

Quarterly Statement of Condition Second Quarter, June 30, 2010

Central Bank & Trust Co.

Central Bank, FSB

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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Member FDIC



Financial Highlights

	2010	2009	2008	2007	2006
Results of Operations:					
Net income	\$ 3,390,596	\$ 706,583	\$ 5,711,205	\$ 5,372,831	\$ 7,547,539
Net income per share	9.75	2.03	16.42	15.44	21.69
Cash dividends per share	0.00	2.50	4.50	4.50	4.50
Book value per share at quarter end	443.68	415.54	429.14	418.40	386.43
At June 30:					
Assets	\$ 2,120,360,611	\$ 1,976,240,150	\$ 1,819,017,971	\$ 1,806,454,684	\$ 1,657,197,294
Earning assets	1,935,439,283	1,800,049,239	1,642,911,634	1,636,718,773	1,505,315,992
Net loans and leases	1,751,086,986	1,602,842,572	1,462,865,759	1,444,327,068	1,296,195,565
Deposits	1,788,472,396	1,646,789,078	1,431,763,205	1,498,108,264	1,360,162,750
Shareholders' equity	154,365,749	144,575,076	149,306,596	145,569,011	134,447,584
Performance Ratios:					
Return on average assets	0.33%	0.07%	0.64%	0.61%	0.93%
Return on average shareholders' equity	4.45%	0.97%	7.75%	7.47%	11.53%
Average shareholders' equity to average assets	6.62%	6.75%	7.31%	7.33%	7.06%
Net charge-offs to average loans and leases	0.40%	0.23%	0.20%	0.15%	0.07%
Allowance for credit losses as a percentage of quarter end loans and leases	1.19%	1.42%	1.34%	1.17%	1.32%
Net interest margin (tax equivalent)	3.98%	3.44%	3.88%	3.78%	3.87%

Consolidated Balance Sheets

	June 30, 2010	June 30, 2009
ASSETS		
Cash and due from banks	\$ 41,654,103	\$ 48,403,295
Federal funds sold	78,000,000	59,500,000
<i>Total cash and cash equivalents</i>	<u>119,654,103</u>	<u>107,903,295</u>
Securities	98,312,908	129,667,280
Loans and leases, net of unearned income	1,772,168,881	1,625,878,045
Allowance for credit losses	(21,081,895)	(23,035,473)
<i>Loans and leases, net</i>	<u>1,751,086,986</u>	<u>1,602,842,572</u>
Premises and equipment, net	47,106,066	50,868,651
Federal Home Loan Bank stock	7,959,300	7,959,300
Intangible assets	17,263,966	17,778,196
Prepaid expenses and other assets	78,977,282	59,220,856
Total assets	\$ 2,120,360,611	\$ 1,976,240,150
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 322,910,679	\$ 293,037,225
Interest bearing	1,465,561,717	1,353,751,853
<i>Total deposits</i>	<u>1,788,472,396</u>	<u>1,646,789,078</u>
Federal funds purchased and securities sold under repurchase agreements	33,000,000	33,875,000
Customer sweep accounts	55,638,120	55,981,483
Federal Home Loan Bank advances	39,253,579	42,812,881
Long term debt payable	37,600,000	37,600,000
Other liabilities	12,030,767	14,606,632
<i>Total liabilities</i>	<u>1,965,994,862</u>	<u>1,831,665,074</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	145,985,463	142,402,646
Accumulated other comprehensive income	(1,989,402)	(8,197,258)
<i>Total shareholders' equity</i>	<u>154,365,749</u>	<u>144,575,076</u>
Total liabilities and shareholders' equity	\$ 2,120,360,611	\$ 1,976,240,150

Consolidated Income Statements

(For six months ended)

	June 30, 2010	June 30, 2009
INTEREST INCOME		
Interest and fees on loans	\$ 48,409,736	\$ 44,605,741
Interest on securities	991,355	1,775,847
Interest on short term investments	70,520	40,722
	<u>49,471,611</u>	<u>46,422,310</u>
INTEREST EXPENSE		
Interest on deposits	11,160,865	14,664,323
Interest on borrowed funds	2,010,793	1,702,520
	<u>13,171,658</u>	<u>16,366,843</u>
Net interest income	36,299,953	30,055,467
Provision for credit losses	7,307,297	4,977,134
Net interest income after provision for credit losses	<u>28,992,656</u>	<u>25,078,333</u>
OTHER INCOME		
Service charges on deposit accounts	5,824,893	5,048,265
Service charges on loans	3,233,773	4,446,516
Wealth management income	4,973,895	4,503,063
Other income	734,423	1,755,161
	<u>14,766,984</u>	<u>15,753,005</u>
OTHER EXPENSES		
Salaries	14,279,298	14,644,688
Benefits	3,969,582	4,258,711
Occupancy	8,496,853	8,968,971
Other non-interest expenses	14,291,541	13,586,460
	<u>41,037,274</u>	<u>41,458,830</u>
Income before provision for income taxes	2,722,366	(627,492)
Provision for income taxes	(668,230)	(1,334,075)
Net income	<u>\$ 3,390,596</u>	<u>\$ 706,583</u>
Basic earnings per share	\$ 9.75	\$ 2.03

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