

Quarterly Statement of Condition Second Quarter, June 30, 2011

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

	2011	2010	2009	2008	2007
Results of Operations:					
Net income	\$ 5,778,375	\$ 3,390,596	\$ 706,583	\$ 5,711,205	\$ 5,372,831
Net income per share	16.61	9.75	2.03	16.42	15.44
Cash dividends per share	0.00	0.00	2.50	4.50	4.50
Book value per share at quarter end	466.11	443.68	415.54	429.14	418.40
At June 30:					
Assets	\$ 2,108,346,500	\$ 2,120,360,611	\$ 1,976,240,150	\$ 1,819,017,971	\$ 1,806,454,684
Earning assets	1,929,807,015	1,935,439,283	1,800,049,239	1,642,911,634	1,636,718,773
Net loans and leases	1,681,483,283	1,751,086,986	1,602,842,572	1,462,865,759	1,444,327,068
Deposits	1,824,806,829	1,788,472,396	1,646,789,078	1,431,763,205	1,498,108,264
Shareholders' equity	162,169,002	154,365,749	144,575,076	149,306,596	145,569,011
Performance Ratios:					
Return on average assets	0.55%	0.33%	0.07%	0.64%	0.61%
Return on average shareholders' equity	7.29%	4.45%	0.97%	7.75%	7.47%
Average shareholders' equity to average assets	6.78%	6.62%	6.75%	7.31%	7.33%
Net charge-offs to average loans and leases	0.29%	0.40%	0.23%	0.20%	0.15%
Allowance for credit losses as a percentage of quarter end loans and leases	1.45%	1.19%	1.42%	1.34%	1.17%
Net interest margin (tax equivalent)	4.08%	3.96%	3.44%	3.88%	3.78%

Consolidated Balance Sheets

	June 30, 2011	June 30, 2010
ASSETS		
Cash and due from banks	\$ 41,071,629	\$ 41,654,103
Federal funds sold	138,500,000	78,000,000
<i>Total cash and cash equivalents</i>	<u>179,571,629</u>	<u>119,654,103</u>
Securities	101,276,347	98,312,908
Loans and leases, net of unearned income	1,706,167,120	1,772,168,881
Allowance for credit losses	(24,683,837)	(21,081,895)
<i>Loans and leases, net</i>	<u>1,681,483,283</u>	<u>1,751,086,986</u>
Premises and equipment, net	45,594,715	47,106,066
Federal Home Loan Bank stock	7,959,300	7,959,300
Intangible assets	16,769,378	17,263,966
Prepaid expenses and other assets	75,691,848	78,977,282
Total assets	\$ 2,108,346,500	\$ 2,120,360,611
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 377,721,098	\$ 322,910,679
Interest bearing	1,447,085,731	1,465,561,717
<i>Total deposits</i>	<u>1,824,806,829</u>	<u>1,788,472,396</u>
Federal funds purchased and securities sold under repurchase agreements	0	33,000,000
Customer sweep accounts	54,930,146	55,638,120
Federal Home Loan Bank advances	16,940,966	39,253,579
Long term debt payable	37,600,000	37,600,000
Other liabilities	11,899,557	12,030,767
<i>Total liabilities</i>	<u>1,946,177,498</u>	<u>1,965,994,862</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	155,280,786	145,985,463
Accumulated other comprehensive income	(3,481,472)	(1,989,402)
<i>Total shareholders' equity</i>	<u>162,169,002</u>	<u>154,365,749</u>
Total liabilities and shareholders' equity	\$ 2,108,346,500	\$ 2,120,360,611

Consolidated Income Statements

(For six months ended)

	June 30, 2011	June 30, 2010
INTEREST INCOME		
Interest and fees on loans	\$ 47,435,028	\$ 48,409,736
Interest on securities	990,545	991,355
Interest on short term investments	159,131	70,520
	<u>48,584,704</u>	<u>49,471,611</u>
INTEREST EXPENSE		
Interest on deposits	8,529,040	11,160,865
Interest on borrowed funds	1,575,584	2,010,793
	<u>10,104,624</u>	<u>13,171,658</u>
Net interest income	38,480,080	36,299,953
Provision for credit losses	6,832,804	7,307,297
Net interest income after provision for credit losses	<u>31,647,276</u>	<u>28,992,656</u>
OTHER INCOME		
Service charges on deposit accounts	5,680,968	5,824,893
Service charges on loans	3,888,209	3,233,773
Wealth management income	5,236,194	4,973,895
Other income	1,257,486	734,423
	<u>16,062,857</u>	<u>14,766,984</u>
OTHER EXPENSES		
Salaries	14,188,265	14,279,298
Benefits	4,006,098	3,969,582
Occupancy	8,366,193	8,496,853
Other non-interest expenses	15,191,341	14,291,541
	<u>41,751,897</u>	<u>41,037,274</u>
Income before provision for income taxes	5,958,236	2,722,366
Provision for income taxes	179,861	(668,230)
Net income	<u>\$ 5,778,375</u>	<u>\$ 3,390,596</u>
Basic earnings per share	\$ 16.61	\$ 9.75

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