

# CONNECTING WITH OUR COMMUNITIES.









2020 THIRD QUARTER REPORT



Central Bank & Trust Co.

Central Insurance Services

Central Investment Center, Inc.

## HELPING TO KEEP OUR COMMUNITIES STRONG FOR 74 YEARS









#### 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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#### For additional copies or information:

MARKETING CENTRAL BANK 300 West Vine Street Lexington, KY 40507

### FINANCIAL HIGHLIGHTS

For nine months ended September 30 (dollars in thousands, except share data)

(dollars in thousands, except share data)							
		2020		2019	2018	2017	2016
RESULTS OF OPERATIONS:							
Net income	\$	16,462	\$	24,417 \$	20,895 \$	14,707 \$	13,976
Net income per share	Ψ	0.47	•	0.70	0.60	0.42	0.40
Cash dividends per share		0.00		0.00	0.00	0.00	0.00
Book value per share at quarter end		9.28		8.77	7.92	7.26	6.78
AT SEPTEMBER 30:							
Assets	\$	3,121,608	\$	2,702,142 \$	2,543,960 \$	2,350,422 \$	2,260,969
Earning assets		3,023,573		2,590,070	2,447,282	2,248,303	2,154,988
Net loans		2,344,650		2,063,825	2,013,297	1,921,904	1,717,555
Deposits		2,529,449		2,153,725	2,068,166	1,928,626	1,877,084
Shareholders' equity		322,702		305,216	275,556	252,681	235,795
PERFORMANCE RATIOS:							
Return on average assets		0.74%		1.25%	1.12%	0.85%	0.84%
Return on average shareholders' equity		6.98%		11.19%	10.52%	8.01%	8.14%
Average tangible equity							
to average tangible assets		10.15%		10.74%	10.17%	10.06%	9.71%
Net charge-offs to average loans		0.05%		0.16%	0.08%	0.06%	0.10%
Allowance for loan losses as a							
percentage of quarter end loans		0.99%		0.94%	1.02%	1.12%	1.23%
Net interest margin (tax equivalent)		3.53%		4.05%	3.99%	3.95%	3.73%

CONSOLIDATED BALANCE SHEETS (in thousands, except share data)	Se	ptember 30 2020	Se	September 30 2019	
ASSETS					
Cash and due from financial institutions	\$	42,046	\$	60,081	
Interest bearing deposits with other financial institutions	·	385,200		239,700	
Total cash and cash equivalents		427,246		299,781	
Debt securities		263,426		260,202	
Loans, net of unearned income		2,368,196		2,083,417	
Allowance for loan losses		(23,546)		(19,592)	
Loans, net		2,344,650		2,063,825	
Premises and equipment, net		26,482		29,115	
Federal Home Loan Bank stock		6,751		6,751	
Intangible assets		14,313		14,313	
Prepaid expenses and other assets		38,740		28,155	
Total assets	\$	3,121,608	\$	2,702,142	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits:					
Non-interest bearing	\$	999,991	\$	708,284	
Interest bearing		1,529,458		1,445,441	
Total deposits		2,529,449		2,153,725	
Repurchase agreements		191,464		144,757	
Federal funds purchased		500		500	
Federal Home Loan Bank advances		30,313		50,408	
Subordinated debentures		15,000		15,000	
Other liabilities		32,180		32,536	
Total liabilities		2,798,906		2,396,926	
SHAREHOLDERS' EQUITY					
Common stock (voting), \$10 par value; 350,000 shares authorized;					
347,922 shares issued and outstanding		3,479		3,479	
Common stock (non-voting), no par value; 34,650,000 shares authorized;					
34,444,278 shares issued and outstanding		-		-	
Additional paid-in capital		6,890		6,890	
Retained earnings		323,141		301,391	
Unearned Employee Stock Ownership Plan shares		(2,806)		-	
Accumulated other comprehensive income (loss)		(8,002)		(6,544)	
Total shareholders' equity		322,702		305,216	
Total liabilities and shareholders' equity	\$	3,121,608	\$	2,702,142	

	For nine months ended				
CONSOLIDATED STATEMENTS OF INCOME	Septe	September 30 2019			
(in thousands, except share data)		020	2019		
INTEREST INCOME					
Interest and fees on loans	\$	76,418	\$	80,162	
Interest on debt securities		3,691		5,121	
Interest on deposits with other financial institutions		1,192		2,954	
		81,301		88,237	
INTEREST EXPENSE					
Interest on deposits		4,657		10,696	
Interest on borrowed funds		1,141		1,752	
		5,798		12,448	
Net interest income		75,503		75,789	
Provision for loan losses		5,667		2,672	
Net interest income after provision for loan losses		69,836		73,117	
OTHER INCOME					
Service charges on deposit accounts		4,380		5,442	
Service charges on loans		9,028		<i>7</i> ,893	
Wealth management income		11,470		10,984	
Other income		5,527		5,552	
		30,405		29,871	
OTHER EXPENSES					
Salaries		33,188		31,111	
Benefits		9,252		8,816	
Occupancy and equipment		16,102		15,040	
Other non-interest expenses		23,048		20,978	
		81,590	-	75,945	
Income before provision for income taxes		18,651		27,043	
Provision for income taxes		2,189		2,626	
Net income	\$	16,462	\$	24,417	
Basic earnings per share	\$	0.47	\$	0.70	

#### **BOARDS OF DIRECTORS**



Luther Deaton, Jr. Chairman, President & CEO

#### Central Bancshares, Inc. and Central Bank & Trust Co. Board of Directors

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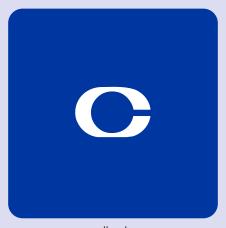
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