2011 ANNUAL REPORT

Offering our customers guidance on the road to success.

Central Bank & Trust Co.
Central Bank of Jefferson County
Central Insurance Services
Central Investment Center, Inc.
Salt Lick Deposit Bank

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 employee and customer satisfaction – always mindful that quality people will make the Central difference.

2011 Annual Report

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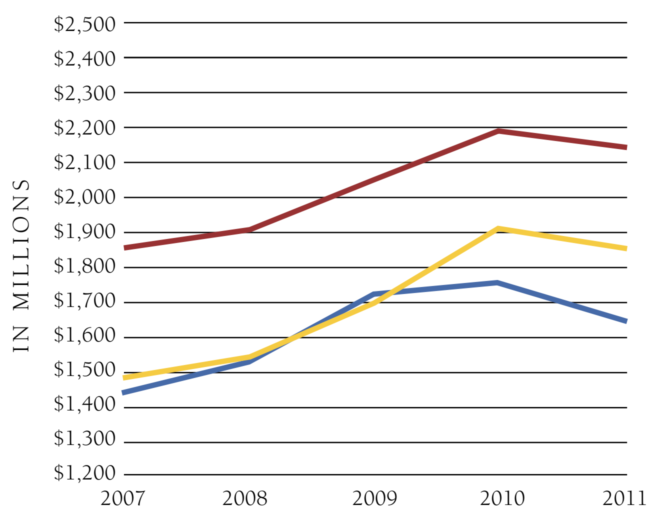
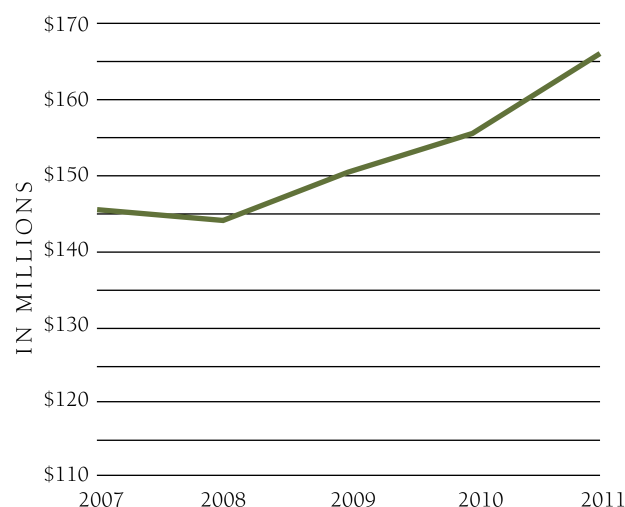
MEMBER FDIC
EQUAL HOUSING LENDER

For twelve months ended December 31

	2011	2010	2009	2008	2007
Results of Operations:					
Net income	$ 11,017,235	$ 6,907,543	$ 1,768,610	$ 9,200,145	$ 8,151,328
Net income per share	31.67	19.85	5.08	26.44	23.43
Cash dividends per share	0.00	0.00	5.00	9.00	9.00
Book value per share at year end	479.72	449.08	433.94	416.03	417.16
At December 31					
Assets	$ 2,145,011,752	$ 2,192,013,038	$ 2,053,106,110	$ 1,910,399,779	$ 1,851,915,041
Earning assets	1,956,857,364	2,019,276,028	1,863,911,997	1,729,851,957	1,658,532,467
Net loans and leases	1,644,350,386	1,747,181,237	1,717,017,748	1,536,559,682	1,441,870,886
Deposits	1,858,076,694	1,903,788,824	1,705,582,952	1,540,141,181	1,473,773,109
Shareholders' equity	166,906,431	156,243,656	150,978,513	144,747,709	145,138,553
Averages					
Assets	$ 2,131,379,904	$ 2,145,488,233	$ 1,964,115,041	$ 1,818,243,648	$ 1,790,845,781
Earning assets	1,954,372,859	1,961,897,722	1,793,440,419	1,649,263,780	1,625,576,611
Net loans and leases	1,683,941,150	1,732,507,700	1,602,265,904	1,467,592,067	1,417,178,948
Deposits	1,847,549,623	1,812,588,595	1,623,195,705	1,456,101,126	1,474,930,795
Shareholders' equity	162,532,202	155,348,975	146,626,780	149,598,387	146,812,223
Performance Ratios:					
Return on average assets	0.52%	0.32%	0.09%	0.51%	0.46%
Return on average shareholders' equity	6.78%	4.45%	1.21%	6.15%	5.55%
Average shareholders' equity to average assets	7.63%	7.24%	7.47%	8.23%	8.20%
Dividend payout ratio	0.00%	0.00%	98.36%	34.04%	38.41%
Net charge-offs to average loans and leases	0.60%	0.93%	0.66%	0.44%	0.40%
Allowance for credit losses as a percentage of year end loans and leases	1.72%	1.29%	1.19%	1.40%	1.38%
Net interest margin (tax equivalent)	3.97%	3.85%	3.58%	3.75%	3.76%





Throughout six decades of service to the citizens and communities of the Commonwealth, your Company has built a reputation as the state's leading community bank and the financial source they know and value. That "brand" has become a major sustainable advantage against our competitors, especially as we expand beyond traditional services to include insurance, investments and wealth management. We are pleased that our efforts are creating new opportunities that have led to new relationships across the state. During a time when the economy has slowed the growth of loan and deposit business, these new lines of business have broadened our presence and produced new revenue sources for our Company. We are encouraged by our improving financial results for 2011.

Financial Highlights

These financial highlights for the Company include Central Bank & Trust Co. and its subsidiaries, Central Investment Center, Inc., and Central Insurance Services; Central Bank of Jefferson County; and Salt Lick Deposit Bank. We have provided a detailed discussion of our financial results in the Management's Discussion & Analysis beginning on page 5.

- Net income, led by improvements in fee income, rose 60 percent to $11,017,235 or $31.67 per share. This compared to $6,907,543 or $19.85 per share in 2010.
- Return on average assets improved to .52 percent, up from .32 percent the prior year.
- Deposits averaged $1.85 billion, an increase of 1.93 percent from 2010, as customers shifted to liquid balances and security in an uncertain economy.
- Our opportunities for new loans were limited. As a result, average gross loans were $1.71 billion for the year, a decline of 2.56 percent from 2010.
- Shareholders' equity grew to $166.9 million, up $10.7 million from December 31, 2010. This resulted in a Tier 1 capital to assets ratio of 8.9 percent on December 31, 2011.

Strategies for Growth

Economic recovery has come slowly for much of the nation. In Kentucky, our customers have opted to keep their deposits liquid, waiting for signs of improvement. Likewise, consumer confidence has suffered, which has made loan growth extremely challenging. We have been fortunate that our brand is a strong advantage amid uncertain times. Customers have turned to a name they know and our employees have been a tremendous source of strength amid a troubled market.

As a result, we used a number of growth strategies to attract and retain deposits. Businesses and individuals turned to trusted brands for advice and for a secure return on their funds. The Bank's exclusive corporate partnership as the "Official Bank of UK Athletics" continues to expand brand awareness that separates it from other community and national banks in the marketplace. University of Kentucky coaches' endorsement agreements for football, men's and women's basketball, and baseball provided strong support for our marketing programs, including the launch of mobile banking with commercials featuring three of them.

After months of review and creative development, personal and small business checking accounts and fees were revised to offer customers additional options to cost-effectively manage their finances. The goal was to offer customers more ways to avoid monthly service fees and to help them select the account that best matched their everyday needs. The market responded favorably to the new strategies that reflect changing market conditions and a more streamlined checking product line.

Throughout our existence, our Company has been a driving force for economic development. We are very proud to be providing the lending needed to support growth by individuals and businesses across the state. Despite media reports that "banks were not lending," we pursued opportunities to support our customers and promote economic development throughout the year. We were fortunate to acquire a number of new lending relationships based on previous long-term relationships and referrals from existing customers. Our lenders assisted a broad range

of customers in diverse industries and business segments. Likewise, we moved to serve more of those customers' needs with other products such as corporate cash management, Internet banking and credit card merchant services.

The local mortgage market has yet to rebound for sales of new homes, but consumers chose to use historically low interest rates to refinance existing mortgage loans and to consolidate loan relationships using our Visa® Gold Equity Line.

Significant numbers of opportunities were generated by our financial service professionals who provide private banking, wealth management, insurance and investment services. We have become known for being one of the state's leading community banks due to our ability to serve highly specialized relationships for specific companies and business groups. Using our local expertise and resources, we have been able to provide a single, local source of service for those with complex needs who previously relied on large regional banks.

New Services

Serving customers when, where and how they prefer is a key strategy in our goal to deliver unmatched service for a wide range of customers. Central Bank's version of Mobile Banking is a real game changer for personal and small business checking account holders who want to use Web-enabled cell phones or mobile devices to provide the functionality, flexibility and security of online banking. Market reaction to the new technology has been excellent, with customer penetration exceeding 10 percent in just five months. Downloadable applications, especially the iPhone® app, have been the most popular methods to use the new service.

A growing number of people have switched to receiving eStatements in place of mailed monthly statements. They took advantage of the safety, security and rapid electronic delivery featured by this new service that is gaining rapid acceptance. In 2012 we will be testing a wonderful new ability to open deposit accounts online, in as little as 10 minutes. This exciting extension of our traditional footprint will reach throughout the state and beyond, adding a broad new definition to the term "community" bank. At the same time, we are building a solid technology infrastructure that will serve our Company and our customers for years to come.

Community Sponsorships

Dedicated community service is a vital element for community banks, and it's a basis on which we have built our franchise. Our sponsorships and charitable giving supported numerous organizations in the Commonwealth, including American Cancer Society Relay for Life, American Heart Association HeartWalk, Big Brothers/Big Sisters, Bluegrass Tomorrow, Children's Charities of the Bluegrass, Commerce Lexington, Community Action Council, Downtown Lexington Corporation, Greater Louisville Inc., God's Pantry, Habitat for Humanity, Headley-Whitney Museum, Hospice, Kentucky Chamber of Commerce, Kincaid Foundation, LexArts, REACH low-income housing program, Transylvania University, University of Kentucky, Kentucky Children's Hospital, United Way, Urban League and YMCA Black Achievers, along with other excellent charitable and civic organizations serving our less fortunate citizens.

Beyond financial investments, our officers and employees are providing leadership and service through their participation on community, charitable and civic boards. Each year the Company recognizes staff members in all markets for Community Service leadership as a means to express its appreciation for their tireless efforts. In order to attract and retain the talent needed to provide Kentucky's best banking service, we support our employees with comprehensive training, development and benefits. As a result, we have been honored to be among the Best Places to Work in Kentucky for seven consecutive years.

Honored for Years of Service

We recognize Central Bankers who retired after leading our Company with dedication and distinction. Randy Shaw, Senior Vice President, Special Assets; Larry Hobbs, Executive Vice President, Commercial Banking; David Burke, Senior Vice President, Commercial Banking; David Barkman, Vice

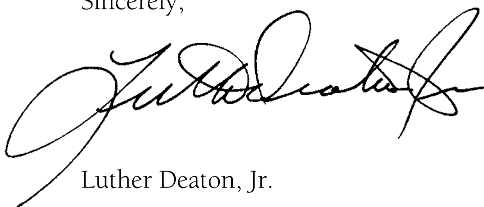
President, Special Assets; and Connie Joyce, Mortgage Lending, completed their employment with Central Bank & Trust Co. We appreciate their long years of support and will miss their leadership and wisdom as vital members of our team.

We were saddened by the loss of Central Bank of Jefferson County Director Raymond C. Dauenhauer in January 2011. Ray was a past CEO and owner of Dauenhauer & Son Plumbing and Piping, Inc., which was the largest privately held plumbing contractor in Louisville. He believed, "Every man owes a portion of his time and money to the advancement and protection of the industry from which he gains his livelihood." We treasure his memory and his leadership to our organization.

Thank you, my friends

While our Company has survived and benefitted from all types of economic cycles, the economy has yet to recover from the strains of the recent recession. I appreciate the participation of our directors who have given outstanding support and guidance during the period of economic uncertainty. Their experience and leadership provide an excellent resource and an insightful connection to our local markets. In addition, I am extremely proud of our team of dedicated Central Bankers who have led us through these challenges. I am constantly encouraged by their energy and enthusiasm for providing outstanding service to our customers and to one another. It is an honor to serve with them, and I commend their efforts. While we continue to face many economic obstacles, I believe there is a bright future for our Company, our employees, our shareholders and our customers throughout the Commonwealth. With their help, we will remain the state's leading community bank, and I believe our brightest days will be realized in the coming years.

Sincerely,



Luther Deaton, Jr.
Chairman, President & CEO
March 15, 2012

"We are building on a foundation of service to explore the newest technologies of the 21st century."

Central Bancshares, Inc. (the "Company"), a bank holding company located in Lexington, Kentucky, is the parent company of Central Bank & Trust Co.; Central Bank of Jefferson County, Inc.; and Salt Lick Deposit Bank. At December 31, 2011, the Company had 28 full-service banking centers located in Bath, Boone, Clark, Fayette, Jefferson, Jessamine, Kenton, Madison and Scott counties, a full-service brokerage business and a full-service insurance agency.

Results of Operations

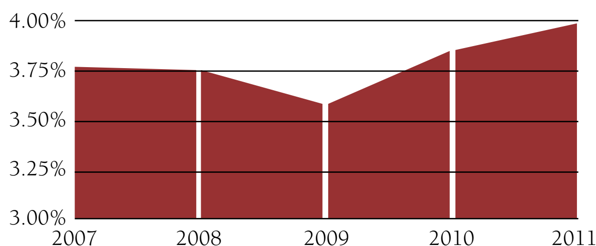
The Company reported net income of $11,017,235 for 2011, or $31.67 per share. This compares to $6,907,543, or $19.85 per share for 2010, and $1,768,610, or $5.08 per share for 2009. During 2011 the national economy began to show some potential signs of recovery, indicating that stronger economic times may be coming. In Central Kentucky we also began to see signs of possible improvement. However, that recovery was modest at best. The Company continued to work with customers who are experiencing declining sales and cash flow concerns. Businesses dependent upon construction or real estate sales have been particularly hard hit in the last couple of years. The Company is working with clients impacted by the slower economy, but still saw $10.8 million of additions to foreclosed real estate, and experienced net charge-offs on outstanding loans of $10.3 million. Both additions to foreclosed real estate and net charge-offs represent a decline from 2010 experience, but management feels that while trends are improving, challenges still lie ahead.

The strongest area of improvement in the Company's financial performance was in generation of fee income. Generation of service charges on deposit accounts coupled with mortgage loan sales, increases in other fees generated and reduced losses on the disposition of other real estate resulted in an increase in other income of $4.1 million. This improvement in other income had a significant impact upon net income for 2011. Return on average equity was 6.78 percent and return on average assets was 0.52 percent for 2011, compared with 4.45 percent and 0.32 percent, and 1.21 percent and 0.09 percent, respectively, for 2010 and 2009.

Net Interest Income

Net interest income in 2011 was $75.8 million compared to $73.7 million in 2010, an increase in 2011 of 2.80 percent, despite a slight decline in average earning assets of (0.38) percent. The net interest rate spread is the difference between the tax equivalent average rate of interest earned on average earning assets and the average rate of interest expense on average interest bearing liabilities. The net interest margin is the tax equivalent net interest income divided by average earning assets. For computational purposes, nonaccrual loans are included in earning assets. On average the net interest spread increased 14 basis points during 2011, to 3.75 percent, while the net interest margin improved 12 basis points to 3.97 percent for 2011. Every basis point of improvement in the net interest margin equates to approximately $195,000 per year in additional income.

Net Interest Margin



During 2010, the tax equivalent yield on earning assets averaged 5.18 percent; the yield on earning assets averaged 4.95 percent in 2011. Weakness in the economy was demonstrated through lackluster loan demand. With the weak loan demand came increased competition between qualified lenders, causing the interest rates on credit products to decline. The Company was able to control the attrition of its loan portfolio to only 2.56 percent, but saw the tax equivalent yield on those outstanding loans decline from 5.72 percent in 2010 to 5.59 percent in 2011. The increased competition for loans was one primary cause for the reduction in yield on the portfolio, but a contributing factor was an increase in nonperforming assets. Nonperforming assets, defined as other real estate owned, nonaccrual loans and loans past due 90 days and still accruing interest, represented 4.67 percent of gross loans on December 31, 2011, an increase of 154 basis points from December 31, 2010.

The investment portfolio averaged $229.4 million for 2010 and had an average tax equivalent yield of 1.04 percent. The investment portfolio averaged $270.4 million for 2011, and had an average tax equivalent yield of 0.89 percent. The yield curve was very flat for most of 2011, and the Company held a larger percentage of its assets in very liquid overnight investments as compared to 2010. Management is seeking to find the appropriate balance between the safety of the increased liquidity and the interest rate risk required to earn a higher yield on the investment portfolio.

While the average yield on earning assets declined 23 basis points from 2010 to 2011, the cost of paying liabilities declined 37 basis points over the same period. Weak loan demand, coupled with increased availability of deposits led to less competitive pressures in pricing deposits, and made management more reluctant to pay higher prices to attract new deposits. The Company was able to lower its cost on interest bearing deposit accounts from an average of 1.47 percent in 2010 to 1.08 percent in 2011. While there may still be some room left for further improvement in the net interest margin from lowering deposit rates, the opportunities for further improvement are much less in 2012.

Gross loans outstanding averaged $1.71 billion for 2011, decreasing $44.9 million, or 2.56 percent on average from 2010. Despite the poor economy, the Company was able to increase average deposits by $35.0 million, or 1.93 percent during 2011. Deposits averaged $1.85 billion during 2011.

The Company averaged a loan to deposit ratio of 92.53 percent during 2011, a decrease of 426 basis points from the 2010 percentage of 96.79 percent. Just two years ago this percentage exceeded 100 percent at 100.06 percent for 2009. Liquidity was a primary concern of many financial institutions during 2011, and an emphasis with regulatory agencies. This reduction in the loan to deposit ratio is a positive reflection of management's attention to liquidity management, and part of an overall strategy to control growth on the balance sheet to improve the Company's capital ratios.

In March 2009, the Company issued $22.6 million in Trust Preferred Securities with a fixed rate of interest of 10 percent. The Company still has $15 million in Trust Preferred Securities outstanding from a previous issue, which have a variable rate of interest equal to the sum of the three-month London Interbank Offered Rate (LIBOR) and 1.75 percent, which was 2.30 percent at year end 2011. Interest expense associated with these two debt issues totaled $2.6 million for 2011, an average rate of 6.96 percent.

The table below reflects the changes in net interest income in 2011 and 2010 due to changes in rates and volumes computed on a tax equivalent basis for all interest-sensitive categories.

Non-Interest Income

Generation of non-interest income has traditionally been a strength of the Company's financial performance, as it was in 2011. Fee income totaled $34.1 million for 2011, an increase of $4.1 million, or 13.71 percent over fee income generated in 2010. Management considers this a significant achievement in the Company's financial performance for 2011 considering the adverse impact of consumer protection legislation and other recent regulatory changes on the bank's ability to generate fee income from our traditional sources. During 2012, management does expect that there will be some impact on fee income due to legislation limiting interchange fees on electronic debit card transactions. The market is still in flux because of this legislation, so the true impact is difficult to project at this time.

The Company generated $4.4 million in fees from its trust services during 2011, an increase of $706,000 from 2010, or 19.24 percent. At year end 2011, total assets under management in the Trust Department stood at $906.6 million, an increase of $35.6 million over December 31, 2010. While there was volatility in the market during 2011, the net result was a market that experienced little if any change from the first of the year to the last. All of the increase in assets under management experienced by the Trust Department in 2011 was due to business development efforts.

Service charges on deposit accounts decreased 4.54 percent, or $522,000 during 2011 compared to 2010. The Company's Courtesy Coverage product permits a personal transaction account which is maintained in good standing to be overdrawn up to $800 for the normal insufficient funds check charge. Net revenue of $7.7 million was generated during 2011 from this product, a decrease of $1.4 million, or 15.20 percent from 2010. The FDIC issued guidance in late 2010 on how banks are to manage their automated overdraft protection programs. This guidance includes specific instructions

TAXABLE EQUIVALENT RATE/VOLUME ANALYSIS
(In Thousands)

	2011/2010			2010/2009		
		Increase/Decrease Due To			Increase/Decrease Due To	
	Net Change	Rate	Volume	Net Change	Rate	Volume
Interest income						
Loans	$ (4,936)	$ (2,377)	$ (2,559)	$ 5,649	$ (1,479)	$ 7,128
Investments						
Taxable	125	(214)	339	(824)	(270)	(554)
Tax exempt	(114)	128	(242)	(273)	96	(369)
Federal funds sold	73	23	50	169	(30)	199
Total interest income	(4,852)	(2,440)	(2,412)	4,721	(1,683)	6,404
Interest expense						
Deposits						
NOW accounts	(538)	(484)	(54)	(260)	(447)	187
Savings deposits	(48)	(57)	9	3	(13)	16
Money market deposits	(1,815)	(1,891)	76	(106)	(884)	778
Time deposits	(3,577)	(3,343)	(234)	(5,678)	(7,159)	1,481
Borrowed funds	(940)	592	(1,532)	223	518	(295)
Total interest expense	(6,918)	(5,183)	(1,735)	(5,818)	(7,985)	2,167
Net interest income	**$ 2,066**	**$ 2,743**	**$ (677)**	**$ 10,539**	**$ 6,302**	**$ 4,237**

on the posting order of items; required counseling with customers who are frequent users of the service, and other specific steps a bank must take to ensure that it is not maximizing fees generated from this product. Management carefully implemented this new guidance in August 2011. It appears that implementing this guidance has had a negative impact upon income generated from insufficient funds charges of roughly 12 percent. This impact is over and above the impact of amendments to Regulation E which negatively impacted insufficient funds revenue by roughly 15 percent. In anticipation of the impact of some of these regulatory changes, management looked at the full array of checking products it offers its customers, evaluating the value of the services provided to the customer, and determined that the benefit received by the customer justified higher fees on these products. Effective April 1, 2011, a new fee schedule for checking products was implemented. Management estimates that these new fees will generate an additional $1.0 million in revenue each year.

Loans originated for sale during 2011 totaled $175.6 million. At the end of 2011, the Company serviced $60.4 million in loans for Fannie Mae and Freddie Mac. Approximately 3.69 percent of the loans originated for sale during 2011 were sold service retained. Of the $60.4 million in the serviced loan portfolio, $46.1 million was sold to Freddie Mac.

During 2011 the Company sold $169.5 million in mortgage loans, service released. The interest rate on all loans originated for sale is locked with the buyer and the investor, thus the Company has no interest rate risk associated with these transactions. During 2011 the Company generated $3.1 million in income from loans sold in the secondary market, a decrease of $1.0 million from 2010, or 25.19 percent. While activity in the housing market is extremely depressed, lower interest rates have provided an opportunity for homeowners to refinance. The Mortgage Bankers Association is predicting that mortgage origination in 2012 will decline 18.70 percent from 2011 levels. While the interest rate forecasts for 2012 show additional declines in interest rates, the lack of new housing starts is projected to have a significant negative impact upon mortgage originations.

The impact of the sluggish real estate market was felt by our loan customers, particularly those in the real estate development industry. During 2011 the Company experienced higher than typical past due rates in the loan portfolio, a higher level of loan losses than typical, and a higher than normal level of other real estate held. Other real estate is property that has been foreclosed upon, or has been taken back in lieu of payment of customer debt. On December 31, 2011, the Company held $25.6 million in other real estate. This other real estate consisted of 47 single-unit homes valued at less than $1 million each, four pieces of property for residential building lots, ten condominium or multifamily developments including apartment buildings, and four commercial buildings.

Other real estate is recorded at estimated fair market value, less estimated costs to sell the properties. During 2011, the Company either realized losses on the disposal of pieces of other real estate or recorded market valuation losses on properties in establishing valuation reserves in the amount of $2.8 million. While this is a decline of $2.1 million, or 42.31 percent from the losses experienced in 2010, it is not necessarily an indication of improvement in the real estate market or a predictor of future losses. In 2011 the Company experienced smaller per occurrence losses over a larger number of properties. Management is comfortable that the other real estate portfolio is properly recorded at its estimated fair value as of December 31, 2011, but is also aware that in the current economic conditions it is probable that some of these values may continue to decline. The Company is aggressively marketing these properties.

Another piece of legislation which was implemented in 2011 deals with the interchange rate on debit card transactions paid by merchants who accept debit cards. This legislation caps the amount a financial institution can charge for processing a debit card transaction. This legislation impacts banks with $10 billion or more in assets. However, it is becoming apparent that this legislation is going to prompt processors to reprice their services, and that pricing will be effective for all banks. At this point it is impossible to predict the outcome or potential impact of this legislation on the Company. However, management is paying close attention to the discussion and preparing contingency plans in case the Company is impacted by the implementation of this legislation.

ANALYSIS OF NON-INTEREST INCOME

				2011/2010		2010/2009	
	2011	2010	2009	CHANGE	%	CHANGE	%
Trust income	$ 4,378,124	$ 3,671,734	$ 3,215,789	$ 706,390	19.24%	$ 455,945	14.18%
Service charges on deposit accounts	10,979,706	11,501,419	11,344,331	(521,713)	(4.54)%	157,088	1.38%
Fees on mortgage loan sales and servicing	3,069,097	4,102,469	4,173,141	(1,033,372)	(25.19)%	(70,672)	(1.69)%
Service charges on revolving credit	4,536,534	3,641,707	3,239,503	894,827	24.57%	402,204	12.42%
Electronic banking fees	4,435,543	4,152,733	3,599,617	282,810	6.81%	553,116	15.37%
Loss or valuation allowances for ORE	(2,812,082)	(4,874,879)	(5,626,820)	2,062,797	(42.31)%	751,941	(13.36)%
Other income	9,485,479	7,769,324	6,771,107	1,716,155	22.09%	998,217	14.74%
Total non-interest income	**$ 34,072,401**	**$ 29,964,507**	**$ 26,716,668**	**$ 4,107,894**	**13.71%**	**$ 3,247,839**	**12.16%**

Non-interest Expense

Non-interest expense for 2011 totaled $83.4 million, a slight increase of $1.7 million, or 2.12 percent from 2010. During 2009 the Company began to formulate and implement some strategies designed to lower operating expenses in subsequent periods. While operating expenses modestly increased in 2011, some of the success of these strategies is masked by expenses related to loan workout situations.

Salaries and benefits are the largest component of non-interest expense, totaling $38.0 million, an increase of $1.8 million, or 4.95 percent from 2010. On December 31, 2011, the Company employed 479 full-time equivalent employees compared to 474 full-time equivalent employees at the same date in 2010. Actual salary expense increased in 2011 as compared to 2010 by $1.2 million, or 4.07 percent.

Occupancy expense decreased less than one percent or $49,000 during 2011. For several years improvement of the physical plant and building a strong technological infrastructure was one of management's primary goals. Most of this work was completed by the end of 2009. Therefore, there have not been significant additions to premises or equipment in the previous two years. There are also no significant additions planned in 2012. Part of the cost control strategies management is implementing is a tighter control over capital spending. New standards are in place for the desired return on investment in capital spending which will help ensure that any capital spending produces an immediate positive impact upon earnings.

As with all federally insured financial institutions, part of the cost of the current economic situation is the condition that FDIC insurance premiums are higher than our recent historical experience. In 2011 we had a reduction in FDIC insurance expense of $1.2 million, or 34.03 percent. Management is expecting a slight reduction in expense in 2012, based upon lower rates which have recently been announced by the FDIC and a plan to control growth of deposits on the balance sheet. The assessment rate of a particular institution is dependent upon risk factors such as non-performing assets, past due loans, capital to assets ratio, etc. While management does not anticipate further deterioration in the loan portfolio, if that should occur it could result in higher assessment rates in the future.

In May 2007 the Company converted its data processing to Fiserv, Inc. The original contract was for a seven-year term and was to expire in May 2013. Management has renegotiated this contract to extend the term until June 30, 2017. In return for the contract extension, Fiserv has granted discounts on core processing and discounted fees on new products the Company wishes to implement. While management is not expecting to see a reduction in overall cost of data processing, we do anticipate that we will be able to offer more services to our customers for close to the same annual cost.

In addition to the risk of property values deteriorating on other real estate held by the Company, these properties require maintenance and upkeep during the holding period. In 2011 expenses associated with holding these properties totaled $3.2 million. This is an increase over 2010 expenses of $1.5 million, or 90.70 percent. While it is difficult to predict with accuracy the level of spending required on these properties in any one year, it is probable that these expenses will exceed $2 million again in 2012.

Federal Income Tax

The Company had a negative provision for federal income tax of $809,000 during 2011. The Company's tax planning strategy includes the purchase of municipal securities to increase tax exempt income, and participation in Industrial Revenue Bond lending for non-profit organizations. The Company is also a limited partner in 16 low-income housing projects and two historic renovation projects for which it receives tax credits, and is an investor in a Community Development Entity for which it receives New Market Tax Credits. It is the culmination of these various tax-exempt income investing activities which generated tax savings and credits in excess of the liability from taxable income.

Management is closely monitoring the Company's income tax position to ensure that it will be able to take advantage of all of its deferred tax assets. The possibility of repositioning the Company's long-term tax planning strategy is under current review. At this time management feels that the deferred tax assets recorded on the Company's books do not require a valuation allowance.

ANALYSIS OF NON-INTEREST EXPENSE

				2011/2010		2010/2009	
	2011	2010	2009	CHANGE	%	CHANGE	%
Salaries and benefits	$ 37,975,052	$ 36,184,885	$ 37,818,446	$ 1,790,167	4.95%	$ (1,633,561)	(4.32)%
Occupancy	11,192,099	11,110,995	10,078,969	81,104	0.73%	1,032,026	10.24%
Furniture and equipment expense	5,797,892	5,928,123	7,108,488	(130,231)	(2.20)%	(1,180,365)	(16.61)%
Advertising and business development	3,755,161	4,086,753	2,330,661	(331,592)	(8.11)%	1,756,092	75.35%
Professional services	2,602,890	3,454,486	4,939,094	(851,596)	(24.65)%	(1,484,608)	(30.06)%
FDIC insurance expense	2,303,052	3,491,092	3,670,277	(1,188,040)	(34.03)%	(179,185)	(4.88)%
Other non-interest expense	19,742,610	17,380,693	15,838,896	2,361,917	13.59%	1,541,797	9.73%
Total non-interest expense	**$ 83,368,756**	**$ 81,637,027**	**$ 81,784,831**	**$ 1,731,729**	**2.12%**	**$ (147,804)**	**(0.18)%**

Financial Condition

On December 31, 2011, total assets of the Company were $2.15 billion. The Company's assets declined $47.0 million, or 2.14 percent, from assets at December 31, 2010. During 2011, management had adopted a strategy of controlled attrition/limited growth in order to strengthen the Company's capital ratios. Earning assets totaled $1.96 billion on December 31, 2011, or 91.23 percent of total assets. The Company's investment portfolio, including federal funds sold and money market investments, increased $41.6 million, while its net loans and leases, including loans held for sale, decreased $102.8 million during 2011.

Earning Assets

Gross loans outstanding totaled 1.67 billion on December 31, 2011, a decrease of $96.9 million, or 5.47 percent, from December 31, 2010. During the last half of 2010 management began to notice a softening in loan demand compared to what the Company had experienced in recent history. This weaker loan demand continued throughout 2011 and has continued into 2012. The Company experienced declines in all its primary categories of loans, including Commercial, Commercial Real Estate and Consumer lending. In addition to weak loan demand, there was also increased demand among lenders for new credit relationships. This competition demonstrated itself in reduced rates on new lending relationships.

The Company is mindful of the importance of managing exposure to credit risk. This is accomplished through diversification of the loan portfolio, not only by loan type, but by industry and customer. Diversification by industry and geographic region within the Company's loan portfolio helps to maintain acceptable credit risk exposure. Concentrations of credit are monitored on a monthly basis for compliance with internal and external policies. As a result, there is no undue concentration in any single sector.

Management has always viewed the investment portfolio as a means by which interest rate risk and liquidity are managed. Management noted that bank examinations and regulatory comments have an increased emphasis regarding on-balance-sheet liquidity. That emphasis, coupled with a very flat yield curve and some asset liability pressure to match immediately repricing deposit liabilities, prompted management to leave a larger than normal percentage of available cash in overnight deposits with the Federal Reserve. On December 31, 2011, the Company was selling $142.7 million to the Federal Reserve as an overnight investment. On average, this balance was $139.7 million for 2011. Management continues to look for opportunities to invest in very short-term securities that would yield more than the 25 basis points we earn on the overnight funds. For the most part, management is looking for short-term government securities with a maturity of two years or less, and variable rate securities to purchase. Any of these purchased will be classified as available for sale.

Allowance for Credit Losses

At December 31, 2011, the allowance for credit losses was $28.8 million, or 1.72 percent of gross loans outstanding, compared with $22.8 million, or 1.29 percent, at December 31, 2010. Net credit losses for 2011 totaled $10.3 million, or 0.60 percent of gross average outstanding loans and leases. The provision for credit losses during 2011 was $16.3 million.

The Company saw further deterioration in past-due percentages in all categories of loans during 2011. Loans secured by real estate, including residential properties as well as development loans, are the areas causing the most concern in the Company's loan portfolio. As with most banks, determining the value of the underlying collateral in these difficult economic times is a challenge.

Loans delinquent 90 days or more as of December 31, 2011, totaled $46.5 million, as compared to $26.5 million on the same date in 2010. Loans in nonaccrual status totaled $51.6 million on December 31, 2011, as compared to $30.1 million on the same date in 2010. There were $922,000 in loans past due 90 days and still accruing interest on December 31, 2011, compared to $1.2 million on December 31, 2010.

The performance of the loan portfolio during 2011 reflected the weakness of the economy. Total loans delinquent more than 30 days as a percentage of outstanding loans and leases was 4.97 percent on December 31, 2011. This is an increase of 176 basis points from December 31, 2010. Management has carefully considered the delinquency in the portfolio as it evaluated the level of allowance for credit losses needed. While no one can say with certainty that the allowance is adequate, management is comfortable that it is adequate.

ACC 310-10-35, "Accounting by Creditors for Impairment of a Loan," requires identification of all impaired loans. A loan is considered to be impaired when it is probable that all principal and interest amounts will not be collected in accordance with the original loan terms. Loans with a carrying value of $102.4 million or 6.12 percent of gross loans and leases were identified as impaired at December 31, 2011.

Deposits

Total deposits were $1.86 billion at year end 2011, a decrease of $45.7 million from December 31, 2010. On average, total deposits increased at a rate of 1.93 percent during 2011.

Due to weak loan demand, management concentrated its efforts on maintaining current customer relationships, while reducing the cost of funding particularly in the certificates of deposit. As a result the Company experienced significant growth in demand deposit and money market balances while experiencing a slight decline in NOW accounts and certificates of deposit. The Company offers fixed-rate certificates of deposit with maturities ranging from seven days to five years. Most of the certificates of deposit purchased by

ANALYSIS OF ALLOWANCE FOR CREDIT LOSSES

	2011	2010	2009	2008	2007
Allowance for Credit Losses					
Balance January 1	$ 22,802,975	$ 20,746,522	$ 21,753,237	$ 20,214,651	$ 17,114,452
Provision for credit losses	16,301,304	18,327,054	9,792,367	8,089,824	8,793,461
Less: Net charge-offs	(10,321,354)	(16,270,601)	(10,799,082)	(6,551,238)	(5,693,262)
Balance December 31	$ 28,782,925	$ 22,802,975	$20,746,522	$21,753,237	$20,214,651
Average loans and leases, net of unearned income (000's)	$ 1,709,584	$ 1,754,495	$ 1,624,235	$ 1,487,745	$ 1,434,177
Loans and leases outstanding at year end, net of unearned income (000's)	$ 1,673,133	$ 1,769,984	$ 1,737,764	$ 1,558,313	$ 1,462,086
Nonperforming loans and leases at year end (000's)	$ 52,502	$ 31,300	$ 28,147	$ 15,165	$ 10,860
Other real estate owned at year end (000's)	$ 25,624	$ 24,084	$ 21,805	$ 18,856	$ 9,235
Ratios:					
Provision for credit losses to average loans and leases	0.95%	1.04%	0.60%	0.54%	0.61%
Net charge-offs to average loans and leases	0.60%	0.93%	0.66%	0.44%	0.40%
Allowance for credit losses to average loans and leases	1.68%	1.30%	1.28%	1.46%	1.41%
Allowance for credit losses to year end loans and leases	1.72%	1.29%	1.19%	1.40%	1.38%
Allowance for credit losses to nonperforming loans and leases	54.82%	72.85%	73.71%	143.44%	186.14%
Nonperforming loans and leases to average loans and leases	3.07%	1.78%	1.73%	1.02%	0.76%
Nonperforming assets to total assets	3.64%	2.53%	2.43%	1.78%	1.09%
Nonperforming assets to equity capital and reserves	39.92%	30.93%	29.09%	20.43%	12.15%
Total delinquency at year end	4.97%	3.21%	2.97%	2.61%	1.28%

customers have a maturity ranging from six months to 24 months.

Noninterest bearing deposits on December 31, 2011 totaled $414.1 million, which was an increase of $61.9 million, or 17.59 percent over the $352.1 million on December 31, 2010.

Short-Term Borrowings

Short-term borrowing sources consist of federal funds purchased from downstream correspondents, repurchase agreements, sweep accounts of commercial customers, and overnight borrowings from Federal Home Loan Bank. The cash management services offered by the Company continue to be a valued service for our commercial deposit customers. The balance in Commercial Sweep Accounts totaled $52.5 million on December 31, 2011. These accounts are overnight repurchase agreements requiring a direct pledge from our investment portfolio.

Weak loan demand throughout the year resulted in the Company accumulating large amounts of on-balance-sheet liquidity. As a result, the Company did not utilize any of its short-term borrowing capacity with Federal Home Loan Bank during 2011.

Long-Term Borrowing

The Company's long-term borrowing consists of advances from Federal Home Loan Bank. On December 31, 2011, the Company had $16.7 million outstanding in advances from Federal Home Loan Bank with maturities ranging from November 2012 through December 2027. Each advance is payable at its maturity, with a prepayment penalty. The advances are borrowed under a blanket lien agreement and are collateralized by Federal Home Loan Bank stock and first mortgage loans.

In March 2005, Central Bancshares KY Statutory Trust I, a trust formed by the Company, closed a pooled private offering of 15,000 trust preferred securities with a liquidation amount of $1,000 per security. The Company issued $15,464,000 of subordinated debentures to the trust in exchange for ownership of all of the common security of the trust and the proceeds of the preferred securities sold by the trust. The Company may redeem the subordinated debentures, in whole or in part, in a principal amount, with integral multiples of $1,000, on or after June 15, 2010, at 100 percent of the principal amount, plus accrued and unpaid interest. The subordinated debentures mature on June 15, 2035. The subordinated debentures are also redeemable, in whole or

AVERAGE EARNING ASSETS & AVERAGE FUNDS AVAILABLE
(in thousands)

	2011	2010	2009	2011/2010 Change	2011/2010 %	2010/2009 Change	2010/2009 %
Gross loans	$ 1,709,584	$ 1,754,495	$ 1,624,235	$ (44,911)	(2.56)%	$ 130,260	8.02%
Less: Allowance for credit losses	(25,643)	(21,987)	(21,969)	(3,656)	16.63%	(18)	0.08%
Total net loans	1,683,941	1,732,508	1,602,266	(48,567)	(2.80)%	130,242	8.13%
Investment securities	130,542	110,788	146,232	19,754	17.83%	(35,444)	(24.24)%
Money market investments	139,889	118,602	44,943	21,287	17.95%	73,659	163.89%
Total investments	270,431	229,390	191,175	41,041	17.89%	38,215	19.99%
Total earning assets	**$1,954,372**	**$1,961,898**	**$1,793,441**	**$ (7,526)**	**(0.38)%**	**$ 168,457**	**9.39%**
Demand deposits	$ 376,280	$ 329,509	$ 289,988	$ 46,771	14.19%	$ 39,521	13.63%
Immediately repricing deposits	671,951	726,424	575,334	(54,473)	(7.50)%	151,090	26.26%
Fixed-rate deposits	799,318	756,656	757,873	42,662	5.64%	(1,217)	(0.16)%
Total deposits	1,847,549	1,812,589	1,623,195	34,960	1.93%	189,394	11.67%
Borrowed funds	109,426	166,393	180,059	(56,967)	(34.24)%	(13,666)	(7.59)%
Total funds available	**$1,956,975**	**$1,978,982**	**$1,803,254**	**$ (22,007)**	**(1.11)%**	**$ 175,728**	**9.75%**

in part from time to time, upon the occurrence of specific events defined within the trust indenture. The Company has the option to defer interest payments on the subordinated debentures from time to time for a period not to exceed five consecutive years. The trust preferred securities and subordinated debentures have a variable rate of interest equal to the sum of the three-month London Interbank Offered Rate (LIBOR) and 1.75%, which was 2.30% at year end 2011. The Company's investment in the common stock of the trust was $464,000.

In March 2009, Central Bancshares KY Statutory Trust III, a trust formed by the Company, closed a private offering of 22,600 trust preferred securities with a liquidation amount of $1,000 per security. The Company issued $23,278,000 of subordinated debentures to the trust in exchange for ownership of all of the common security of the trust and the proceeds of the preferred securities sold by the trust. The Company may redeem the subordinated debentures, in whole or in part, in a principal amount, with integral multiples of $1,000, on or after March 31, 2014, at 100% of the principal amount, plus accrued and unpaid interest. The subordinated debentures mature on March 31, 2039. The subordinated debentures are also redeemable, in whole or in part from time to time, upon the occurrence of specific events defined within the trust indenture. The Company has the option to defer interest payments on the subordinated debentures from time to time for a period not to exceed five consecutive years. The trust preferred securities and subordinated debentures have a 10.00 percent fixed rate of interest. The Company's investment in the common stock of the trust was $678,000.

The $37.6 million in trust preferred securities may be included in Tier 1 capital (with certain limitations applicable) under current regulatory guidelines and interpretations.

Capital

Capital adequacy guidelines of the regulatory agencies make regulatory capital requirements more sensitive to the risk profiles of individual banks, take off-balance-sheet exposure into account in assessing capital adequacy, and minimize disincentives for holding liquid, low risk assets.

In order for a bank holding company to be considered "well capitalized" under prompt corrective action provisions, a company must maintain a Total capital to risk-adjusted assets ratio of 10.0 percent, a Tier I capital to risk-adjusted assets ratio of 6.0 percent, and a Tier I capital to average assets ratio of 5.0 percent. On December 31, 2011, the Company had a Total capital to risk-adjusted assets ratio of 11.8 percent, a Tier I capital to risk-adjusted assets ratio of 10.6 percent, and a Tier I capital to average assets ratio of 8.8 percent.

Board of Directors and Shareholders
Central Bancshares, Inc.
Lexington, Kentucky

We have audited the accompanying consolidated balance sheets of Central Bancshares, Inc., as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Bancshares, Inc., as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Crowe Horwath LLP

Crowe Horwath LLP
Louisville, Kentucky
March 16, 2012

CONSOLIDATED BALANCE SHEETS

	December 31 2011	December 31 2010
ASSETS		
Cash and due from financial institutions	$ 49,719,679	$ 35,432,023
Federal funds sold	142,700,000	131,475,000
Total cash and cash equivalents	192,419,679	166,907,023
Securities available for sale	154,656,422	113,344,372
Securities held to maturity	7,111,167	18,075,663
Total securities	161,767,589	131,420,035
Loans held for sale	13,592,523	8,667,811
Loans	1,659,540,788	1,761,316,401
Allowance for credit losses	(28,782,925)	(22,802,975)
Loans, net	1,644,350,386	1,747,181,237
Premises and equipment, net	43,484,035	47,363,835
Other real estate owned	25,624,246	24,083,659
Interest receivable	6,118,451	7,040,863
Federal Home Loan Bank stock, at cost	7,959,300	7,959,300
Goodwill	15,004,524	15,004,524
Other intangible assets	1,517,560	2,012,148
Other assets	46,765,982	43,040,414
Total assets	$ 2,145,011,752	$ 2,192,013,038
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest bearing	$ 414,060,451	$ 352,122,264
Interest bearing	1,444,016,243	1,551,666,560
Total deposits	1,858,076,694	1,903,788,824
Federal funds purchased and repurchase agreements	52,494,526	66,305,562
Federal Home Loan Bank advances	16,696,491	17,190,034
Subordinated debentures	38,742,000	38,742,000
Interest payable	757,173	1,094,944
Other liabilities	11,338,437	8,648,018
Total liabilities	1,978,105,321	2,035,769,382
SHAREHOLDERS' EQUITY		
Common stock, $10 par value, 350,000 shares authorized, 347,922 shares issued	3,479,220	3,479,220
Additional paid-in capital	6,890,468	6,890,468
Retained earnings	160,519,646	149,502,411
Accumulated other comprehensive income (loss)	(3,982,903)	(3,628,443)
Total shareholders' equity	166,906,431	156,243,656
Total liabilities and shareholders' equity	$ 2,145,011,752	$ 2,192,013,038

See accompanying notes.

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31	
	2011	2010
INTEREST AND DIVIDEND INCOME		
Loans, including fees	**$ 92,558,906**	$ 97,494,800
Securities:		
U.S. Treasury and government agencies	**535,990**	540,022
Obligations of states and political subdivisions	**269,802**	383,352
Mortgage-backed securities	**555,918**	629,193
Corporate debt bonds	**212,500**	590
Federal funds sold	**364,315**	291,390
Federal Home Loan Bank stock	**338,216**	347,953
	94,835,647	99,687,300
INTEREST EXPENSE		
Deposits	**15,863,337**	21,841,175
Federal funds purchased and repurchase agreements	**55,362**	196,896
Federal Home Loan Bank advances	**494,771**	1,300,916
Subordinated debentures	**2,616,021**	2,608,338
	19,029,491	25,947,325
Net interest income	**75,806,156**	73,739,975
Provision for credit losses	**16,301,304**	18,327,054
Net interest income after provision for credit losses	**59,504,852**	55,412,921
OTHER INCOME		
Service charges on deposit accounts	**10,979,706**	11,501,419
Mortgage loan sales and servicing, net	**3,069,097**	4,102,469
Credit card related fees	**4,536,534**	3,641,707
Trust fees	**4,378,124**	3,671,734
Net loss on sales and write-downs of other real estate	**(2,812,082)**	(4,874,879)
Other fees and income	**13,921,022**	11,922,057
	34,072,401	29,964,507
OTHER EXPENSES		
Salaries	**31,061,073**	29,845,377
Pension and employee benefits	**6,913,979**	6,339,508
Occupancy expense	**16,989,991**	17,039,118
Other expenses	**28,403,713**	28,413,024
	83,368,756	81,637,027
Income before income tax benefit	**10,208,497**	3,740,401
Income tax benefit	**(808,738)**	(3,167,142)
NET INCOME	**$ 11,017,235**	$ 6,907,543
Basic earnings per share	**$ 31.67**	$ 19.85
Weighted average number of common shares outstanding	**347,922**	347,922

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31 2011	2010
OPERATING ACTIVITIES		
Interest received	$ **95,755,812**	$ 99,481,249
Fees, commissions and other income received	**30,892,057**	29,819,399
Interest paid	**(19,367,262)**	(26,178,480)
Proceeds from loans held for sale	**178,474,276**	231,014,470
Originations of loans held for sale	**(180,511,485)**	(228,355,568)
Cash paid to suppliers and employees	**(69,875,796)**	(66,516,451)
Income tax paid	**(516,986)**	(365,550)
Net cash from operating activities	**34,850,616**	38,899,069
INVESTING ACTIVITIES		
Securities available for sale:		
Purchases	**(329,199,204)**	(566,702,072)
Maturities, calls and return of principal	**287,340,493**	564,455,435
Securities held to maturity:		
Purchases	**(1,323,294)**	(327,323)
Maturities, calls and return of principal	**12,121,874**	9,405,652
Investment in low-income housing and historic renovation limited partnerships	**(4,175,862)**	(2,240,072)
Net change in loans	**80,680,800**	(62,293,310)
Expenditures for bank premises and equipment	**(1,176,954)**	(3,912,349)
Proceeds from sale of other real estate owned	**6,410,896**	7,934,330
Net cash from investing activities	**50,678,749**	(53,679,709)
FINANCING ACTIVITIES		
Net change in deposits	**(45,712,130)**	198,205,872
Net change in federal funds purchased and repurchase agreements	**(13,811,036)**	(23,808,518)
Proceeds from Federal Home Loan Bank advances	**-**	18,897,662
Repayment of Federal Home Loan Bank advances	**(493,543)**	(61,234,371)
Net cash from financing activities	**(60,016,709)**	132,060,645
Net change in cash and cash equivalents	**25,512,656**	117,280,005
Cash and cash equivalents, beginning of year	**166,907,023**	49,627,018
Cash and cash equivalents, end of year	$ **192,419,679**	$ 166,907,023
RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATING ACTIVITIES		
Net income	$ **11,017,235**	$ 6,907,543
Adjustments to reconcile net income to net cash from operating activities:		
Provision for credit losses	**16,301,304**	18,327,054
Depreciation and amortization	**7,371,315**	7,575,861
Net loss on sales and write-downs of other real estate	**2,812,082**	4,874,879
Net gain on sale of loans	**(2,887,503)**	(3,878,668)
Net change in:		
Loans held for sale	**(2,037,208)**	2,593,975
Interest receivable	**922,412**	(139,273)
Prepaid expenses	**2,053,007**	4,383,812
Interest payable	**(337,771)**	(231,155)
Income taxes payable	**(1,325,724)**	(3,532,692)
Other liabilities	**2,690,419**	1,809,432
Other, net	**(1,728,952)**	208,301
Total adjustments	**23,833,381**	31,991,526
Net cash from operating activities	$ **34,850,616**	$ 38,899,069
Supplemental noncash disclosures:		
Transfers from loans to other real estate owned	$ **10,773,459**	$ 16,343,268
Write-downs of other real estate owned	**1,927,398**	2,285,524

See accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Years Ended December 31, 2011 and 2010

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balances, January 1, 2010	**$ 3,479,220**	**$ 6,890,468**	**$ 142,594,868**	**$(1,986,043)**	**$ 150,978,513**
Comprehensive income:					
Net income	-	-	6,907,543	-	6,907,543
Change in unrealized gain (loss) on securities available for sale, net of reclassification and tax effects	-	-	-	748	748
Change in funded status of defined benefit pension plan	-	-	-	(1,643,148)	(1,643,148)
Total comprehensive income					5,265,143
Balances, December 31, 2010	**3,479,220**	**6,890,468**	**149,502,411**	**(3,628,443)**	**156,243,656**
Comprehensive income:					
Net income	-	-	11,017,235	-	11,017,235
Change in unrealized gain (loss) on securities available for sale, net of reclassification and tax effects	-	-	-	(484,707)	(484,707)
Change in funded status of defined benefit pension plan	-	-	-	130,247	130,247
Total comprehensive income					10,662,775
Balances, December 31, 2011	**$ 3,479,220**	**$ 6,890,468**	**$ 160,519,646**	**$(3,982,903)**	**$ 166,906,431**

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Nature of Operations: The consolidated financial statements include the accounts of Central Bancshares, Inc. (the "Company"), its wholly-owned Subsidiaries, Central Bank & Trust Co., Central Bank, FSB, Central Bank of Jefferson County, Inc., and Salt Lick Deposit Bank (the "Banks"), and Central Bank & Trust Co.'s wholly-owned Subsidiaries, Central Investment Center, Inc., Central Insurance Services, Inc., CB Investment Managers, LLC, Central Bank Title Agency, LLC, and CBT Real Estate Holdings, LLC. The Company merged the operations of Central Bank, FSB, into Central Bank & Trust Co. on January 18, 2011. All significant intercompany balances and transactions have been eliminated in consolidation.

The Banks grant commercial, consumer and residential loans to customers primarily located in Fayette, Boone, Kenton, Clark, Jessamine, Madison, Scott, Jefferson, Bath and surrounding counties in Kentucky. The Banks provide full banking services, including trust services. Although the Banks have diversified loan portfolios, a substantial portion of their debtors' ability to honor their contracts is dependent upon the local economy. Substantially all loans are secured by specific items of collateral including business assets, consumer assets and real estate. Other financial instruments, which potentially represent concentrations of credit risk, include cash and cash equivalents held in other financial institutions. Central Investment Center, Inc. offers non-deposit investment products, including mutual funds, annuities, and certain debt and equity securities. Central Insurance Services, Inc. is a licensed agent for life, health, title, and property and casualty insurance. CBT Real Estate Holdings, LLC holds and disposes of real estate acquired in settlement of loans.

Subsequent Events: The Company has evaluated subsequent events for recognition and disclosure through March 16, 2012, which is the date the financial statements were available to be issued.

Estimates in the Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The allowance for credit losses, other real estate valuation allowance, fair values of financial instruments, impairment of securities, mortgage servicing rights, pension obligation and contingent liabilities are particularly subject to change.

Cash Flows: Cash and cash equivalents include cash on hand, amounts due from financial institutions, securities purchased under resell agreements, money market investments and federal funds sold with maturities under 90 days. Net cash flows are reported for customer loan and deposit transactions, interest bearing deposits in other financial institutions, and federal funds purchased and repurchase agreements.

Securities: The Banks classify their security portfolios into two categories: available for sale and held to maturity. Securities are classified as available for sale when they might be sold before maturity. Securities are classified as held to maturity when management has the positive intent and ability to hold them to maturity. The Banks have no trading securities.

Securities available for sale are carried at fair value, with unrealized holding gains and losses reported in other comprehensive income, net of tax. Securities held to maturity are stated at amortized cost.

Interest income includes amortization of purchase premium or discount. Premiums and discounts on securities are amortized on the level-yield method without anticipating prepayments except for mortgage-backed securities where prepayments are anticipated. Gains and losses on dispositions are recorded on the trade date and based on the net proceeds and the adjusted carrying amount of the securities sold, using the specific identification method.

Management evaluates securities for other-than-temporary impairment ("OTTI") at least on a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows: 1) OTTI related to credit loss, which must be recognized in the income statement and 2) OTTI related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis.

Loans: Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of deferred loan fees and costs, and an allowance for credit losses. Loan origination fees, net of certain direct origination costs, are deferred and the net amount is amortized as a yield adjustment over the life of the related loans.

Interest income is accrued on the principal balance. Classes of commercial and real estate loans are placed on nonaccrual, with interest income discontinued, at the time the loan is 90 days delinquent unless the loan is well-secured and in process of collection. Classes of consumer loans may be placed on nonaccrual if sufficient collateral exists, but are typically charged off no later than 120 days past due.
All interest accrued but not received on loans placed on nonaccrual is reversed against interest income. Nonaccrual loans and loans past due 90 days still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

For all loan classes, payments received on nonaccrual loans are applied to principal only using the cost recovery method if the Company estimates that collection of all principal is not reasonably assured. If all principal is reasonably assured, payments on nonaccrual loans may be applied to interest income on the cash basis. Loans of all classes are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

For all loan classes, past due status is based on the contractual terms of the loan.

Allowance for Credit Losses: The allowance for credit losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired. Loans of all classes are considered impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings and classified as impaired.

Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting

scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

Nonaccrual loans of certain classes are individually evaluated for impairment. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Interest income on impaired loans is recognized on the cash basis unless the loan is a troubled debt restructured loan performing under its modified terms. Large groups of smaller balance homogeneous loans, such as consumer loans, are collectively evaluated for impairment, and accordingly, they are not separately identified for impairment disclosures. If such loans are part of a borrowing relationship in which other types of loans have been individually evaluated for impairment, they also are individually evaluated.

Troubled debt restructurings are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan's effective rate at inception. If a troubled debt restructuring is considered to be a collateral dependent loan, the loan is reported, net, at the fair value of the collateral. For troubled debt restructurings that subsequently default, the Company determines the amount of reserve in accordance with the accounting policy for the allowance for credit losses.

The general component covers non-impaired loans and is based on historical loss experience adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Company over the most recent three years. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment. These economic factors include consideration of the following: levels of and trends in delinquencies and impaired loans; levels of and trends in charge-offs and recoveries; trends in volume and terms of loans; aggregate indebtedness of significant borrowing relationships; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; experience, ability, and depth of lending management and other relevant staff; local economic trends and conditions; industry conditions; and effects of changes in credit concentrations. The following portfolio segments and their associated risks have been identified:

- Commercial loans are dependent on the strength of the industries of the related borrowers and the success of their businesses. Commercial loans are advanced for equipment purchases or to provide working capital or meet other financing needs of business enterprises. These loans may be secured by accounts receivable, inventory, equipment or other business assets. Financial information is obtained from the borrowers and guarantors to evaluate ability to repay the loans.
- Commercial real estate loans are dependent on the industries tied to these loans as well as the local commercial real estate market. Commercial real estate loans include completed projects as well as construction loans. The loans are secured by the real estate, and appraisals are obtained to support the loan amount. Financial information is obtained from the borrower(s) and guarantor(s) and/or an evaluation of the project's cash flows is performed to evaluate the borrower's ability to repay the loan.
- Residential real estate loans are affected by the local residential real estate market and the local economy. The Bank evaluates the borrower's repayment ability through a review of financial information obtained from the borrower. Appraisals or evaluations are obtained to support the loan amount.
- Consumer loans, including installment loans and credit card receivables, are dependent on local economies. Consumer loans are generally secured by consumer assets, but may be unsecured. The Bank evaluates the borrower's repayment ability through a review of financial information obtained from the borrower.

Mortgage Banking Activities: Mortgage loans originated and intended for sale in the secondary market are classified as held for sale and carried at the lower of aggregate cost or fair value as determined by outstanding commitments from investors. Gains on sales generated from mortgage banking activities are based on the difference between the selling price and the carrying value of the related loan sold.

The Company enters into commitments to originate certain mortgage loans whereby the interest rate on the loans is determined prior to funding (rate lock commitments). Rate lock commitments on mortgage loans that are intended to be sold are considered to be derivatives. The period of time between issuance of a loan commitment, loan closing and the sale of the loan generally ranges from 30 to 90 days. The Company protects itself from changes in interest rates through the use of best efforts forward delivery commitments, whereby the Company commits to sell a loan at the time the borrower commits to an interest rate with the intent that the buyer has assumed interest rate risk on the loan. As a result, the Company is not exposed to losses nor will it realize significant gains related to its rate lock commitments due to changes in interest rates. The correlation between the rate lock commitments and the best efforts contracts is very high due to their similarity. Because of this high correlation, no gain or loss occurs on the rate lock commitments.

As the Company sells loans servicing released and retained, servicing rights are recognized as assets for the allocated value of retained servicing rights on loans sold. Servicing rights are initially recorded at fair value based on market prices for comparable mortgage servicing contracts. Servicing rights are expensed in proportion to, and over the period of, estimated net servicing revenues. Impairment is evaluated based on the fair value of the rights, using groupings of the underlying loans as to interest rates. Any impairment of a grouping is reported as a valuation allowance.

Servicing fee income is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal or a fixed amount per loan and are recorded as income when earned. The amortization of mortgage servicing rights is netted against

loan servicing fee income. Servicing fee income, gains on sales of mortgage loans held for sale and amortization of mortgage servicing rights are reported on the income statement as mortgage loan sales and servicing, net.

Premises and Equipment: Land is carried at cost. Premises are stated at cost less accumulated depreciation computed on the straight-line method over the estimated useful lives of the assets. Furniture, fixtures and equipment are depreciated using an accelerated method. Leasehold improvements are amortized on the straight-line method over the shorter of the estimated useful lives of the improvements or the terms of the related leases.

Income Taxes: Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company recognizes a tax benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50 percent likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit is recorded. The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

Federal Home Loan Bank (FHLB) Stock: The Banks are members of the FHLB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income.

Transfers of Financial Assets: Transfers of financial assets are accounted for as sales when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Foreclosed Assets: Assets acquired through or instead of loan foreclosure are initially recorded at fair value, less selling costs, when acquired, establishing a new cost basis. If fair value declines subsequent to acquisition, a valuation allowance is recorded through expense. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. Operating costs incurred after acquisition are expensed.

Goodwill and Other Intangible Assets: Goodwill results from business acquisitions and represents the excess of the purchase price over the fair value of acquired tangible assets and liabilities and identifiable intangible assets. Goodwill and other intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but tested for impairment at least annually or more frequently if events and circumstances exist that indicate a goodwill impairment test should be performed. The Company has selected December 31 as the date to perform the annual impairment test. Intangible assets with definite useful lives are amortized over their estimated useful lives to their estimated residual values. Goodwill is the only intangible asset with an indefinite life on the Company's balance sheet.

Other intangible assets consist of customer relationship intangibles arising from acquisitions. They are initially measured at fair value and then are amortized on the straight-line method over their estimated useful lives, which is between 8 and 10 years.

Trust Department: Revenues from trust department services are recorded on the cash basis, which approximates the accrual basis, in accordance with customary banking practice. Securities and other properties, except cash deposits, held by the trust department in a fiduciary or agency capacity are not included in the consolidated financial statements since such items are not assets of the Company.

Investment in Limited Partnerships: Central Bank & Trust Co. is a limited equity partner in 16 low-income housing projects and two historic renovation projects. The investments are accounted for using the equity method and are included in other assets.

Benefit Plans: Pension expense is the net of interest cost, return on plan assets, and amortization of gains and losses not immediately recognized. Employee stock ownership and 401(k) plan expense is the amount contributed determined by Board decision. Deferred compensation plan expense is allocated over years of service.

All ESOP shares are allocated to participants as of the end of each fiscal year. Compensation expense is based on the price paid for the shares acquired by the plan during the year. Since all ESOP shares are allocated to participants, all dividends reduce retained earnings.

Loan Commitments and Related Financial Instruments: Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and standby letters of credit, issued to meet customer financing needs. The face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

Fair Value of Financial Instruments: Fair values of financial instruments, as more fully disclosed in Note 10, are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Earnings per Share: Basic earnings per share are net income divided by the weighted average number of shares outstanding during the period. The Company has no instruments outstanding which are potentially dilutive.

Comprehensive Income (Loss): Comprehensive income (loss) consists of net income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on securities available for sale, net of related income tax, and changes in the funded status of the defined benefit pension plan, net of related income tax. Accumulated other comprehensive income (loss) is recognized as a separate component of equity.

Loss Contingencies: Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe that there now are such matters that will have a material effect on the consolidated financial statements.

Dividend Restriction: Banking regulations require maintaining certain capital levels and may limit the dividends paid by the Banks to the holding company or by the holding company to shareholders.

Restrictions on Cash: Included in cash and due from financial institutions are certain deposits that are held at the Federal Reserve or maintained in vault cash in accordance with average balance requirements specified by the Federal Reserve Board of Governors. The average balance requirement was $28,047,000 and $22,234,000 at December 31, 2011 and 2010. These funds earn interest at an interest rate determined by the Federal Reserve.

Reclassifications: Some items in the prior year financial statements were reclassified to conform to the current year presentation. Reclassifications had no effect on prior year net income or shareholders' equity.

NOTE 2. SECURITIES

The fair value of securities available for sale and the related gross unrealized gains and losses recognized in accumulated other comprehensive income (loss) are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2011				
U.S. government agency securities	**$ 79,565,229**	**$ 87,697**	**$ (19,183)**	**$ 79,633,743**
Obligations of states and political subdivisions	**1,297,970**	**42,923**	**(8,390)**	**1,332,503**
Agency mortgage-backed securities: Residential	**69,094,249**	**520,992**	**(62,565)**	**69,552,676**
Corporate bond	**5,000,000**	**-**	**(862,500)**	**4,137,500**
Total	**$154,957,448**	**$ 651,612**	**$ (952,638)**	**$154,656,422**
2010				
U.S. Treasury securities	$ 20,999,093	$ 4,226	$ (289)	$ 21,003,030
U.S. government agency securities	57,604,047	57,264	(6,629)	57,654,682
Obligations of states and political subdivisions	1,355,702	30,213	-	1,385,915
Agency mortgage-backed securities: Residential	27,942,381	358,364	-	28,300,745
Corporate bond	5,000,000	-	-	5,000,000
Total	$112,901,223	$ 450,067	$ (6,918)	$113,344,372

The carrying amount, unrecognized gains and losses, and fair value of securities held to maturity are as follows:

	Carrying Amount	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
2011				
U.S. Treasury securities	**$ 326,377**	**$ 1,623**	**$ -**	**$ 328,000**
U.S. government agency securities	**1,001,457**	**18,543**	**-**	**1,020,000**
Obligations of states and political subdivisions	**1,488,143**	**80,857**	**-**	**1,569,000**
Agency mortgage-backed securities: Residential	**3,795,190**	**83,810**	**-**	**3,879,000**
Other	**500,000**	**-**	**-**	**500,000**
Total	**$ 7,111,167**	**$ 184,833**	**$ -**	**$ 7,296,000**
2010				
U.S. Treasury securities	$ 327,178	$ -	$ (4,178)	$ 323,000
U.S. government agency securities	6,493,344	38,656	-	6,532,000
Obligations of states and political subdivisions	4,545,441	196,559	-	4,742,000
Agency mortgage-backed securities: Residential	6,209,700	158,300	-	6,368,000
Other	500,000	-	-	500,000
Total	$ 18,075,663	$ 393,515	$ (4,178)	$ 18,465,000

The amortized cost and fair value of debt securities at December 31, 2011 are shown below by contractual maturity. Mortgage-backed securities are shown separately because they are not due at a single maturity. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

	Held to Maturity		Available for sale	
	Carrying Amount	Fair Value	Fair Value	Amortized Cost
Due in one year or less	$ 1,851,457	$ 1,899,000	$ 2,416,468	$ 2,412,108
Due from one to five years	551,381	554,000	70,429,838	70,404,818
Due from five to ten years	913,139	964,000	5,152,451	5,978,696
Due after ten years	-	-	7,104,989	7,067,577
Agency mortgage-backed securities: Residential	3,795,190	3,879,000	69,552,676	69,094,249
Total	$ 7,111,167	$ 7,296,000	$154,656,422	$154,957,448

Securities with a carrying amount of approximately $80,930,000 and $104,278,000 at December 31, 2011 and 2010, were pledged to secure public deposits, repurchase agreements, trust deposits, and for other purposes as required or permitted by law.

At December 31, 2011 and 2010, there were no holdings of securities of any one issuer, other than the U.S. government and its agencies, in an amount greater than 10 percent of shareholders' equity.

Securities with unrealized losses at year end 2011 and 2010, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are as follows:

Description of Securities	Less than 12 Months Fair Value	Less than 12 Months Unrealized Loss	12 Months or more Fair Value	12 Months or more Unrealized Loss	Total Fair Value	Total Unrealized Loss
2011						
Available for Sale						
U.S. government agency securities	**$ 30,481,386**	**$ (18,612)**	**$ 128,990**	**$ (571)**	**$ 30,610,376**	**$ (19,183)**
Obligations of states and political subdivisions	**211,867**	**(8,390)**	**-**	**-**	**211,867**	**(8,390)**
Agency mortgage-backed securities: Residential	**52,043,820**	**(62,565)**	**-**	**-**	**52,043,820**	**(62,565)**
Corporate bond	**4,137,500**	**(862,500)**	**-**	**-**	**4,137,500**	**(862,500)**
Total available for sale	**$ 86,874,573**	**$ (952,067)**	**$ 128,990**	**$ (571)**	**$ 87,003,563**	**$ (952,638)**

There were no securities held to maturity in an unrealized loss position at December 31, 2011.

Description of Securities	Less than 12 Months Fair Value	Less than 12 Months Unrealized Loss	12 Months or more Fair Value	12 Months or more Unrealized Loss	Total Fair Value	Total Unrealized Loss
2010						
Available for Sale						
U.S. Treasury securities	$ 9,999,600	$ (289)	$ -	$ -	$ 9,999,600	$ (289)
U.S. government agency securities	21,090,809	(4,833)	342,208	(1,796)	21,433,017	(6,629)
Total available for sale	$ 31,090,409	$ (5,122)	$ 342,208	$ (1,796)	$ 31,432,617	$ (6,918)
Held to Maturity						
U.S. Treasury securities	$ 323,000	$ (4,178)	$ -	$ -	$ 323,000	$ (4,178)

Unrealized losses on debt securities have not been recognized into income because the issued bonds are of high credit quality (rated AA or higher), management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to changes in interest rates and other market conditions. The fair value is expected to recover as the bonds approach maturity.

NOTE 3. LOANS

Loans at December 31 were as follows:

	2011	2010
Commercial	**$ 359,247,491**	$ 384,571,868
Commercial real estate	**658,691,318**	708,443,223
Residential real estate	**513,157,192**	518,091,557
Installment	**121,016,826**	143,593,412
Credit card receivables	**8,583,485**	7,995,079
Loans held for sale	**13,592,523**	8,667,811
	1,674,288,835	1,771,362,950
Unearned income	**(1,155,524)**	(1,378,738)
Allowance for credit losses	**(28,782,925)**	(22,802,975)
Loans, net	**$ 1,644,350,386**	$ 1,747,181,237

The Banks have entered into loan transactions with their directors, executive officers, significant shareholders and their affiliates (related parties). The aggregate amount of loans to such related parties was approximately $782,000 and $10,631,000 at December 31, 2011 and 2010.

The following table presents the activity in the allowance for credit losses by segment of loans for the year ended December 31, 2011:

	Commercial	Commercial Real Estate	Residential Real Estate	Installment	Credit Card Receivables	Unallocated	Total
2011							
Allowance for credit losses:							
Beginning balance	$ 2,810,473	$ 6,730,769	$ 6,919,254	$ 4,011,371	$ 343,634	$ 1,987,474	$ 22,802,975
Provision for credit losses	4,283,798	5,640,342	3,897,437	1,169,030	411,668	899,029	16,301,304
Loans charged off	(1,110,928)	(3,718,555)	(3,451,354)	(3,001,622)	(517,650)	-	(11,800,109)
Recoveries	118,904	342,586	151,849	782,725	82,691	-	1,478,755
Total ending allowance balance	$ 6,102,247	$ 8,995,142	$ 7,517,186	$ 2,961,504	$ 320,343	$ 2,886,503	$ 28,782,925

Activity in the allowance for credit losses for the year ended December 31, 2010 was as follows:

	2010
Balance, beginning of year	$ 20,746,522
Provision for credit losses	18,327,054
Loans charged off	(17,391,296)
Recoveries	1,120,695
Ending balance	$ 22,802,975

The following table presents the balance in the allowance for credit losses and the recorded investment in loans by segment of loans and based on impairment method as of December 31, 2011:

	Commercial	Commercial Real Estate	Residential Real Estate	Installment	Credit Card Receivables	Unallocated	Total
2011							
Allowance for credit losses:							
Ending allowance balance attributable to loans:							
Individually evaluated for impairment	$ 4,157,268	$ 5,462,497	$ 4,214,814	$ 49,163	$ -	$ -	$ 13,883,742
Collectively evaluated for impairment	1,944,979	3,532,645	3,302,372	2,912,341	320,343	2,886,503	14,899,183
Total ending allowance balance	$ 6,102,247	$ 8,995,142	$ 7,517,186	$ 2,961,504	$ 320,343	$ 2,886,503	$ 28,782,925
Loans:							
Individually evaluated for impairment	$ 30,160,401	$ 45,007,820	$ 26,976,315	$ 253,647	$ -	$ -	$ 102,398,183
Collectively evaluated for impairment	329,001,248	613,683,498	498,723,188	120,763,179	8,564,015	-	1,570,735,128
	$ 359,161,649	$ 658,691,318	$ 525,699,503	$ 121,016,826	$ 8,564,015	$ -	$1,673,133,311

The following table presents information related to impaired loans by segment of loans as of and for the year ended December 31, 2011:

	Unpaid Principal Balance	Recorded Investment	Allowance for Credit Losses Allocated	Average Recorded Investment	Interest Income Recognized	Cash Basis Interest Recognized
December 31, 2011						
With no related allowance recorded:						
Commercial	$ 22,762,646	$ 20,373,310	$ -	$ 20,100,583	$ 905,837	$ 905,837
Commercial real estate	29,424,716	27,172,659	-	24,918,947	868,260	868,260
Residential real estate	19,282,443	18,930,816	-	19,673,454	677,634	677,634
Installment	498,939	160,660		174,878	2,401	2,401
Subtotal	71,968,744	66,637,445	-	64,867,862	2,454,132	2,454,132
With an allowance recorded:						
Commercial	9,882,218	9,787,091	4,157,268	2,863,821	111,511	111,511
Commercial real estate	18,666,310	17,835,161	5,462,497	15,231,993	301,925	301,925
Residential real estate	8,230,554	8,045,499	4,214,814	9,273,711	242,782	242,782
Installment	331,961	92,987	49,163	106,322	156	156
Subtotal	37,111,043	35,760,738	13,883,742	27,475,847	656,374	656,374
Total	$ 109,079,787	$ 102,398,183	$ 13,883,742	$ 92,343,709	$ 3,110,506	$ 3,110,506

The recorded investment in loans excludes accrued interest receivable and loan origination fees, net due to immateriality. For purposes of this disclosure, the unpaid principal balance is not reduced for net charge-offs.

Impaired loans as of December 31, 2010 were as follows:

	2010
Year end loans with no allocated allowance for credit losses	$ 61,373,703
Year end loans with allocated allowance for credit losses	26,873,862
Total	$ 88,247,565

The following table presents information for impaired loans as of and for the year ended December 31, 2010:

	2010
Amount of the allowance for credit losses allocated	$ 8,399,045
Average of individually impaired loans during year	70,781,296
Interest income recognized during impairment	3,455,407
Cash basis interest income recognized	3,455,407

Nonaccrual loans and loans past due over 90 days still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

The following table presents the recorded investment in nonaccrual loans and loans past due over 90 days still on accrual by segment of loans as of December 31, 2011:

	Nonaccrual 2011	Loans Past Due Over 90 Days Still Accruing 2011
Commercial	$ 7,319,206	$ 8,143
Commercial real estate	30,140,983	496,381
Residential real estate	13,066,439	370,024
Installment	1,036,412	18,301
Credit card receivables	17,155	29,447
Total	$ 51,580,195	$ 922,296

Nonaccrual loans and loans past due over 90 days still on accrual were as follows as of December 31, 2010:

	2010
Loans past due over 90 days still on accrual	$ 1,245,234
Nonaccrual loans	30,054,391

The following table presents the aging of the recorded investment in past due loans as of December 31, 2011 by segment of loans:

	30–89 Days Past Due	Greater than 89 Days Past Due	Total Past Due	Loans Not Past Due	Total
December 31, 2011					
Commercial	$ 11,768,184	$ 7,101,429	$ 18,869,613	$ 340,292,036	$ 359,161,649
Commercial real estate	9,183,030	27,555,562	36,738,592	621,952,726	658,691,318
Residential real estate	7,731,144	10,750,235	18,481,379	507,218,124	525,699,503
Installment	2,920,557	843,033	3,763,590	117,253,236	121,016,826
Credit card receivables	119,840	46,602	166,442	8,397,573	8,564,015
Total	$ 31,722,755	$ 46,296,861	$ 78,019,616	$ 1,595,113,695	$ 1,673,133,311

Troubled Debt Restructurings: The Company has allocated $8,385,193 and $2,630,866 of specific reserves to customers whose loan terms have been modified in troubled debt restructurings as of December 31, 2011 and 2010. The Company has committed to lend additional amounts totaling up to $65,967 and $994,855 as of December 31, 2011 and 2010 to customers with outstanding loans that are classified as troubled debt restructurings.

During the year ended December 31, 2011, the terms of certain loans were modified as troubled debt restructurings. The modification of the terms of such loans included one or a combination of the following: a reduction of the stated interest rate of the loan; an extension of the maturity date at a stated rate of interest lower than the current market rate for new debt with similar risk; or a permanent reduction of the recorded investment in the loan.

Modifications involving a reduction of the stated interest rate of the loan were for periods ranging from one month to 10 years. Modifications involving an extension of the maturity date were for periods ranging from one month to six years.

The following table presents loans by segment modified as troubled debt restructurings that occurred during the year ended December 31, 2011:

	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Troubled debt restructurings:			
Commercial	5	$ 6,312,940	$ 6,442,446
Commercial real estate	10	19,446,831	19,758,226
Residential real estate	13	3,724,283	3,702,952
Installment	1	13,494	11,613
Credit card receivables	0	-	-
Total	29	$ 29,497,548	$ 29,915,237

The troubled debt restructurings described above increased the allowance for credit losses by $4,264,460 and resulted in charge-offs of $143,785 during the year ended December 31, 2011.

The following table presents loans by segment modified as troubled debt restructurings for which there was a payment default within 12 months following the modification during the year ended December 31, 2011:

	Number of Loans	Recorded Investment
Troubled debt restructurings that subsequently defaulted:		
Commercial	4	$ 6,382,514
Commercial real estate	7	17,688,550
Residential real estate	5	1,275,195
Installment	0	-
Credit card receivables	0	-
Total	16	$ 25,346,259

A loan is considered to be in payment default once it is 30 days contractually past due under the modified terms.

The troubled debt restructurings that subsequently defaulted described above increased the allowance for credit losses by $4,173,610 and resulted in charge-offs of $143,785 during the year ended December 31, 2011.

The terms of certain other loans were modified during the year ended December 31, 2011 that did not meet the definition of a troubled debt restructuring. These loans have a total recorded investment as of December 31, 2011 of $36,862,000. The modification of these loans involved either a modification of the terms of a loan to borrowers who were not experiencing financial difficulties or a delay in a payment that was considered to be insignificant.

In order to determine whether a borrower is experiencing financial difficulty, an evaluation is performed of the probability that the borrower will be in payment default on any of its debt in the foreseeable future without the modification. This evaluation is performed under the Company's internal underwriting policy.

Certain loans which were modified during the year ended December 31, 2011 and did not meet the definition of a troubled debt restructuring as the modification was a delay in a payment that was considered to be insignificant, had delays in payment ranging from 30 days to three months.

Credit Quality Indicators: The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis includes loans with an outstanding balance greater than $25,000 and non-homogeneous loans, such as commercial, commercial real estate and residential real estate loans, and homogeneous loans that are part of a borrowing relationship. This analysis is performed on a monthly basis. The Company uses the following definitions for risk ratings:

Special Mention. Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful. Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass rated loans. Loans listed as not rated are included in groups of homogeneous loans, such as installment loans and credit card receivables. Credit quality indicators similar to those described above, including delinquency and other performance indicators, are used for loans that are not rated.

Based on the most recent analysis performed, the risk category of loans by segment of loans is as follows:

	Pass	Special Mention	Substandard	Doubtful	Not Rated	Total
December 31, 2011						
Commercial	$ 324,463,041	$ 5,162,154	$ 29,428,924	$ 161,831	$ 31,541	$ 359,247,491
Commercial real estate	589,030,844	22,220,121	47,440,353	-	-	658,691,318
Residential real estate	481,591,522	4,881,259	25,911,859	772,552	-	513,157,192
Installment	-	-	-	-	121,016,826	121,016,826
Credit card receivables	-	-	-	-	8,583,485	8,583,485
Loans held for sale	-	-	-	-	13,592,523	13,592,523
	$ 1,395,085,407	$ 32,263,534	$ 102,781,136	$ 934,383	$ 143,224,375	$ 1,674,288,835

NOTE 4. MORTGAGE BANKING ACTIVITIES

Loans originated for sale in the secondary market and subsequently sold totaled approximately $175,587,000 and $227,071,000 during 2011 and 2010. The Company had commitments to originate $14,676,056 in loans at December 31, 2011, which it intends to sell after the loans are closed. The Company had $13,592,523 and $8,667,811 in loans held for sale at December 31, 2011 and 2010.

Loans serviced for others, which are not reported as assets, totaled approximately $60,370,000 and $64,951,000 at December 31, 2011 and 2010.

Activity for capitalized mortgage servicing rights included in other assets during 2011 and 2010 was as follows:

	2011	2010
Servicing rights		
Beginning of year	**$ 228,999**	$ 229,018
Originated	**55,978**	62,239
Amortized to expense	**(57,890)**	(62,258)
End of year	**$ 227,087**	$ 228,999

No valuation allowance for impaired servicing rights is considered necessary. The fair value of capitalized mortgage servicing rights was estimated to be approximately $261,000 and $263,000 at year end 2011 and 2010.

On April 1, 2011, the Company entered into a settlement with a mortgage investor which had been demanding repayment on three mortgage loans that the Company had sold to the investor. Compliance with loan origination guidelines was at issue. The Company made a $325,000 payment to the investor in return for release from any further buy back demands or potential penalties on all loans sold by the Company to the investor on or before December 31, 2008. The payment resulted in additional expense of approximately $250,000 in 2011, which is included in other expenses.

NOTE 5. OTHER REAL ESTATE OWNED

Activity in other real estate owned was as follows:

	2011	2010
Other real estate owned, beginning of year	**$ 24,083,659**	$ 21,805,408
Acquisition and improvement of other real estate, net	**10,763,565**	15,087,460
Proceeds from sales of other real estate	**(6,410,896)**	(7,934,330)
Provision for valuation allowance of other real estate	**(2,126,738)**	(4,382,691)
Net loss on sales and direct write-downs	**(685,344)**	(492,188)
Other real estate owned, end of year	**$ 25,624,246**	$ 24,083,659

Activity in the valuation allowance was as follows:

	2011	2010
Beginning of year	**$ 5,618,524**	$ 3,333,000
Additions charged to expense	**2,126,738**	4,382,691
Direct write-downs	**(199,340)**	(2,097,167)
End of year	**$ 7,545,922**	$ 5,618,524

Expenses related to foreclosed assets include:

	2011	2010
Net loss (gain) on sales and direct write-downs	**$ 685,344**	$ 492,188
Provision for valuation allowance	**2,126,738**	4,382,691
Operating expenses, net of rental income	**2,948,724**	1,702,529
	$ 5,760,806	$ 6,577,408

NOTE 6. PREMISES AND EQUIPMENT

Premises and equipment at December 31 are as follows:

	2011	2010
Land	$ **3,580,756**	$ 3,814,361
Buildings and improvements	**24,027,298**	25,100,146
Leasehold improvements	**26,487,431**	24,735,051
Furniture, fixtures and equipment	**37,583,151**	34,454,602
Construction in progress	**162,913**	3,522,827
Accumulated depreciation	**(48,357,514)**	(44,263,152)
	$ 43,484,035	$ 47,363,835

Depreciation and amortization expense amounted to $5,056,754 and $5,273,655 in 2011 and 2010.

Operating Leases: The Company leases its main office, 12 banking center locations and its mortgage and insurance center in addition to its land leases for four banking centers. The Company currently subleases a portion of its space to eight tenants. Rent expense was approximately $4,880,000 and $4,830,000 in 2011 and 2010. Rent commitments under noncancelable operating leases, and certain renewal provisions, net of subleases, are as follows:

2012	$ 4,812,533
2013	5,019,467
2014	5,103,431
2015	5,329,867
2016	5,610,919
Thereafter	38,809,465
	$ 64,685,682

NOTE 7. GOODWILL AND INTANGIBLE ASSETS

Goodwill was $15,004,524 at December 31, 2011 and 2010.

Impairment exists when a reporting unit's carrying amount of goodwill exceeds its fair value, which is determined through a two-step impairment test. Step 1 is the determination of the carrying amount of the Company's single reporting unit, including the existing goodwill and other intangible assets, and estimating the fair value of the reporting unit. Management determined the fair value of the reporting unit and compared it to its carrying amount. Since the carrying amount of the reporting unit did not exceed its fair value, management was not required to perform a second step to the impairment test.

Acquired intangible assets were as follows as of December 31:

	2011		2010	
	Gross Carrying Amount	**Accumulated Amortization**	Gross Carrying Amount	Accumulated Amortization
Customer relationship intangibles	**$ 4,923,564**	**$ 3,406,004**	$ 4,923,564	$ 2,911,416

Aggregate amortization expense was $494,588 for 2011 and 2010.

Estimated amortization expense for each of the next five years is as follows:

2012	$ 494,588
2013	413,968
2014	263,348
2015	263,348
2016	82,308

NOTE 8. DEPOSITS

Time deposits of $100,000 or more were $450,807,744 and $522,142,119 at December 31, 2011 and 2010.

Scheduled maturities of time deposits for the next five years are as follows:

2012	$ 429,859,770
2013	213,267,950
2014	33,279,086
2015	45,131,465
2016	38,902,735
Thereafter	40,823
	$ 760,481,829

Deposits of directors and executive officers of the Banks and companies in which they have beneficial ownership were approximately $18,929,000 and $51,404,000 at December 31, 2011 and 2010.

NOTE 9. FEDERAL HOME LOAN BANK ADVANCES AND OTHER BORROWINGS

At December 31, advances from the Federal Home Loan Bank are as follows:

	2011	2010
Maturities November 2012 through December 2027, fixed rates ranging from 1.74% to 8.05%, averaging 2.69% in 2011 and 2.78% in 2010	**$ 16,696,491**	$ 17,190,034

Each advance is payable at its maturity date, with a prepayment penalty for fixed rate advances that are paid off earlier than maturity. The advances are borrowed under a blanket lien agreement. The advances are collateralized by Federal Home Loan Bank stock and first mortgage loans with an aggregate unpaid principal balance of approximately $247,630,000 and $225,002,000 at December 31, 2011 and 2010. Based on this collateral and the holding of Federal Home Loan Bank stock, the Banks are eligible to borrow up to a total of $132,252,670 at year end 2011.

Payment Information: Scheduled principal repayments associated with the advances over the next five years are as follows:

2012	$ 10,561,255
2013	678,980
2014	432,903
2015	2,304,676
2016	387,583
Thereafter	2,331,094
	$ 16,696,491

Subordinated Debentures: In March 2009, Central Bancshares KY Statutory Trust III, a trust formed by the Company, closed a private placement offering of 22,600 trust preferred securities with a liquidation amount of $1,000 per security. The Company issued $23,278,000 of subordinated debentures to the trust in exchange for ownership of all of the common security of the trust and the proceeds of the preferred securities sold by the trust. The Company may redeem the subordinated debentures, in whole or in part, in a principal amount, with integral multiples of $1,000, on or after March 31, 2014 at 100 percent of the principal amount, plus accrued and unpaid interest. The subordinated debentures mature on March 31, 2039. The subordinated debentures are also redeemable, in whole or in part from time to time, upon the occurrence of specific events defined within the trust indenture. The Company has the option to defer interest payments on the subordinated debentures from time to time for a period not to exceed five consecutive years.

The $22,600,000 in trust preferred securities may be included in Tier I capital (with certain limitations applicable) under current regulatory guidelines and interpretations. The trust preferred securities and subordinated debentures have a fixed rate of interest of 10.00%. The Company's investment in the common stock of the trust was $678,000 and is included in other assets.

In March 2005, Central Bancshares KY Statutory Trust I, a trust formed by the Company, closed a pooled private offering of 15,000 trust preferred securities with a liquidation amount of $1,000 per security. The Company issued $15,464,000 of subordinated debentures to the trust in exchange for ownership of all of the common security of the trust and the proceeds of the preferred securities sold by the trust. The Company may redeem the subordinated debentures, in whole or in part, in a principal amount with integral multiples of $1,000, on or after June 15, 2010 at 100 percent of the principal amount, plus accrued and unpaid interest. The subordinated debentures mature on June 15, 2035. The subordinated debentures are also redeemable, in whole or in part from time to time, upon the occurrence of specific events defined within the trust indenture. The Company has the option to defer interest payments on the subordinated debentures from time to time for a period not to exceed five consecutive years.

The $15,000,000 in trust preferred securities may be included in Tier I capital (with certain limitations applicable) under current regulatory guidelines and interpretations. The trust preferred securities and subordinated debentures have a variable rate of interest equal to the sum of the three month London Interbank Offered Rate ("LIBOR") and 1.75%, which was 2.30% at year end 2011. The Company's investment in the common stock of the trust was $464,000 and is included in other assets.

The Company has an outstanding line of credit for $10,000,000 from a commercial bank for the purpose of securing additional funds for capital infusion to its Subsidiaries or for debt service needs. As of December 31, 2011, the Company had not drawn upon this line. Terms of the line of credit include a variable interest rate of prime as published in The Wall Street Journal (3.25% as of December 31, 2011) and monthly payments of interest only with the balance due at maturity on September 30, 2012. The line of credit is secured by 100% of the stock of Central Bank & Trust Co.

NOTE 10. FAIR VALUE

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate fair value:

Investment Securities: The fair values of securities available for sale are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

Impaired Loans: The fair value of impaired loans with specific allocations of the allowance for loan losses is generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are typically significant and result in a Level 3 classification of the inputs for determining fair value.

Other Real Estate Owned: Non-recurring adjustments to certain commercial and residential real estate properties classified as other real estate owned are measured at the lower of carrying amount or fair value, less costs to sell. Fair values are based on recent real estate appraisals. These appraisals may use a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value.

Assets Measured on a Recurring Basis

Assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets (2011):			
Available for sale securities:			
U.S. government agency securities	$ -	$ 79,633,743	$ -
Obligations of states and political subdivisions	-	1,332,503	-
Agency mortgage-backed securities: Residential	-	69,552,676	-
Corporate bond	-	4,137,500	-
Assets (2010):			
Available for sale securities:			
U.S. Treasury securities	$ -	$ 21,003,030	$ -
U.S. government agency securities	-	57,654,682	-
Obligations of states and political subdivisions	-	1,385,915	-
Agency mortgage-backed securities: Residential	-	28,300,745	-
Corporate bond	-	5,000,000	-

There were no transfers between Level 1 and Level 2 during 2011 or 2010.

Assets Measured on a Non-Recurring Basis

Assets measured at fair value on a non-recurring basis are summarized below:

	Fair Value Measurements at December 31, Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets (2011):			
Impaired loans			
Commercial	$ -	$ -	$ 5,629,823
Commercial real estate	-	-	12,372,664
Residential real estate	-	-	3,830,685
Installment	-	-	43,824
Other real estate owned			
Commercial	-	-	983,878
Commercial real estate	-	-	15,070,511
Residential real estate	-	-	9,569,857
Assets (2010):			
Impaired loans			
Commercial	$ -	$ -	$ 1,016,788
Commercial real estate	-	-	10,748,325
Residential real estate	-	-	6,020,425
Installment	-	-	689,279
Other real estate owned			
Commercial	-	-	719,032
Commercial real estate	-	-	13,861,600
Residential real estate	-	-	9,503,027

The following represents impairment charges recognized during the period:

Impaired loans that are measured for impairment using the fair value of the collateral for collateral dependent loans, had a principal balance of $102,398,183 at December 31, 2011. Those collateral dependent loans with a valuation allowance totaled $35,760,738, with a valuation allowance of $13,883,742 at December 31, 2011, resulting in $9,306,762 of additional provision for loan losses for the year ended December 31, 2011. Impaired loans that are measured for impairment using the fair value of the collateral for collateral dependent loans, had a principal balance of $88,247,565 at December 31, 2010. Those collateral dependent loans with a valuation allowance totaled $26,873,862, with a valuation allowance of $8,399,045 at December 31, 2010, resulting in $5,340,926 of additional provision for loan losses for the year ended December 31, 2010.

Other real estate owned measured at fair value less costs to sell, had a net carrying amount of $25,624,246, which is made up of the outstanding balance of $33,170,168, net of a valuation allowance of $7,545,922 at December 31, 2011, resulting in an additional provision of $2,126,738 for the year ended December 31, 2011. Other real estate owned measured at fair value less costs to sell, had a net carrying amount of $24,083,659, which is made up of the outstanding balance of $29,702,183, net of a valuation allowance of $5,618,524 at December 31, 2010, resulting in an additional provision of $4,382,691 for the year ended December 31, 2010.

The carrying amount and estimated fair value of the Company's financial instruments at December 31 are as follows:

	2011		2010	
	Carrying Amount	**Estimated Fair Value**	Carrying Amount	Estimated Fair Value
Financial assets				
Cash and cash equivalents	**$ 192,419,679**	**$ 192,419,679**	$ 166,907,023	$ 166,907,023
Securities available for sale	**154,656,422**	**154,656,422**	113,344,372	113,344,372
Securities held to maturity	**7,111,167**	**7,296,000**	18,075,663	18,465,000
Loans, net	**1,630,757,863**	**1,644,057,000**	1,738,513,426	1,750,062,000
Loans held for sale	**13,592,523**	**13,701,000**	8,667,811	8,725,000
Federal Home Loan Bank stock	**7,959,300**	**not applicable**	7,959,300	not applicable
Interest receivable	**6,118,451**	**6,118,451**	7,040,863	7,040,863
Financial liabilities				
Deposits	**$ 1,858,076,694**	**$ 1,862,551,000**	$ 1,903,788,824	$ 1,907,835,000
Federal funds purchased and repurchase agreements	**52,494,526**	**52,494,526**	66,305,562	66,305,562
Federal Home Loan Bank advances	**16,696,491**	**17,448,000**	17,190,034	17,766,000
Subordinated debentures	**38,742,000**	**34,109,000**	38,742,000	33,882,000
Interest payable	**757,173**	**757,173**	1,094,944	1,094,944

The following is a summary of the fair value estimation methodologies, not previously presented, used by the Company for the financial instruments above:

Cash and cash equivalents and interest receivable and payable are presented at their carrying value, which is a reasonable estimate of their fair value. The fair value of loans is estimated by discounting the future cash flows using market rates currently offered for loans of similar remaining maturities. It is not practicable to determine the fair value of Federal Home Loan Bank stock due to restrictions placed on its transferability.

The fair value of non-interest bearing deposits is the amount payable on demand. The fair value of interest bearing deposits is estimated using market rates currently offered for deposits of similar remaining maturities. The carrying amount is the estimated fair value for federal funds purchased and repurchase agreements that reprice frequently and fully. The fair value of Federal Home Loan Bank advances and the subordinated debentures is estimated based on rates currently available to the Company for borrowings with similar terms and remaining maturities.

The estimated fair value of commitments to extend credit and standby letters of credit is estimated using fees currently charged for similar arrangements and is not material in relation to the consolidated financial statements.

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2011 and 2010. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these consolidated financial statements since that date and, therefore, current estimates of fair value may differ significantly from the amounts presented herein.

NOTE 11. INCOME TAXES

The provision for income taxes consists of the following:

	2011	2010
Current	**$ 2,069,049**	$ 400,000
Deferred	**(2,877,787)**	(3,567,142)
	$ (808,738)	$ (3,167,142)

The tax provision is less than that obtained by using the statutory federal income tax rates due to tax credits generated by Central Bank & Trust Co.'s limited partnership interest in 16 low-income housing projects, two historic renovation projects, two New Market Tax Credit projects, ownership of Qualified Zone Academy Bonds, and tax exempt interest income totaling approximately $5,923,000 and $5,568,000 for 2011 and 2010.

Deferred tax assets and liabilities relate principally to unrealized losses on securities available for sale, adjustment for pension obligations, premises and equipment, mortgage servicing rights, the allowance for credit losses, Federal Home Loan Bank stock dividends, fair value adjustments, prepaid pension benefits and net operating loss carryforwards generated by Central Bank of Jefferson County prior to the Company's acquisition. At December 31, 2011, the Company had net operating loss carryforwards of $3,670,348 which expire in 2025. Deferred tax assets are recognized for net operating losses because the benefit is more likely than not to be realized. The utilization of the net operating loss carryforwards is limited annually under Internal Revenue Code Section 382. The Company's deferred tax assets and deferred tax liabilities at December 31 are as follows:

	2011	2010
Deferred tax assets	**$ 23,032,145**	$ 20,397,658
Deferred tax liabilities	**(7,368,310)**	(7,802,474)
	$ 15,663,835	$ 12,595,184

Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. No valuation allowance for the realization of deferred tax assets is considered necessary.

The Company has no unrecognized tax benefits as of December 31, 2011 and 2010. The Company does not expect the total amount of unrecognized tax benefits to significantly increase in the next 12 months. Should the accrual of any interest or penalties relative to unrecognized tax benefits be necessary, it is the Company's policy to record such accruals in its income tax expense accounts; no such accruals existed as of December 31, 2011 and 2010. The Company and its subsidiaries file a consolidated U.S. Corporation federal income tax return and the Company and its non-bank subsidiaries file Kentucky Corporation income tax returns. The federal return is subject to examination by taxing authorities for all years after 2007 and the Kentucky returns are subject to examination by taxing authorities for all years after 2006.

NOTE 12. RETIREMENT PLANS

The Company has a noncontributory defined benefit pension plan covering substantially all employees. The plan generally provides pension benefits that are based on compensation levels and years of service. Annual contribution to the plan is made according to established laws and regulations. Plan assets are primarily invested in equity securities, fixed income securities and cash equivalents. The Company has a funded noncontributory defined pension plan that covers substantially all of its employees. The plan provides defined benefits based on years of service and final average salary. The Company uses December 31 as the measurement date for its pension plans.

The Company also maintains a non-qualified supplemental pension plan covering certain key executives, which provides for benefit payments that exceed the limit for deductibility imposed by income tax regulations. The benefit obligation related to this unfunded plan was $2,345,098 and $2,099,759 at December 31, 2011 and 2010.

During 2009, the Company curtailed these defined benefit plans, fully vesting and freezing benefits for all employees. The Company expects to make no contributions to the plans in 2012.

Information about plan assets, obligations, contributions, and benefits paid follows:

	December 31	
	2011	2010
Benefit obligation	**$ (26,605,747)**	$ (24,719,611)
Fair value of plan assets	**27,815,416**	26,103,868
Funded status	**$ 1,209,669**	$ 1,384,257

	2011	2010
Employer contributions	**$ -**	$ -
Benefits paid	**137,262**	2,575,199

The following benefit payments are expected:

2012	$ 1,424,000
2013	256,000
2014	320,000
2015	470,000
2016	698,000
2017–2021	6,101,000

Amounts recognized in accumulated other comprehensive income at December 31 consist of:

	2011	2010
Net actuarial loss (gain)	**$ 5,825,051**	$ 6,025,430
	$ 5,825,051	$ 6,025,430

The accumulated benefit obligation was $26,605,747 and $24,719,611 at year end 2011 and 2010.

Components of net periodic pension cost and other amounts recognized in other comprehensive income for 2011 and 2010 for the Company's defined benefit pension plans included the following:

	2011	2010
Service cost – benefits earned during the period	$ -	$ -
Interest cost on projected benefit obligation	**1,268,585**	1,298,185
Expected return on plan assets	**(1,303,573)**	(1,312,798)
Net amortization of net gain (loss)	**409,955**	497,239
Net periodic pension cost	**374,967**	482,626
Net loss (gain)	**209,575**	3,022,846
Net amortization of net gain (loss)	**(409,955)**	(497,239)
Total recognized in other comprehensive income	**(200,380)**	2,525,607
Total recognized in net periodic pension cost and other comprehensive income	**$ 174,587**	$ 3,008,233

The estimated net gain (loss) for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic pension cost over the next fiscal year was $304,351 and $409,955 as of December 31, 2011 and 2010.

The weighted average assumptions used to determine net periodic pension cost were a discount rate of 5 percent for 2011 and 2010 and an expected return on plan assets of 5 percent for 2011 and 2010.

Plan Assets: The Company's overall investment strategy is to achieve a mix of long-term growth and fixed income investments. The target allocations for plan assets are shown in the table below. Equity securities primarily include investments in mutual funds and blue chip stocks. Debt securities include corporate notes, agency securities, and municipal securities.

The weighted-average expected long-term rate of return is estimated based on current trends in the plan assets as well as projected future rates of return on those assets. The long-term rate of return considers historical returns.

The Company's pension plan asset allocation at year end 2011 and 2010, target allocation for 2012, and expected long-term rate of return by asset category are as follows:

Asset Category	Target Allocation 2012	Percentage of Plan Assets at Year End 2011	2010	Weighted-Average Expected Long-Term Rate of Return
Equity securities	**20-30%**	**25.16%**	39.22%	6.00%
Investment funds:				
Mutual funds	**20-30**	**20.49**	19.14	6.00
Real estate	**0-5**	**2.12**	3.95	3.50
Debt securities:				
U.S. government agency securities	**0-5**	**3.64**	0.00	1.01
Obligations of states and political subdivisions	**25-40**	**39.94**	29.98	4.60
Corporate bonds	**0-10**	**8.65**	7.71	5.37
Total		**100.00%**	100.00%	

Fair Value of Plan Assets: Fair value is the exchange price that would be received for an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date.

The Company used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

Equity and Debt Securities: The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3). Discounted cash flows are calculated using spread to swap and LIBOR curves that are updated to incorporate loss severities, volatility, credit spread and optionality. During times when trading is more liquid, broker quotes are used (if available) to validate the model. Rating agency and industry research reports as well as defaults and deferrals on individual securities are reviewed and incorporated into the calculations.

The fair value of the plan assets at December 31, 2011 and 2010, by asset category, is as follows:

		Fair Value Measurements at December 31, Using		
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2011				
Plan assets				
Equity securities	$ 6,945,000	$ 6,945,000	$ -	$ -
Investment funds:				
Mutual funds	5,656,000	5,656,000	-	-
Real estate	584,000	584,000	-	-
Debt securities:				
U.S. government agency securities	1,005,000	-	1,005,000	-
Obligations of states and political subdivisions	11,026,000	-	11,026,000	-
Corporate bonds	2,389,000	2,389,000	-	-
Total plan assets	$27,605,000	$ 15,574,000	$ 12,031,000	$ -
2010				
Plan assets				
Equity securities	$ 10,268,000	$ 10,268,000	$ -	$ -
Investment funds:				
Mutual funds	5,011,000	5,011,000	-	-
Real estate	1,034,000	1,034,000	-	-
Debt securities:				
Obligations of states and political subdivisions	7,849,000	-	7,849,000	-
Corporate bonds	2,018,000	2,018,000	-	-
Total plan assets	$ 26,180,000	$ 18,331,000	$ 7,849,000	$ -

There were no transfers between Level 1 and Level 2 during 2011 or 2010.

Deferred Compensation Plans: The Company maintains deferred compensation plans covering selected directors and key employees. Net deferred compensation expense was $101,070 and 24,107 in 2011 and 2010. The accrued liability associated with these plans of $573,159 and $472,089 at December 31, 2011 and 2010 is included in other liabilities.

Employee Stock Ownership Plan: The Company maintains an employee stock ownership plan (the "ESOP"). Contributions are determined annually by the Board of Directors in amounts not to exceed 15 percent of the total compensation of all participants. ESOP expense was $935,028 and $414,275 in 2011 and 2010. As of December 31, 2011 and 2010, a total of 35,139 and 35,032 shares with a fair value of approximately $14,091,000 and $13,347,000 were allocated to active participants as well as $0 and $260 in cash. There were no unallocated shares. Any participant who receives a distribution of Company stock under the ESOP has the option to require the Company to repurchase the shares at fair value during a defined period within each of the succeeding two years. The total "put" obligation at December 31, 2011 is the fair value of all ESOP shares distributed in 2011 and shares to be distributed in 2012 to participants who had terminated as of year end 2011. The Company has a right of first refusal with respect to distributed ESOP shares, which requires former participants to offer to sell their shares to the Company before selling them to another purchaser.

401(k) Retirement Plan: The Company has a 401(k) retirement plan. The Company determines annually the rate at which employee contributions will be matched and the maximum amount of employee contributions which will be matched. The Company made matching contributions totaling $1,341,380 and $1,395,271 in 2011 and 2010.

NOTE 13. REGULATORY MATTERS

The Company is a bank holding company and is subject to regulation by the Federal Reserve. Central Bank & Trust Co., Salt Lick Deposit Bank, and Central Bank of Jefferson County, Inc. operate under state bank charters and are subject to regulation by the Kentucky Department of Financial Institutions and the Federal Deposit Insurance Corporation.

The Company and the Banks are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Banks must meet specific capital guidelines that involve quantitative measures of the Company's and the Banks' assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's and the Banks' capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. As of December 31, 2011, Central Bank of Jefferson County, Inc. is required under a regulatory agreement to maintain a Tier I capital to average assets ratio of 8.00 percent. The Bank was in compliance as of that date.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as are asset growth and expansion, and capital restoration plans are required.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Banks to maintain minimum amounts and ratios (set forth in the following table) of Total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital to average assets (as defined). Management believes, as of December 31, 2011 and 2010, that the Company and the Banks meet all capital adequacy requirements to which they are subject. Notification from the Federal Deposit Insurance Corporation as of December 31, 2011 and 2010, categorized the Banks as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institutions' category.

Actual and required capital amounts and ratios are presented below:

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2011:						
Total Capital (to Risk-Weighted Assets):						
Consolidated	**$206,432,550**	**11.8%**	**$139,464,865**	**8.0%**	**$ N/A**	**N/A%**
Central Bank & Trust Co.	**177,973,281**	**11.6**	**122,988,107**	**8.0**	**153,735,134**	**10.0**
Central Bank of Jefferson County, Inc.	**17,154,992**	**11.1**	**12,315,933**	**8.0**	**15,394,917**	**10.0**
Salt Lick Deposit Bank	**8,101,892**	**15.1**	**4,284,467**	**8.0**	**5,355,584**	**10.0**
Tier I Capital (to Risk-Weighted Assets):						
Consolidated	**$184,554,850**	**10.6%**	**$ 69,732,433**	**4.0%**	**$ N/A**	**N/A%**
Central Bank & Trust Co.	**158,672,308**	**10.3**	**61,494,054**	**4.0**	**92,241,080**	**6.0**
Central Bank of Jefferson County, Inc.	**15,256,633**	**9.9**	**6,157,967**	**4.0**	**9,236,950**	**6.0**
Salt Lick Deposit Bank	**7,430,127**	**13.9**	**2,142,234**	**4.0**	**3,213,350**	**6.0**
Tier I Capital (to Average Assets):						
Consolidated	**$184,554,850**	**8.8%**	**$ 84,402,558**	**4.0%**	**$ N/A**	**N/A%**
Central Bank & Trust Co.	**158,672,308**	**8.5**	**74,837,491**	**4.0**	**93,546,863**	**5.0**
* Central Bank of Jefferson County, Inc.	**15,256,633**	**8.8**	**6,907,190**	**4.0**	**8,633,988**	**5.0**
Salt Lick Deposit Bank	**7,430,127**	**9.8**	**3,027,638**	**4.0**	**3,784,548**	**5.0**

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2010:						
Total Capital (to Risk-Weighted Assets):						
Consolidated	$ 199,733,102	10.9%	$ 146,591,721	8.0%	$ N/A	N/A%
Central Bank & Trust Co.	174,267,733	10.8	129,302,213	8.0	161,627,766	10.0
Central Bank of Jefferson County, Inc.	17,050,152	10.9	12,549,332	8.0	15,686,665	10.0
Salt Lick Deposit Bank	7,602,805	12.9	4,710,489	8.0	5,888,111	10.0
Tier I Capital (to Risk-Weighted Assets):						
Consolidated	$ 176,930,127	9.7%	$ 73,295,861	4.0%	$ N/A	N/A%
Central Bank & Trust Co.	154,063,127	9.5	64,651,107	4.0	96,976,660	6.0
Central Bank of Jefferson County, Inc.	15,296,862	9.8	6,274,666	4.0	9,411,999	6.0
Salt Lick Deposit Bank	6,866,566	11.7	2,355,244	4.0	3,532,867	6.0
Tier I Capital (to Average Assets):						
Consolidated	$ 176,930,127	8.3%	$ 85,041,890	4.0%	$ N/A	N/A%
Central Bank & Trust Co.	154,063,127	8.1	75,775,145	4.0	94,718,932	5.0
* Central Bank of Jefferson County, Inc.	15,296,862	8.3	7,404,769	4.0	9,255,961	5.0
Salt Lick Deposit Bank	6,866,566	8.4	3,283,036	4.0	4,103,795	5.0

*At December 31, 2011 and 2010, Central Bank of Jefferson County, Inc. is required to maintain a Tier I capital to average assets ratio of 8.0%

As state-chartered banks, Central Bank & Trust Co., Salt Lick Deposit Bank, and Central Bank of Jefferson County, Inc. are subject to the dividend restrictions set forth by Kentucky Revised Statutes. Under such restrictions, state-chartered banks may not pay dividends in excess of year-to-date net income combined with the preceding two years' undistributed net income or loss unless approval from the Kentucky Commissioner of Banking is obtained. Central Bank of Jefferson County, Inc. is restricted from declaring dividends without permission of the regulatory authorities.

Under the most restrictive dividend limitations described, the Banks could pay dividends in 2012 of approximately $16,756,000 plus any 2012 earnings retained through the date of the dividend declaration.

NOTE 14. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

The Banks are parties to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of their customers. The financial instruments are commitments to extend credit, unused lines of credit and standby letters of credit. Such financial instruments are recorded in the consolidated financial statements when they become payable. The Banks use the same credit policies in making conditional obligations as they do for on-balance- sheet instruments.

At December 31, 2011 and 2010, the Banks have the following financial instruments:

	2011	2010
Standby letters of credit	**$ 25,094,000**	$ 36,441,000
Commitments to extend credit	**$ 158,417,000**	$ 155,239,000
Unused lines of credit	**$ 229,453,000**	$ 238,230,000

Standby letters of credit represent conditional commitments issued by the Banks to guarantee the performance of a customer to a third party. The credit risk involved in issuing letters of credit is essentially the same as the credit risk involved in extending loans to customers. The Banks hold certificates of deposit and real estate as collateral supporting those commitments for which collateral is deemed necessary.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee.

Commitments are generally made for periods of 45 days or less. The Banks evaluate each customer's creditworthiness on a case-by-case basis. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Collateral held varies but may include accounts receivable, marketable securities, inventory, property and equipment, and income-producing properties.

NOTE 15. OTHER COMPREHENSIVE INCOME

Other comprehensive income (loss) components and related tax effects were as follows:

	2011	2010
Unrealized holding gains and losses on securities available for sale	**$ (745,703)**	$ 1,150
Tax effect	**260,996**	(402)
Net of tax amount	**(484,707)**	748
Net gain (loss) arising during the year on employee pension plan	**200,380**	(2,527,921)
Tax effect	**(70,133)**	884,773
Net of tax amount	**130,247**	(1,643,148)
Other comprehensive income (loss)	**$ (354,460)**	$ (1,642,400)

The following is a summary of the accumulated other comprehensive income balances, net of tax:

	Balance at December 31, 2010	**Current Period Change**	**Balance at December 31, 2011**
Unrealized gains (losses) on securities available for sale	$ 288,087	$ (484,707)	$ (196,620)
Unrealized loss on pension benefits	(3,916,530)	130,247	(3,786,283)
Total	$ (3,628,443)	$ (354,460)	$ (3,982,903)

NOTE 16 – BUSINESS COMBINATION

On January 18, 2011, the operations of Central Bank, FSB ("FSB") were merged into Central Bank & Trust Co. ("CB&T"). This transaction was a business combination under common control as both CB&T and FSB are Subsidiaries of the Company. Assets and liabilities were recorded at their carrying amounts in the financial statements. The business combination resulted in gross assets of $192 million, gross liabilities of $174 million, and $18 million in total capital transferred to CB&T's financial statements. The combination did not have an impact on the consolidated balance sheets, or the consolidated statements of income, changes in shareholders' equity and cash flows as of and for the years ended December 31, 2011 and 2010.

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Financial Advisor

Jeff Fields, CRPS®
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Vice President

Jennifer Baldwin
Assistant Vice President

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Vice President

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Assistant Vice President

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Assistant Vice President

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Commercial Lending Officer

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James McVey
Retail Banking Officer

Melissa Shimfessel
Retail Banking Officer

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Mortgage Lending Officer

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Assistant Vice President

Vicki Romero
Assistant Vice President

Jacky Watson
Assistant Vice President

Cheryl Conyers
Consumer Lending Officer

Central Bank & Trust Co.

GEORGETOWN
(502) 570-2265
100 W. Main Street
SAT 410 Connector Road

LEXINGTON
MAIN OFFICE
(859) 253-6222
300 W. Vine Street
(ATM available in lobby and drive-thru)

SAT ANDOVER
(859) 253-6127
3101 Maple Leaf Drive

EASTLAND
(859) 253-6063
649 E. New Circle Road

NICHOLASVILLE ROAD
(859) 253-6073
100 E. Reynolds Road

SAT NORTH PARK
(859) 253-6104
515 New Circle Road, NW

SAT PALOMAR CENTRE
(859) 253-6177
3700 Palomar Centre Drive

SAT RICHMOND ROAD
(859) 253-6083
2233 Richmond Road

SIR BARTON, HAMBURG
(859) 253-8760
2443 Sir Barton Way
Suite 175

SAT SOUTHLAND
(859) 253-6053
256 Southland Drive

SAT TATES CREEK CENTRE
(859) 253-6387
4090 Tates Creek Centre Drive

SAT TATES CREEK ROAD
(859) 253-6113
3270 Tates Creek Road

VERSAILLES ROAD
(859) 253-6093
2347 Versailles Road

MADISON COUNTY
SAT BEREA
(859) 986-0357
101 Brenwood Street

SAT RICHMOND
(859) 625-6500
350 W. Main Street

SAT NICHOLASVILLE
(859) 885-2282
301 N. Main Street
1471 Keene Road

NORTHERN KENTUCKY
SAT CRESTVIEW HILLS
(859) 905-5580
2850 Turkeyfoot Road

FLORENCE
(859) 647-0222
7310 Turfway Road
Suite 110

SAT FT. MITCHELL
(859) 905-5502
2075 Dixie Highway

WINCHESTER
(859) 744-3972
43 N. Maple Street
SAT 1110 Pioneer Drive

Central Bank of Jefferson County

LOUISVILLE
Hurstbourne Place
(502) 499-5600
9300 Shelbyville Road
Suite 100

SAT TAYLORSVILLE ROAD
(502) 493-2366
4630 Taylorsville Road

WATERFRONT PLAZA
(502) 456-3838
321 W. Main Street

Salt Lick Deposit Bank

SAT OWINGSVILLE
(606) 674-2801
43 Slate Avenue

SAT SALT LICK
(606) 683-2091
113 Main Street

Free-Standing ATM Locations

CENTRAL BAPTIST HOSPITAL
1740 S. Limestone, Lexington

FAYETTE DISTRICT COURT*
150 N. Limestone Street, Lexington

SAINT JOSEPH HOSPITAL
One Saint Joseph Drive, Lexington

WATTERSON TOWER
1930 Bishop Lane, Louisville

RJ CORMAN AMBULATORY CENTER*
1250 Keene Road, Nicholasville

UK COMMONWEALTH STADIUM*
4 locations

* Cash machine only

Banking Center Hours for Central Bank & Trust Co.

Lobbies are open Monday through Thursday from 9:00 a.m. to 4:00 p.m. and Friday from 9:00 a.m. to 6:00 p.m.

Our drive-thrus are open 8:00 a.m. to 6:00 p.m. Monday through Friday.

SAT Saturday hours 9:00 a.m. to 1:00 p.m., as indicated. Hours may vary by location. Please call for details or visit centralbank.com for hours and locations.

Whom to Call for More Information

Client Services
For account information or for problem resolution, call (859) 253-6359 or (800) 637-6884.

MasterCard®/Visa®
For MasterCard®/Visa® account inquiries or to report a lost or stolen MasterCard® or Visa®, call (859) 253-6359.

The Central Card
To report a lost or stolen card, call (859) 253-6359.

ATM Card
To report a lost or stolen card, call (859) 253-6359.

Central Insurance Services
(859) 253-6283

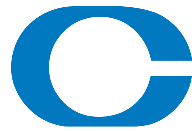
Central Investment Center
(859) 253-6435

Wealth Management
(859) 253-6246

Consumer Lending
(859) 253-6302

Web Site
centralbank.com

Note: Products may vary by location and are subject to change without notice.



www.centralbank.com
(859) 253-6222
(800) 637-6884

Member FDIC

Central Bank & Trust Co., Central Bank of Jefferson County and Salt Lick Deposit Bank are subsidiaries of Central Bancshares, Inc.