



CONNECTING WITH  
OUR  
COMMUNITIES.



2018  
THIRD QUARTER  
REPORT



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

# HELPING TO KEEP OUR COMMUNITIES STRONG.

## KENTUCKY HORSE PARK FOUNDATION



The Kentucky Horse Park Foundation is a non-profit 501 (c)3 organization dedicated to enhancing, expanding, and improving the Kentucky Horse Park. Central Bank is proud to help support their vision for the park as the world's leading equestrian destination, as a working horse farm, a world-renowned center for show and competition, and an international center for equine education.

## 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

	2018	2017	2016	2015	2014
<b>RESULTS OF OPERATIONS:</b>					
Net income	\$ 20,894,604	\$ 14,707,462	\$ 13,975,624	\$ 13,564,090	\$ 11,546,118
Net income per share	60.06	42.27	40.17	38.99	33.19
Cash dividends per share	0.00	0.00	0.00	0.00	0.00
Book value per share at quarter end	792.00	726.26	677.72	629.79	588.21
<b>AT SEPTEMBER 30:</b>					
Assets	\$ 2,543,959,659	\$ 2,350,421,609	\$ 2,260,969,391	\$ 2,140,724,327	\$ 2,095,390,839
Earning assets	2,446,323,914	2,248,303,455	2,154,988,147	2,028,028,539	1,975,269,280
Net loans	2,013,297,051	1,921,904,255	1,717,554,790	1,622,353,939	1,645,326,605
Deposits	2,068,165,970	1,928,626,475	1,877,083,768	1,784,484,173	1,749,193,021
Shareholders' equity	275,555,605	252,681,145	235,794,925	219,116,407	204,651,133
<b>PERFORMANCE RATIOS:</b>					
Return on average assets	1.12%	0.85%	0.84%	0.85%	0.74%
Return on average shareholders' equity	10.52%	8.01%	8.14%	8.55%	7.77%
Average tangible equity					
to average assets	10.17%	10.06%	9.71%	9.30%	8.92%
Net charge-offs to average loans	0.08%	0.06%	0.10%	0.08%	0.18%
Allowance for loan losses as a					
percentage of quarter end loans	1.02%	1.12%	1.23%	1.32%	1.44%
Net interest margin (tax equivalent)	3.96%	3.95%	3.73%	3.66%	3.87%

## CONSOLIDATED BALANCE SHEETS

	September 30 2018	September 30 2017
<b>ASSETS</b>		
Cash and due from banks	\$ 49,230,114	\$ 45,027,865
Federal funds sold	182,900,000	70,300,000
Total cash and cash equivalents	<u>232,130,114</u>	<u>115,327,865</u>
Securities	223,634,176	228,481,805
Loans, net of unearned income	2,033,997,422	1,943,605,954
Allowance for loan losses	(20,700,371)	(21,701,699)
Loans, net	<u>2,013,297,051</u>	<u>1,921,904,255</u>
Premises and equipment, net	31,006,249	32,403,332
Federal Home Loan Bank stock	6,751,100	6,751,100
Intangible assets	14,313,393	14,313,393
Prepaid expenses and other assets	22,827,576	31,239,859
<b>Total assets</b>	<u>\$ 2,543,959,659</u>	<u>\$ 2,350,421,609</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits:		
Non-interest bearing	\$ 696,997,047	\$ 661,473,856
Interest bearing	1,371,168,923	1,267,152,619
Total deposits	<u>2,068,165,970</u>	<u>1,928,626,475</u>
Customer sweep accounts	132,796,667	102,633,453
Federal funds purchased	500,000	500,000
Federal Home Loan Bank advances	25,426,133	25,444,020
Long term debt payable	15,000,000	15,000,000
Other liabilities	26,515,284	25,536,516
Total liabilities	<u>2,268,404,054</u>	<u>2,097,740,464</u>
<b>SHAREHOLDERS' EQUITY</b>		
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	271,479,293	248,265,789
Accumulated other comprehensive income (loss)	(6,293,376)	(5,954,332)
Total shareholders' equity	<u>275,555,605</u>	<u>252,681,145</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 2,543,959,659</u>	<u>\$ 2,350,421,609</u>

## CONSOLIDATED STATEMENTS OF INCOME

	For nine months ended	
	September 30 2018	September 30 2017
<b>INTEREST INCOME</b>		
Interest and fees on loans	\$ 71,984,588	\$ 63,729,900
Interest on securities	3,837,239	3,350,950
Interest on short term investments	1,970,289	753,056
	<u>77,792,116</u>	<u>67,833,906</u>
<b>INTEREST EXPENSE</b>		
Interest on deposits	6,642,619	3,463,468
Interest on borrowed funds	1,199,481	755,695
	<u>7,842,100</u>	<u>4,219,163</u>
Net interest income	69,950,016	63,614,743
Provision for loan losses	1,751,835	2,310,333
Net interest income after provision for loan losses	<u>68,198,181</u>	<u>61,304,410</u>
<b>OTHER INCOME</b>		
Service charges on deposit accounts	5,433,855	5,763,251
Service charges on loans	7,606,904	7,781,470
Wealth management income	10,981,373	10,211,901
Other income	4,179,628	3,744,647
	<u>28,201,760</u>	<u>27,501,269</u>
<b>OTHER EXPENSES</b>		
Salaries	29,454,080	28,279,974
Benefits	7,627,976	6,849,737
Occupancy	14,293,581	13,911,007
Other non-interest expenses	20,672,970	20,540,306
	<u>72,048,607</u>	<u>69,581,024</u>
Income before provision for income taxes	24,351,334	19,224,655
Provision for income taxes	3,456,730	4,517,193
<b>Net income</b>	<u>\$ 20,894,604</u>	<u>\$ 14,707,462</u>
<b>Basic earnings per share</b>	\$ 60.06	\$ 42.27

# BOARDS OF DIRECTORS

## 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.*

**Joan D. Kincaid**  
*Vice Chairman of the Board, Central Bancshares, Inc. and Central Bank & Trust Co.*

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

**Wilbert W. James, Jr.**  
*Retired, Toyota Motor Manufacturing, Kentucky, Inc.*

**Wayne M. Martin**  
*VP of Development, Retail Division, Booth Energy*

**Nick Nicholson**  
*Retired, Keeneland Association, Inc.*

**G. Michael Ritchie**  
*Executive Vice President, Quantum Spatial, Inc.*

**Paul E. Sullivan**  
*Partner, Frost Brown Todd, LLC*

## Advisory Boards of Directors

**Central Bank, Georgetown  
Advisory Board of Directors**

**Dallas Blankenship**  
*Retired Superintendent, Scott County Board of Education*

**Mason "Butch" Glass**  
*Community Volunteer*

**William C. Haugh**  
*CEO, Georgetown Community Hospital*

**George H. Lusby**  
*Scott County Judge Executive*

**Kimberly E. Marshall**  
*Market President*

**Randy Mason**  
*Owner-Operator, McDonald's*

**W. Thomas Prather**  
*Chairman, Central Bank, Georgetown & Mayor of Georgetown*

**Central Bank, Lexington  
Advisory Board of Directors**

**Dennis Anderson**  
*President, Anderson Communities*

**Ray Ball**  
*Owner, Ball Homes*

**Jeremy Bates**  
*President, Bates Security*

**Anthony Beatty**  
*U.K. Campus Services & Public Safety*

**Crinda Francke**  
*President, ExecuTrain of Kentucky*

**Linda Griffin**  
*President, High Bridge Spring Water*

**Joseph L. Grossman**  
*President & CEO, Appalachian Regional Healthcare, Inc.*

**Pat Hayden**  
*Retired, Rector Hayden Real Estate*

**Steve Heller**  
*Co-owner, Atchison Heller Construction*

**Dr. John Hobbs**  
*Central Internal Medicine*

**Glenn Hoskins**  
*Lexington Building Supply*

**Dave Houchin**  
*President, Intech Contracting, LLC*

**Debbie Long**  
*Owner, Dudley's on Short*

**Judge Mary Noble**  
*Retired Judge, Kentucky Supreme Court*

**Bruce Pieratt**  
*Owner, Pieratt's*

**Bill Quigg**  
*President, Richmond Baking Company*

**Ed Quinn**  
*President & CEO, R.J. Corman Railroad Company*

**Dr. Marcus Randall**  
*President, Kentucky Medical Services Foundation*

**Nick Rowe**  
*President, Kentucky American Water Co.*

**Kenny Schomp**  
*President & Owner, Lexington Truck Sales, Inc.*

**Steve S.J. Sherman**  
*Sherman Carter Barnhart Architects*

**Nick Strong**  
*President, Old Colony Insurance*

**Bill Thomason**  
*President, Keeneland Association*

**Greg White, DDS**  
*White, Greer and Maggard Orthodontists*

**Brian Wood**  
*Founder & CEO, BC Wood Properties, Inc.*

**Central Bank, Louisville  
Advisory Board of Directors**

**Jonathan S. Blue**  
*Chairman, Blue Equity, LLC*

**Ronald L. Carmicle**  
*Owner, PLC Management*

**Marcia Cassidy**  
*Director, Capital Link Consultants*

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

**William P. Malone**  
*Retired, Deming, Malone, Livesay & Ostroff*

**William E. Summers, IV**  
*Retired, Deputy Mayor, Louisville Metro Government*

# BOARDS OF DIRECTORS

## Jude Thompson

Owner & CEO, Transform  
Business Solutions, LLC &  
President & CEO, Delta Dental

## Mark Wheeler

Market President

## Central Bank, Madison County Advisory Board of Directors

## Dianna Ackerman

Broker/Owner, ERA Professional  
Hometown Services

## Frankie C. Blevins, Jr.

Attorney, Blevins Law, LLC

## Robert R. Blythe

EKU Professor  
Pastor, First Baptist Church

## James R. Carr

Builder and Developer

## Shannon Combs

Partner, Combs, Parsons and  
Collins Funeral Home

## Jeff Fultz

Market President

## Greg Gerard

President, Baptist Health  
Richmond

## James Ernest Hillard

Owner, Middletown Industrial

## Mike Rice

Owner, Cars of Kentucky, Inc.

## Rita H. Smart

Owner, The Bennett House

## Central Bank, Nicholasville Advisory Board of Directors

## Joan D. Kincaid

Vice Chairman of the Board,  
Central Bancshares, Inc.

## Sandra J. Adams

Owner, Zaxby's

## Michael D. Foley

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

## Ben A. Rainwater

Tutt Construction

## Paul E. Sullivan

Partner, Frost Brown Todd, LLC

## Benjamin G. Taylor

Taylor Made Farm & Sales  
Agency, Inc.

## Alan S. VanArsdall

Market President

## Central Bank, Northern Kentucky Advisory Board of Directors

## Mark Ayer

Managing Member  
Reading Investments, LLC

## Adam Bortz

CEO, Towne Properties

## Tonya Burns-Gerakos

Tonya Burns Law

## Chris Carle

Senior Vice President & COO, St.  
Elizabeth Healthcare, Florence

## Wayne Carlisle

President & CEO  
Carlisle Enterprises

## Helen Carroll

Retired

## David Heidrich

CEO, Zalla Companies

## Doug Ridenour

President, Federal  
Equipment

## Greg Schrand

President, GSE, Inc.

## Gregory Shumate

Member, Frost Brown Todd, LLC

## James Uebel

Market President

## Paul Verst

President & CEO, Verst Group  
Logistics, Inc., and Zenith Logistics

## John Yeager

Owner, Ashley Development

## Central Bank, Winchester Advisory Board of Directors

## Gerald F. (Kelly) Healy III

Director of Operations  
McDonald's

## Glenn Leveridge

Market President

## Rex McCrary, D.M.D.

Dentist

## Jeff Monohan

President  
The Allen Company

## Ralph J. Palmer

President, Palmer  
Engineering Co.

## Patricia M. Smith

President, MD Consulting, Inc.

## Robert Strode

Retired

## Mary Jane Warner

Manager of Power Delivery, East  
Kentucky Power Cooperative, Inc.

# OFFICERS

## Central Bancshares, Inc.

Luther Deaton, Jr.  
*Chairman, President & CEO*

Joan D. Kincaid  
*Vice Chairman*

Susan L. Simmons  
*Vice President*

Ranee Leland  
*Vice President & Corporate Secretary*

Edward Barnes  
*Treasurer*

## Central Bank, Lexington

### ADMINISTRATION

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*Chairman, President & CEO*

Ranee Leland  
*Vice President & Corporate Secretary*

### Auditing

Craig L. Daniels, CPA  
*Executive Vice President*

Lisa S. Grant, CRCM  
*Senior Vice President & Compliance Officer*

Donna J. Craven, CRCM  
*Vice President*

Danny C. Noland  
*Vice President*

John T. Miner, Jr.  
*Auditing Officer*

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Paul R. Thornsberry  
*Executive Vice President*

### Corporate Services

Karen Rowland, CTP  
*Senior Vice President*

Joan Patterson, CTP  
*Vice President*

Lisa K. Vickers  
*Vice President*

Chris Campbell  
*Assistant Vice President*

Allison Carter  
*Assistant Vice President*

Ashley N. Rodgers  
*Assistant Vice President*

### Credit Analysis

Jason A. Smith  
*Senior Vice President*

Matt Murphy  
*Credit Administration Officer*

### Loan Processing

Donna M. Turner  
*Vice President*

### Loan Review

Marie A. Young  
*Vice President*

David Chrisman  
*Senior Vice President*

Leigh M. Carr  
*Assistant Vice President*

LeeAnn Layne  
*Assistant Vice President*

### Special Assets

Ellen Sharp  
*Senior Vice President*

Steve Hall  
*Vice President*

Julie Szymanski  
*Vice President*

Becky Mullins  
*Special Assets Officer*

### Commercial Lending

David Ross  
*Senior Vice President*

Mark R. Fox  
*Vice President*

Stephen J. Mallory  
*Vice President*

Jeff Murphy  
*Vice President*

Shane Anderson  
*Assistant Vice President*

### Consumer Lending

Jerry F. Smalley  
*Vice President*

### Real Estate Lending

Megan Barlow  
*Vice President*

Paul B. Drake  
*Vice President*

Gary Loucks  
*Vice President*

Jordan Owens  
*Vice President*

### Small Business

Ernest W. Dolihite  
*Senior Vice President*

Richard D. Hartley  
*Vice President*

D. Keith Preston  
*Vice President*

Terri A. Stein  
*Vice President*

### Central Bank Mortgage

Ed Workman  
*Senior Vice President*

Susan Bradley  
*Vice President*

Tom Breathitt  
*Vice President*

Brad Fields  
*Vice President*

Catherine Himes  
*Vice President*

Lorraine Kinley  
*Vice President*

Brian W. West  
*Vice President*

Vina Risner  
*Assistant Vice President*

Rebecca Haddix  
*Mortgage Underwriter Manager*

Lisa Hart  
*Secondary Mortgage Underwriter*

### HUMAN RESOURCES

Susan Simmons  
*Executive Vice President*

Amy Manning  
*Senior Vice President*

Shelia Plymale  
*Senior Vice President*

June Carpenter  
*Assistant Vice President*

### TECHNOLOGY SERVICES

Julie Bondra  
*Executive Vice President*

Anna Clayton  
*Senior Vice President*

Kevin J. Lippert  
*Senior Vice President*

David Hake  
*Vice President*

E. Sean Profit  
*Vice President*

Kyle Hamilton  
*Technology Officer*

### RETAIL BANKING

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*Executive Vice President*

Michael Gartner  
*Senior Vice President*

Matthew S. Ratliff  
*Vice President*

Chris McGaughey  
*CRA Community Development Officer*

### Banking Centers

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*Assistant Vice President*

Angela M. Friesz  
*Assistant Vice President*

Karen Lackey  
*Assistant Vice President*

Philip Rochester  
*Assistant Vice President*



# OFFICERS

Lana Alexander  
*Retail Banking Officer*

Jeffrey Benton  
*Retail Banking Officer*

Sharon Bradley  
*Retail Banking Officer*

Sheila Carmack  
*Retail Banking Officer*

Barbara Johnson  
*Retail Banking Officer*

Laura M. Owens  
*Retail Banking Officer*

Alexandra T. Wolf  
*Retail Banking Officer*

## Client Services

Cathy K. Combs  
*Senior Vice President*

Diane Gentry  
*Client Services Officer*

## FINANCIAL PLANNING

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*Executive Vice President &  
Chief Financial Officer*

Lisa A. Williamson  
*Assistant Vice President*

Mark Kendall  
*Financial Planning Officer*

## ENTERPRISE RISK MANAGEMENT

C. Gregory Stacy  
*Executive Vice President*

Beth Lakes Robinson  
*Vice President*

## Funds Management

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*Assistant Vice President*

Michael Danhauer  
*Funds Management  
Officer*

## MARKETING

Stephen C. Kelly  
*Executive Vice President*

Lesley K. Catron  
*Marketing Officer*

## Correspondent Banking

Doug Flynn  
*Correspondent Banking  
Officer*

## OPERATIONS AND SUPPORT

### Operations

Laura Schweitzer  
*Executive Vice President*

Karen G. Crawley  
*Senior Vice President*

Robin Michul  
*Senior Vice President*

Harvey Sword  
*Vice President*

## Internet Banking

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*Assistant Vice President*

## Card Services

Beverly Smalley  
*Assistant Vice President*

## Loan Services

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*Assistant Vice President*

Shawn Presnell  
*Vice President*

## Deposit Services

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*Vice President*

Bruce McHone  
*Deposit Services Officer*

## Bank Security

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*Vice President & Director  
of Security*

Angela D. Campbell  
*BSA/AML & Operations  
Officer*

Alan Stewart  
*Security Officer*

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### Trust

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*Executive Vice President*

## Business Development

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*Vice President*

Sheila C. Parks  
*Vice President*

## Operations

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*Assistant Vice President*

Leigh Ann Young  
*Trust Officer*

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Elizabeth Johns  
*Vice President*

Matthew Frank, CFP®  
*Assistant Vice President*

Anna Hovekamp  
*Assistant Vice President*

Lauren Lovely  
*Trust Officer*

## Investment Management

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*Senior Vice President*

Thomas Corr  
*Vice President*

R. Scott King  
*Vice President*

Chris Taylor  
*Trust Officer*

## Private Banking

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*Executive Vice President*

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*Vice President*

Leslie Fannin  
*Vice President*

Alicia Jordan  
*Vice President*

Mark Ruddell  
*Vice President*

Christopher Thomason  
*Vice President*

## Central Insurance Services

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*President*

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*Vice President*

Rob Wessel  
*Vice President*

Justin Whipple  
*Vice President*

Steven P. Wright  
*Vice President*

Don Yaden  
*Vice President*

Andrew Alexander  
*Commercial Insurance  
Officer*

Joanna Gwinn-Estlin  
*Insurance Officer*

## Central Investment Center, Inc.

Jeff Ginnan  
*Executive Vice President &  
Senior Financial Advisor*

Jeff Fields, CRPS®  
*Vice President &  
Financial Advisor*

Tony Brown  
*Financial Advisor*

Ballard "Cash" Cassidy  
*Financial Advisor*

Deborah Fisher  
*Financial Advisor*

Jacobus M. Ockers  
*Financial Advisor*

Thomas E. Roberts, CFP®  
*Financial Advisor*

# OFFICERS

Jennifer Wilson  
*Financial Advisor*

## Central Bank, Georgetown

Kimberly E. Marshall  
*Market President*

Jennifer J. Roberts  
*Vice President*

Patricia Voigt  
*Vice President*

Jennifer Phillips  
*Assistant Vice President*

## Mortgage Lending

Ashley Weir  
*Vice President*

## Central Bank, Louisville

Mark Wheeler  
*Market President*

Amy Sullivan  
*Senior Vice President & Senior  
Market Lender*

Joan Strafer  
*Vice President*

Cyndi Caldwell Whitmer  
*Vice President*

## Mortgage Lending

Jeanie Gammon  
*Vice President*

## Retail Banking

Edman Cundiff  
*Vice President*

Elaine Fawbush  
*Assistant Vice President*

Lisa K. Kelly  
*Assistant Vice President*

Tanner Greenwell  
*Retail Banking Officer*

## Private Banking

Robert Slider  
*Senior Vice President*

Mary Littrell  
*Vice President*

Jim Morris  
*Vice President*

M. Trish Osborn  
*Vice President*

## Wealth Management

Bill Kaiser  
*Vice President*

## Central Bank, Madison County

Jeff Fultz  
*Market President*

Cameron Abney  
*Senior Vice President &  
Senior Market Lender*

Scott Johnson  
*Vice President*

Ken Riley  
*Vice President*

## Mortgage Lending

Donna Haney  
*Vice President*

## Central Bank, Nicholasville

Alan S. VanArsdall  
*Market President*

Cathy Lowe  
*Vice President*

Jill Slone  
*Assistant Vice President*

Kathy Moore  
*Retail Banking Officer*

Brandy Osborne  
*Commercial Lending Officer*

Adam Rodgers  
*Commercial Lending Officer*

## Mortgage Lending

Marcus P. Hanks  
*Vice President*

Monna Treadway  
*Vice President*

## Central Bank, Northern Kentucky

James Uebel  
*Market President*

Brett Blackwell  
*Senior Vice President &  
Senior Market Lender*

Donald Benzinger  
*Senior Vice President*

Matthew E. Eilers  
*Vice President*

Karen J. Homan  
*Vice President*

Amy Roberts  
*Vice President*

JB Schmidt  
*Commercial Lending Officer*

## Mortgage Lending

Dennis Barnes  
*Vice President*

## Retail Banking

Steven Gillespie  
*Vice President*

Mark Minton  
*Vice President*

Diana Webster  
*Vice President*

## Private Banking

John Finley  
*Senior Vice President*

Karen Hartig  
*Vice President*

Larry Luebbers  
*Vice President*

## Wealth Management

Jeff Augsback  
*Trust Officer*

## Central Bank, Winchester

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*Market President*

Tim M. Duncan  
*Senior Vice President*

Tammy M. Carroll  
*Vice President*

Lisa T. Earlywine  
*Vice President*

Erica Parks  
*Assistant Vice President*

Deborah R. Banks  
*Retail Banking Officer*

Crystal Hunt  
*Retail Banking Officer*

## Mortgage Lending

Lee Coleman  
*Vice President*

Bradley Sutherland  
*Mortgage Lending Officer*

# NOTES

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[centralbank.com](http://centralbank.com)

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Central Bank & Trust Co. is a wholly owned subsidiary of Central Bancshares, Inc.



Member FDIC