,741,683)</u>
Loans, net	1,601,744,966	1,599,105,435
Premises and equipment, net	37,261,171	37,927,430
Federal Home Loan Bank stock	6,751,100	6,751,100
Intangible assets	14,573,211	14,865,444
Prepaid expenses and other assets	44,337,373	55,937,294
Total assets	\$ 2,136,759,954	\$ 2,111,065,113
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 500,005,395	\$ 483,893,671
Interest bearing	1,302,620,415	1,311,358,732
Total deposits	<u>1,802,625,810</u>	<u>1,795,252,403</u>
Customer sweep accounts	83,563,107	79,610,740
Federal funds purchased	500,000	500,000
Federal Home Loan Bank advances	2,781,439	2,811,505
Long term debt payable	19,600,000	24,400,000
Other liabilities	17,722,631	12,401,909
Total liabilities	<u>1,926,792,987</u>	<u>1,914,976,557</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	205,615,438	188,718,349
Accumulated other comprehensive income (loss)	<u>(6,018,159)</u>	<u>(2,999,481)</u>
Total shareholders' equity	209,966,967	196,088,556
Total liabilities and shareholders' equity	\$ 2,136,759,954	\$ 2,111,065,113

For three months ended

CONSOLIDATED STATEMENTS OF INCOME

	March 31 2015	March 31 2014
INTEREST INCOME		
Interest and fees on loans	\$ 18,853,788	\$ 19,168,891
Interest on securities	657,317	704,031
Interest on short term investments	84,254	28,268
	<u>19,595,359</u>	<u>19,901,190</u>
INTEREST EXPENSE		
Interest on deposits	1,304,615	1,475,894
Interest on borrowed funds	368,710	694,510
	<u>1,673,325</u>	<u>2,170,404</u>
Net interest income	17,922,034	17,730,786
Provision for loan losses	-	1,739,248
Net interest income after provision for loan losses	<u>17,922,034</u>	<u>15,991,538</u>
OTHER INCOME		
Service charges on deposit accounts	1,979,651	2,126,032
Service charges on loans	2,401,095	1,743,092
Wealth management income	3,237,131	3,211,463
Other income	604,201	927,525
	<u>8,222,078</u>	<u>8,008,112</u>
OTHER EXPENSES		
Salaries	8,388,026	7,974,401
Benefits	1,909,141	1,916,079
Occupancy	4,296,500	4,300,813
Other non-interest expenses	6,267,872	6,530,015
	<u>20,861,539</u>	<u>20,721,308</u>
Income before provision for income taxes	5,282,573	3,278,342
Provision for income taxes	820,627	110,953
Net income	<u>\$ 4,461,946</u>	<u>\$ 3,167,389</u>
Basic earnings per share	\$ 12.82	\$ 9.10

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.

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*Partner
Ray, Foley, Hensley & Company, PLLC Certified Public Accountants*

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Assistant Vice President

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Jeffrey Benton
Retail Banking Officer

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*Vice President &
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Assistant Vice President

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*Senior Vice President &
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Jospeh McMahan
Business Development Officer

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Senior Vice President

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