

CELEBRATING 75 YEARS OF STRENGTHENING EVERY COMMUNITY WE SERVE.

2021 FIRST QUARTER REPORT



Central Bancshares, Inc.

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

FOCUSED ON COMMUNITY SINCE 1946.



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

As of and for the three months ended March 31

(dollars in thousands, except share data)	2021	2020	2019	2018	2017
RESULTS OF OPERATIONS:					
Net income	\$ 8,924	\$ 5,903	\$ 8,924	\$ 6,846	\$ 4,244
Net income per share	0.26	0.17	0.26	0.20	0.12
Cash dividends per share	0.00	0.00	0.00	0.00	0.00
Book value per share at quarter end	9.71	9.00	8.32	7.52	6.96
AT MARCH 31:					
Assets	\$ 3,456,712	\$ 2,733,210	\$ 2,604,923	\$ 2,487,296	\$ 2,300,842
Earning assets	3,366,469	2,632,120	2,508,289	2,382,991	2,190,551
Loans, net	2,395,173	2,008,976	2,065,037	1,990,489	1,808,356
Deposits	2,846,595	2,168,717	2,075,901	2,045,577	1,919,872
Shareholders' equity	337,774	313,206	289,555	261,736	242,011
PERFORMANCE RATIOS:					
Return on average assets	1.09%	0.87%	1.42%	1.14%	0.75%
Return on average shareholders' equity	10.89%	7.65%	12.79%	10.73%	7.16%
Average tangible equity					
to average tangible assets	9.45%	10.91%	10.62%	10.10%	9.97%
Net charge-offs to average loans	0.01%	0.02%	0.02%	0.01%	0.03%
Allowance for loan losses as a					
percentage of quarter end loans	1.05%	0.96%	0.98%	1.04%	1.16%
Net interest margin (tax equivalent)	3.28%	3.72%	4.15%	4.01%	3.87%

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	March 31 2021	March 31 2020
ASSETS		
Cash and due from financial institutions	\$ 33,930	\$ 45,544
Interest bearing deposits with other financial institutions	556,800	144,700
Total cash and cash equivalents	<u>590,730</u>	<u>190,244</u>
Debt securities	382,372	452,155
Loans, net of unearned income	2,420,546	2,028,514
Allowance for loan losses	(25,373)	(19,538)
Loans, net	<u>2,395,173</u>	<u>2,008,976</u>
Premises and equipment, net	26,009	27,791
Federal Home Loan Bank stock	6,751	6,751
Intangible assets	14,313	14,313
Prepaid expenses and other assets	41,364	32,980
Total assets	\$ 3,456,712	\$ 2,733,210
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	\$ 1,163,506	\$ 711,696
Interest bearing	1,683,089	1,457,021
Total deposits	<u>2,846,595</u>	<u>2,168,717</u>
Repurchase agreements	208,079	154,685
Federal funds purchased	500	500
Federal Home Loan Bank advances	25,305	50,320
Subordinated debentures	15,000	15,000
Other liabilities	23,459	30,782
Total liabilities	<u>3,118,938</u>	<u>2,420,004</u>
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	329,027	312,582
Accumulated other comprehensive loss	(1,622)	(9,745)
Total shareholders' equity	<u>337,774</u>	<u>313,206</u>
Total liabilities and shareholders' equity	\$ 3,456,712	\$ 2,733,210

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

For the three months ended
March 31
2021

March 31
2020

INTEREST AND DIVIDEND INCOME

Loans, including fees	\$ 26,248	\$ 24,804
Debt securities	661	1,475
Deposits with other financial institutions	141	1,013
	<u>27,050</u>	<u>27,292</u>

INTEREST EXPENSE

Interest on deposits	841	2,660
Interest on borrowed funds	252	484
	<u>1,093</u>	<u>3,144</u>
Net interest income	25,957	24,148
Provision for loan losses	495	765
Net interest income after provision for loan losses	<u>25,462</u>	<u>23,383</u>

NON-INTEREST INCOME

Service charges on deposit accounts	1,363	1,732
Service charges on loans	3,377	2,674
Wealth management income	4,526	3,878
Other income	2,150	1,831
	<u>11,416</u>	<u>10,115</u>

NON-INTEREST EXPENSE

Salaries	10,981	10,751
Benefits	2,296	2,747
Occupancy and equipment	4,853	5,281
Other non-interest expenses	8,403	8,142
	<u>26,533</u>	<u>26,921</u>
Income before income taxes	10,345	6,577
Income taxes	1,421	674
Net income	<u>\$ 8,924</u>	<u>\$ 5,903</u>

Basic earnings per share	<u>\$ 0.26</u>	<u>\$ 0.17</u>
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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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Vice Chairman of the Board, Central Bancshares, Inc. and Central Bank & Trust Co.

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RFH, PLLC Certified Public Accountants

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Partner, Frost Brown Todd, LLC

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