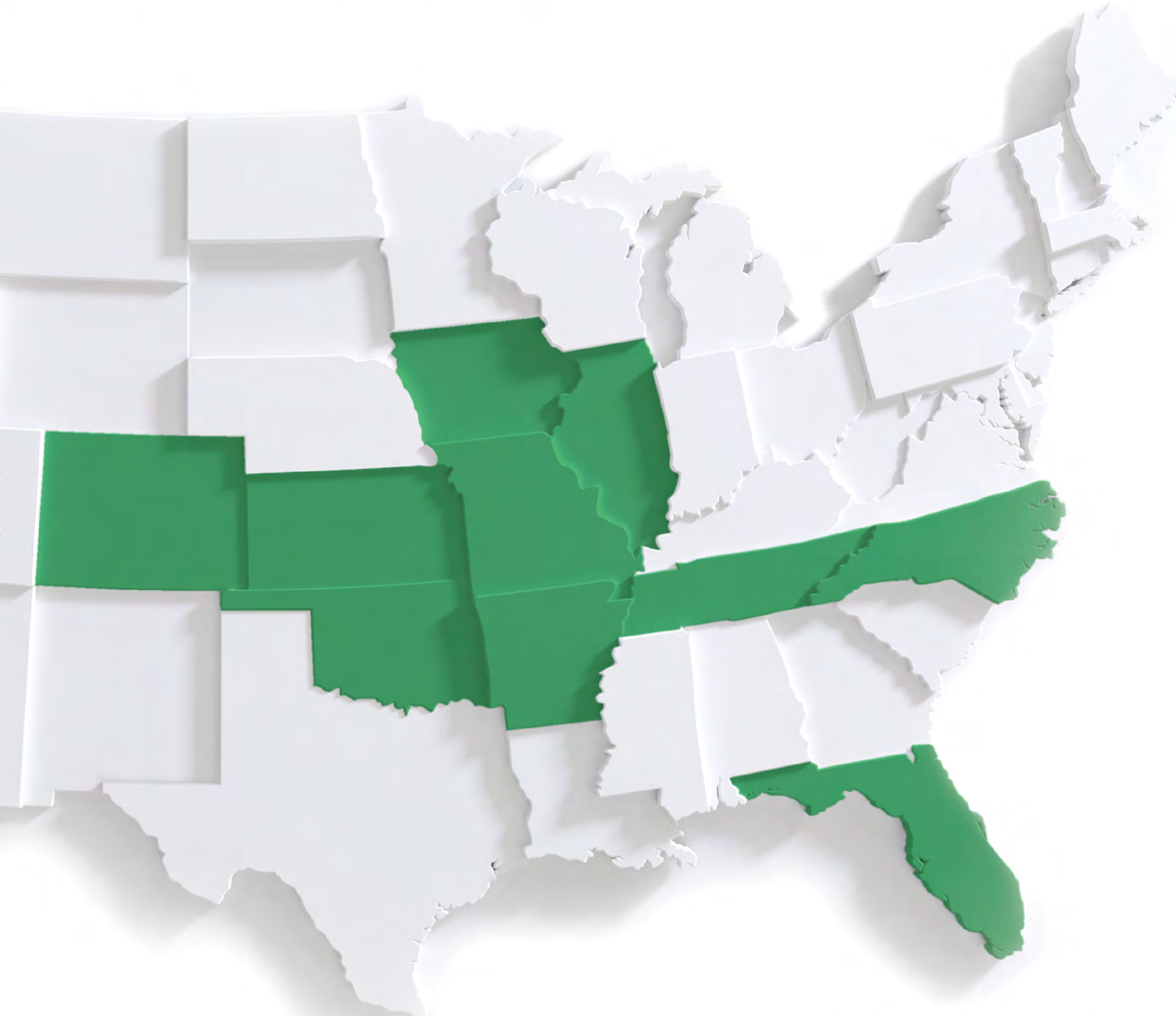
CENTRAL BANCOMPANY



2022
ANNUAL REPORT

2022
ANNUAL REPORT

Forward-Looking Statements

This annual report contains future-looking information and projections that are not statements of historical fact and that constitute “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements include, but are not limited to, statements with regarding the Company’s business plans and investment strategies, expectations with respect to investments in employees, branches and technologies, as well as net income growth; the Company’s profitability, the economic and interest rate environment; and the Company’s expenses. *Words or phrases such as "anticipate," "believe," "aim," "can," "conclude," "continue," "could," "estimate," "expect," "foresee," "goal," "intend," "may," "might," "outlook," "possible," "plan," "predict," "project," "potential," "seek," "should," "target," "will," "will likely," "would," or the negative of these terms or other comparable terminology, as well as similar expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.*

Forward-looking statements express management’s beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and subject to significant business, economic and competitive risks, uncertainties and contingencies, many of which are outside of management’s control. As a result, actual results and outcomes may differ, possibly materially, from the results or outcomes indicated in these forward-looking statements. Factors that may cause actual results or outcomes to differ from those included in our forward-looking statements include, but are not limited to: disruptions in our business operations due to COVID-19; the magnitude, duration and severity of the COVID-19 pandemic or any other global disruption that may occur; changes in consumer demand for financial services; our ability to retain key management and employees; and general competitive, economic, political and market conditions and fluctuations.

The forward-looking statements contained in this annual report are made as of March 28, 2023, and are based on information available to management on such date. We do not undertake any obligation to update, supplement or correct any of these forward-looking statements.

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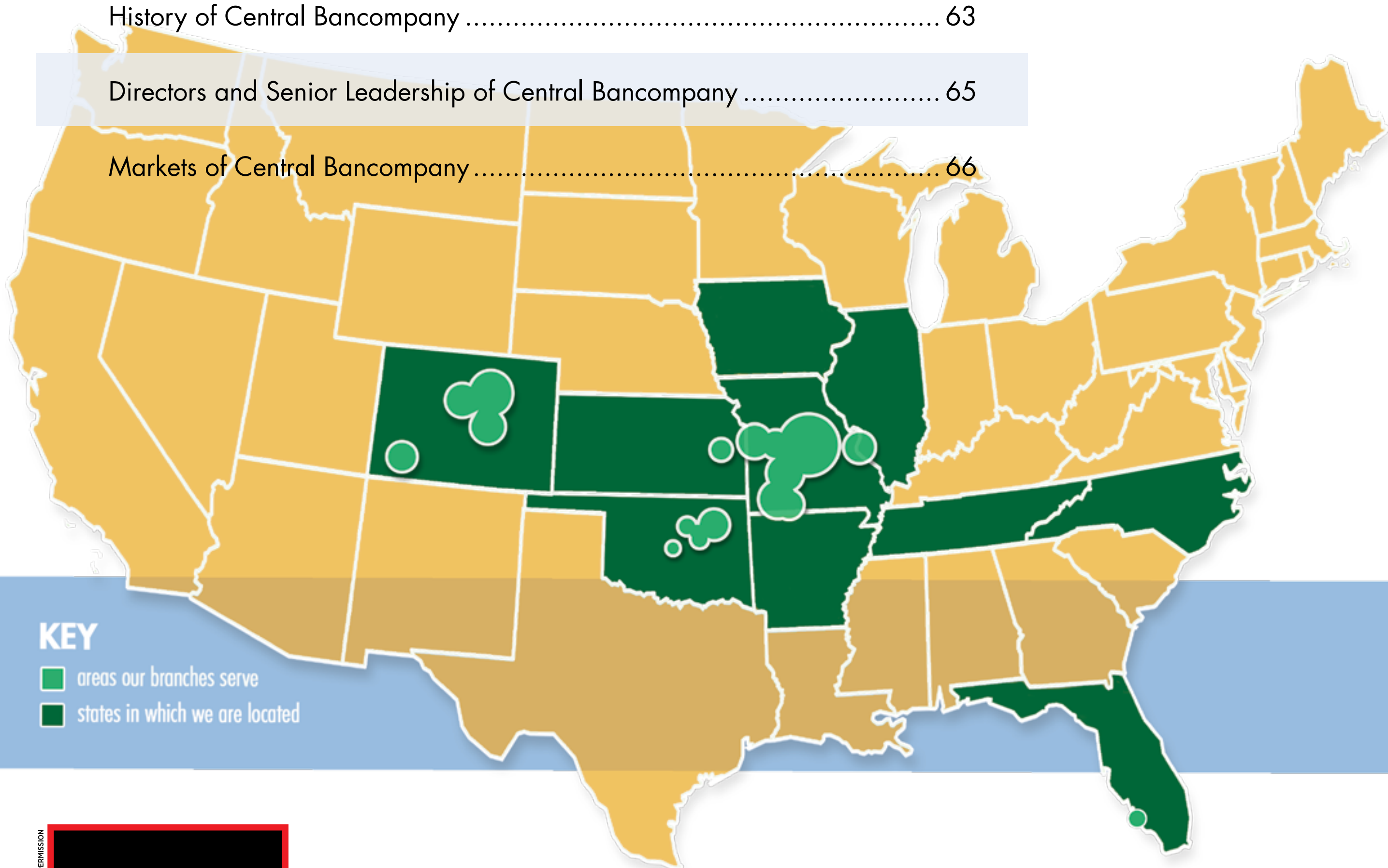
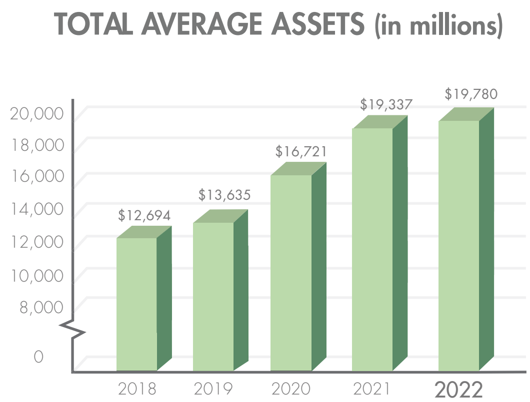
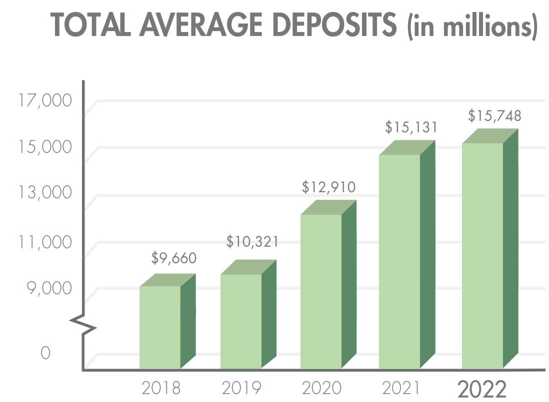


Forbes 2022
AMERICA'S
BEST BANKS

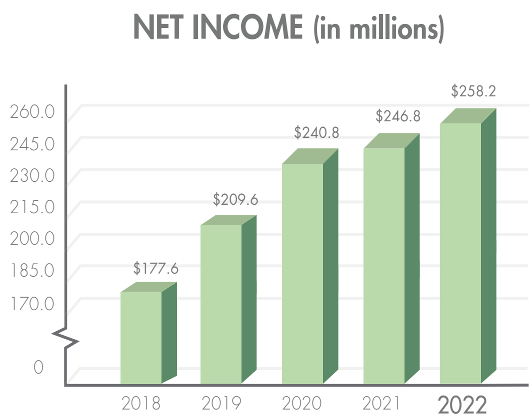
Financial Highlights

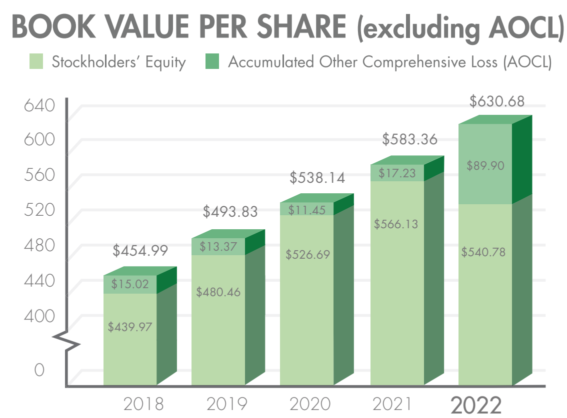
GROWTH

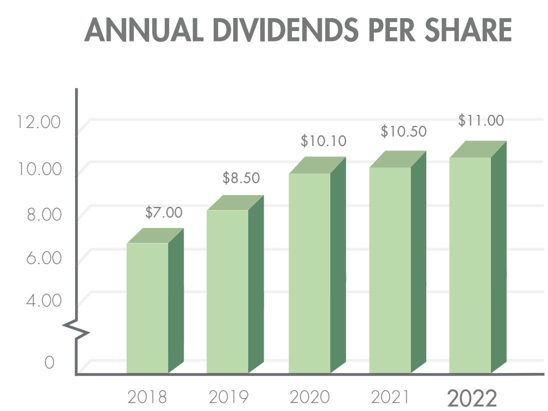




PERFORMANCE







Year in Review

For the Year	2022	2021
Interest Income	$608,705,000	516,942,000
Interest Expense	52,930,000	21,087,000
Net Interest Income	555,775,000	495,855,000
Provision for Loan Losses	13,715,000	6,146,000
Noninterest Income	231,249,000	275,456,000
Noninterest Expense	439,822,000	444,794,000
Income Taxes	75,267,000	73,541,000
Net Income	258,220,000	246,830,000
Average Daily Assets	19,779,723,000	19,337,287,000
Average Daily Deposits	15,748,838,000	15,131,484,000
Average Daily Loans	10,811,266,000	10,374,803,000
At Year-end		
Total Assets	$19,445,397,000	20,273,174,000
Investment Securities	6,529,440,000	5,814,567,000
Loans	11,257,491,000	10,378,614,000
Deposits	15,561,196,000	16,128,904,000
Accumulated Other Comprehensive Loss (AOCL)	-396,913,000	-76,260,000
Stockholders' Equity, Excluding AOCL	2,784,505,000	2,581,921,000
Number of Outstanding Shares	4,415,059	4,425,950
Per Share		
Net Income	$58.49	55.77
Dividends	11.00	10.50
Stockholders' Equity, Excluding AOCL	630.68	583.36

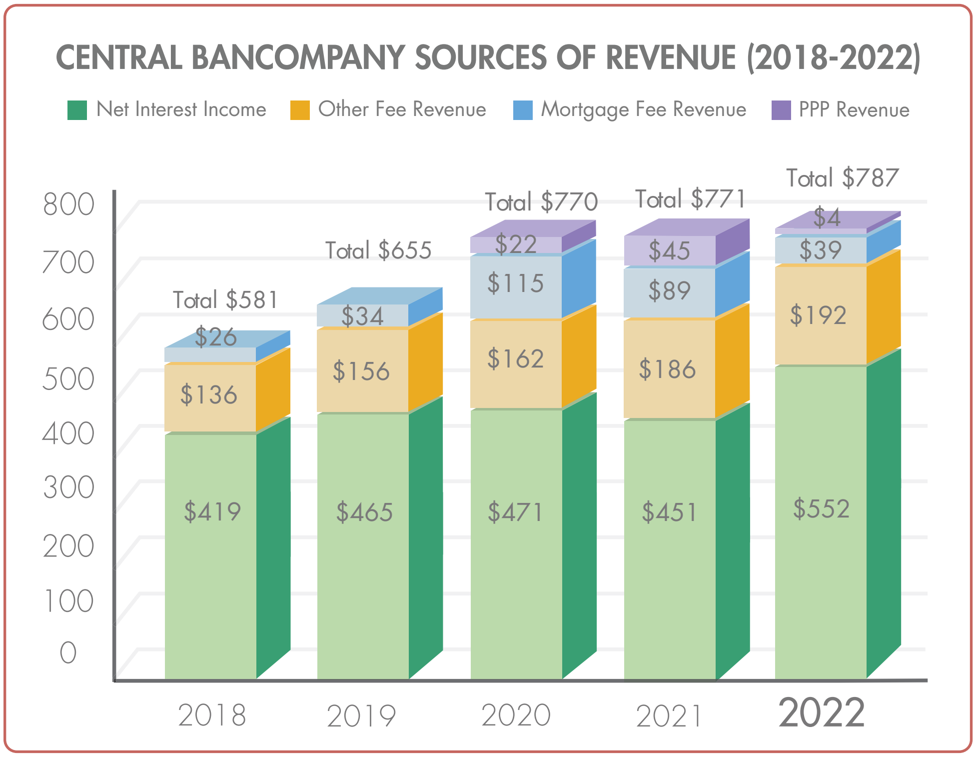
Dear Fellow Shareholders,

As I write this letter, major bank closures are once again in the news. Inflation continues to dominate the economic headlines and the Federal Reserve searches for ways to slow the economy without throwing us into a deep recession. While we believe economic uncertainty will remain high for some time, we continue to have faith our country will bounce back and your bank will thrive throughout.

The year 2022 presented its own set of challenges, in addition to those I've already highlighted. We faced quantitative tightening by the Federal Reserve and aggressive competition for our share of shrinking system deposits. Mortgage loan volume continued to decrease from its high point in 2020. Government programs we administered that produced significant revenue for the Company in 2020 and 2021 have ended.

S. Bryan Cook,
Chairman & Chief Executive Officer

The tightest labor market in a generation sparked a war for talent in our industry, forcing us to do more with less for most of the year. I am personally humbled by our employees, who remained steadfast in their commitment to our customers and communities throughout this challenging year.



Despite these challenges, our unwavering commitment to our robust community banking model has continued to serve us well. For the 38th consecutive year, your Company has increased its operating profit. And for the 14th consecutive year, Central Bancompany has been named one of *Forbes Magazine's* "Best Banks in America" – every year since the list began.

Allow me to share a few financial highlights to illustrate.

- Our net income increased to $258.2 million, 5% growth over 2021.
- Our earnings per share increased to $58.49, a cumulative growth of 23% over the last three years and our dividend per share increased to $11.00 per share, a cumulative growth of 29% over the last three years.
- Our capital ratios continue to be robust with a total risk-based capital ratio of 20.4%, well above peers and regulatory requirements.
- Revenue increased to $787 million, 2% growth over 2021. Adjusted for the Payroll Protection Program (PPP) and mortgage income, revenue was up 17% year-over-year.

A detailed discussion of the financial results can be found in the Financial Review and the Independent Auditors' Report.

While some companies may likely retrench in these uncertain times, we are fortunate that our financial strength will allow us to continue to selectively invest for the long term. As you know, we have a plan to accelerate our growth. We call it "The Road Ahead." We made progress on that multi-year growth plan in 2022, including expansion into Naples, Fla., Northwest Arkansas, and Oklahoma City. These efforts and more planned in 2023 will contribute to our future success.

As we move forward, I want to take a moment to review our commitment to our stakeholders.

To our customers, we are pleased to share our Customer Satisfaction Score remains close to double the industry average, despite challenges with staffing. This is the direct result of our commitment to Legendary Service. Additionally, we continued to improve our customer-facing technology. We benchmark our success in this area a few different ways. One that I am most proud to report is our mobile app store ratings of 4.8+ stars with 50,000+ reviews. That puts us squarely at the top of financial industry apps.

To our communities, our local leadership teams enable us to actively participate in the growth of each of our markets. Collectively, our employees have devoted more than 20,000 volunteer hours to support non-profit organizations in 2022, and many take leadership roles in the organizations they serve. I highly encourage you to read the article titled "Meaningful Partnerships," *see page 9,* which presents two exemplary instances of our forward-thinking approach to giving back to our communities.

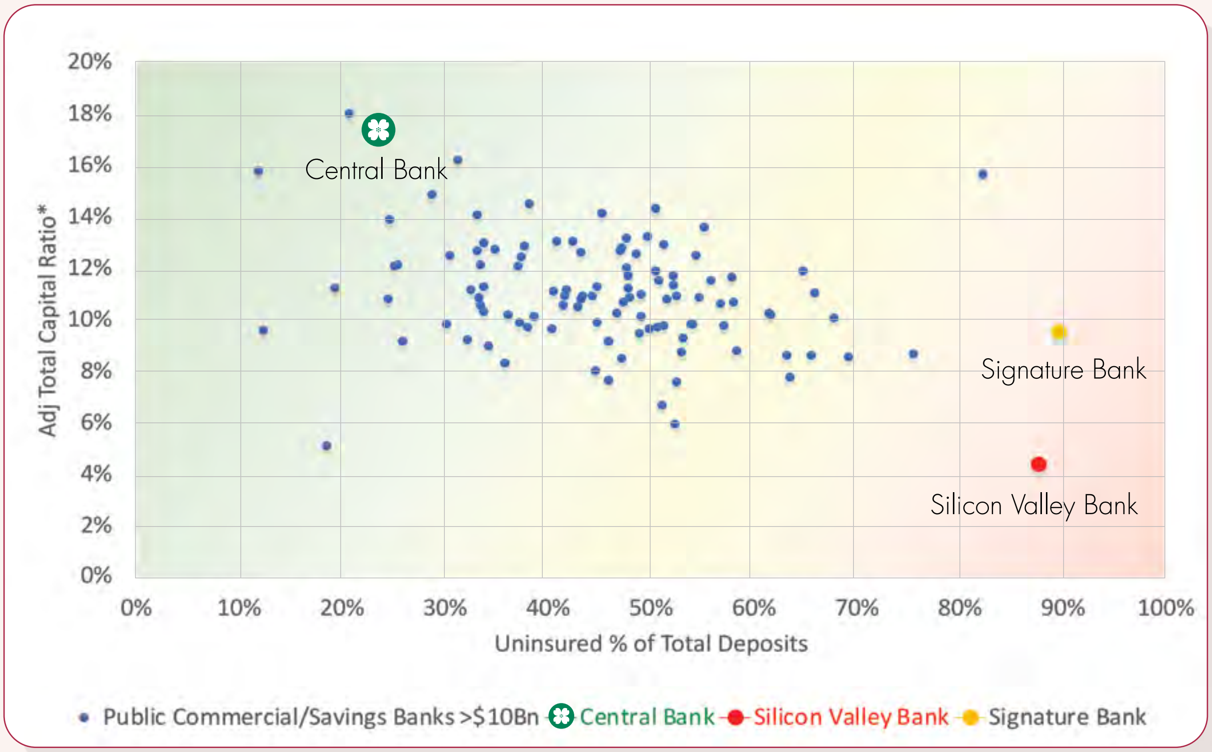
To our colleagues, despite increased workloads for most of 2022, I am pleased to announce employee satisfaction surveys continue to indicate very high levels of employee morale, with improvement in areas of focus, including performance management. High employee morale, and providing a source of stability in these uncertain times has allowed us to retain and attract top talent in the industry.

In 2022, we promoted a new Chief Investment Officer for the Wealth Division from within, hired a new Retail Corporate Sales Manager, and Senior Vice President of Technical Services. With these additions and others, our staffing levels rose to near full employment by year-end.

Outlook for 2023

The only thing certain about the 2023 economic outlook, is the lack of it. The Federal Reserve's policies are beginning to have their intended effect in slowing the economy, and that slowing may likely accelerate in the wake of two recent bank failures. While this may have the effect of reducing inflation, it may also cause difficulty for some of our customers. These forces join pre-existing and expanding regulatory headwinds. Despite this confluence of factors, I remain confident we will continue to be a source of strength for our customers and communities as we have for the last 120 years.

As highlighted in my letter last year, the Federal Reserve's Quantitative Tightening policy to reduce the size of its balance sheet is having the anticipated effect of draining deposits from the banking system. In 2022, banking system deposits fell by 1% and it's reasonable to assume that will accelerate in 2023, absent any change in policy. While we anticipated and prepared for that eventuality, not all banking participants did. In the aftermath of two first quarter 2023 bank failures, the credit rating agencies have focused on two primary risk indicators in the banking system: the level of capital, adjusted for unrealized losses on investment securities, and the extent of uninsured deposits. While these two metrics do not capture the full picture, they do provide a useful lens. In relation



* Adjusted for unrealized losses on AFS and HTM securities

to the chart *on page 7*, which captures these two data points for banks with greater than $10 billion of assets. I would offer two primary observations. First, those two failed institutions were indeed unique, and the rest of the banking system appears to be on solid footing. Second, your Company is one of the strongest banks in the country. This is one of the sources of strength to which I referred, and believe will better improve our position for the future.

> *"We invest with our eye on history and let history help us see the future."*

Our Road Ahead continues to be a driving force for our business lines and our market leaders. In 2023, we are looking to strengthen some of our legacy markets with additional branches and continue new market exploration. Similarly, each of our business lines has significant projects coming to fruition to enhance our customer offerings. The full launch of a small dollar investing platform for our retail customers, a partnership with the St. Louis Cardinals to offer the official Cardinals Credit Card, and the expansion of our real-time payments network, are just some examples of new offerings for the first half of 2023. Look for more exciting announcements as we continue this Road Ahead.

We will remain as dedicated to technology and innovation as we have been to providing Legendary Service to our customers and communities. We will continue to make meaningful technology investments in 2023, both in terms of financial resources and personnel. We are proud to announce our commercial customers will soon benefit from a significant upgrade to our online cash management system, set to launch in the second quarter. Additionally, we are improving our money management tools for our retail customers, providing multiple enhancements to their mobile experience. Moreover, we have tasked our innovation team to streamline our customers' home buying experience and are proud to release a mortgage mobile app that will serve customers from prequalification to closing. These examples only scratch the surface of our commitment to enhancing customers' financial lives through innovation.

We firmly believe the Company's in-house approach to innovation keeps us competitive. However, with the speed of change in financial technology, we must constantly evaluate our ability to deliver. The company is nearing completion of a multi-year review of our technology infrastructure. Our goal is to determine if our current platform is the correct solution to serve a more aggressive growth strategy and whether or not it can continue to evolve and accommodate advances in financial technology. I am encouraged by the preliminary findings and look forward to sharing our results in 2023. Our decisions here will position us for growth and set us up for long-term sustainability.

As we move forward, we remain committed to our mission of providing exceptional service to our customers and delivering long-term value to our shareholders. We are excited about the opportunities ahead in 2023 and are confident that, with your continued support, we will continue to grow and deliver shareholder value.

Banking is first and foremost about trust. Our customers trust us with the most important parts of their financial lives — whether it's helping families buy homes or helping grow small businesses. By the same token, we know we could not be as successful without the trust of our shareholders. Our company has endured the Great Depression, the Great Recession, and the sometimes-wild swings of the economy over the last 120 years. We did this by following one simple rule: never stray from sound economic principles. This was instilled in me, my father, and generations before him. We do not chase the latest fad. We invest with our eye on history and let history help us see the future.

Thank you,

S. Bryan Cook, *Chairman & Chief Executive Officer*

Sarah Moreau,
ProsperU Program Director

Establishing Meaningful Partnerships

Central Bancompany is committed to helping the communities we serve through many innovative initiatives. Two such unique examples in 2022 include the expansion of ProsperU and initiation of The A.C.E. Project. ProsperU is a financial literacy program that empowers individuals with the knowledge and tools to make informed financial decisions. Additionally, The A.C.E. Project is a unique program that rewards high school students for improved academic performance, promoting a culture of excellence in education. Both programs are representative of the bank's significant investments in the economic and social development of the communities we serve.

ProsperU

ProsperU, piloted in 2019, is an extraordinary community outreach program focused on financial education for low-to-moderate income households and small businesses. In 2022 alone, the Boone County Market had more than 3,500 people attend classes and/or participate in one-on-one financial counseling, ultimately improving financial lives of those in our communities. Boone County Program Director, Sarah Moreau, conducted 166 presentations and classes in addition to 205 one-on-one counseling sessions, all while helping expand the program to two more Central Bancompany markets. ProsperU invites people from all walks of life to learn and thrive, and we are excited to expand this program in the coming years.

The A.C.E. Project

The A.C.E. Project is an innovative partnership supported by Central Bank and Jefferson Bank designed to incentivize and improve academic achievement for Jefferson City School District high school students. This program came to fruition collaboratively, with the leadership of the bank and the leadership of the school district. Together, this commitment compliments and builds on the significant efforts of the district, its administrators, teachers, and parents. The program was inspired by the personal story of a Central Bank executive and our long-held belief that the fortunes of our company rise and fall with the successes of individuals in our communities. Core components include monetary rewards up to $500 per semester per student when attendance and behavior criteria are met and an improvement in GPA is measured over the previous semester. In our first semester, The A.C.E. Project paid more than $100,350 to 519 students in Jefferson City, a wonderful accomplishment.

Financial Review

Results of Operations

Central Bancompany, Inc., recorded net income of $258,220,000 in 2022, an $11,390,000 increase compared to 2021 net income of $246,830,000. Two key bank performance measures are the return on assets and the return on equity. The Company's return on average assets was 1.31% in 2022 compared to 1.28% in 2021. The return on equity was 10.31% in 2022 and 10.59% in 2021.

Average daily assets for the Company were $19.780 billion in 2022 compared to $19.337 billion in 2021. Consolidated assets of the Company on December 31, 2022 were $19.445 billion. Deposits decreased by 3.5% to $15.561 billion on December 31, 2022 and loans increased by 8.5% to $11.257 billion. Included in the year-end 2021 loans were $92.807 million made under the Paycheck Protection Program (PPP) of the 2020 Cares Act. At year-end 2022, only $1.033 million in PPP loans remained. Excluding the runoff in PPP loans, loans increased by 9.4% in 2022.

Stockholders' equity, excluding the impact of Accumulated Other Comprehensive Loss (AOCL), increased by 7.8% to $2,784,505,000 on December 31, 2022. Stockholder's equity, excluding the impacts of accumulated other comprehensive loss is a non-GAAP measure. This measure is not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. Book value per share, excluding AOCL, was $630.68 on December 31, 2022 compared to $583.36 on December 31, 2021. The Company's 2022 leverage ratio was 12.58% compared to 11.46% in 2021. Net Income per share was $58.49 in 2022 compared to $55.77 per share in 2021, an 4.9% increase; total dividends paid by the Company in 2022 were $48,616,000 or $11.00 per share compared to $46,472,000 in 2021 or $10.50 per share, an 4.8% increase.

Total revenue in 2022 amounted to $787 million, a $15.7 million, or 2% increase from 2021. Noninterest expense in 2022 was $439.8 million, a $5 million, or 1.1% decrease compared to 2021. The provision for credit losses in 2022 amounted to $13.7 million, an increase of $7.6 million. The following is a breakdown of the different components of each category and a discussion of the changes.

Net Interest Income

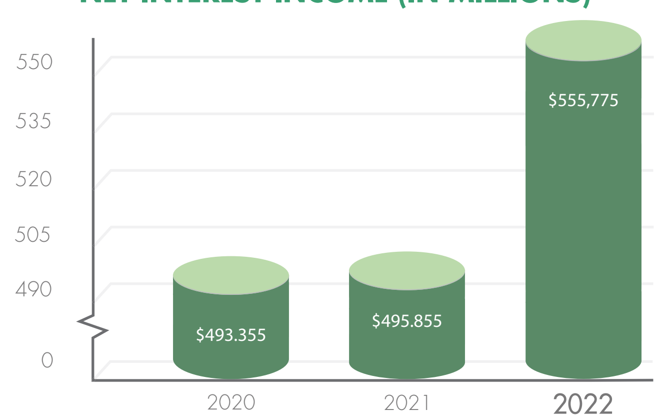
Net interest income comprises the major source of earnings for the Company. Net interest income is the difference between interest and fees earned by the Company from loans, securities, and other interest-bearing investments less interest paid on deposits and other interest-bearing liabilities.

In measuring net interest income, it is necessary to evaluate all elements on a fully taxable equivalent basis (FTE). FTE adjusts for the tax-exempt status of interest earned on state and municipal investments of the Company and the nondeductible interest expense associated with funding certain tax-free investments.

Net interest income is affected by two factors: the volume of earning assets utilized by the Company, and the net interest rate spread.

In 2022, net interest income was $555.8 million, up $59.9 million or 12.1% from 2021. The volume of average earning assets was $18.866 billion in 2022, a 2.1% increase compared to 2021. Average loans increased by 4.2% to $10.811 billion while average deposits increased by 4.1% to $15.749 billion. The Company's level of investment securities and short-term investments averaged $8.055 billion in 2022, a 0.6% decrease.

NET INTEREST INCOME (IN MILLIONS)



The Company's net interest margin increased from 2.68% in 2021 to 2.94% in 2022.

The loan portfolio yielded 4.59% in 2022 and 4.58% in 2021, while the yield on the investment portfolio was 1.47% in 2022 and 0.75% in 2021. The Company's cost to fund the earning assets was 0.24% in 2022 and 0.13% in 2021.

Allowance for Loan Loss

The Company accounts for losses experienced in its loan portfolio on a reserve basis. The reserve is funded with provisions that are charged to expense, thereby lowering operating earnings. Loan losses represent charges to the reserve at such time that a loan is determined to be uncollectible. The reserve is maintained at a level to cover probable losses in the loan portfolio.

The Company's provision for loan losses was $13.7 million in 2022 compared to $6.1 million in 2021. Net loan charge-offs were $8.5 million in 2022 and $4.2 million in 2021. Net loan charge-offs as a percentage of average loans were 0.08% in 2022 and 0.04% in 2021. The reserve for possible loan losses was $157.6 million on December 31, 2022 or 1.40% of outstanding loans; this compares to a reserve of $152.4 million on December 31, 2021 or 1.47% of loans.

Noninterest Income

Noninterest income is comprised of fees and commissions that are received from the products and services we provide to our customers. For 2022, total noninterest income was $231.2 million compared to $275.5 million in 2021, a 16% decrease. Mortgage banking revenue was $38.9 million in 2022 compared to $88.9 million in 2021, a 56.2% decrease. The 2021 mortgage banking revenues were driven by low interest rates producing high demand. The rapid rise in interest rates in 2022 significantly reduced demand for mortgage lending, leading to a decline in service revenue. Excluding the mortgage banking revenue, noninterest income in 2022 increased by 3.1% over 2021. The following is a comparison by major categories of 2022 noninterest income with 2021.

(In millions)	2022	2021	$ Change	% Change
Service Charges and Commissions	$ 57.4	$ 51.1	$ 6.3	12.33%
Bankcard and Merchant Fees	66.6	65.8	0.8	1.22%
Fees for Fiduciary Services	38.2	38.6	-0.4	-1.04%
Mortgage Banking Revenues	38.9	88.9	-50.0	-56.24%
Brokerage Fees	20.1	20.7	-0.6	-2.90%
Investment Securities Gains (losses)	-0.5	1.5	-2.0	-133.33%
Other	10.5	8.9	1.6	17.98%
Total Noninterest Income	$231.2	$275.5	$-44.3	-16.08%

Noninterest Expense

Noninterest expense for 2022 was $439.8 million compared to $444.8 million in 2021, a decrease of $5 million, or 1.1%. Salaries, wages, employee benefits, and payroll taxes comprise about 57.8% of our total noninterest expenses. Total salary and benefits were $254.4 million in 2022 and $267.1 million in 2021, a decrease of 4.8%. Changes in noninterest expense by major category between 2022 and 2021 follows:

(In millions)	2022	2021	$ Change	% Change
Salaries and Wages	$ 211.4	$ 218.8	$ -7.4	-3.4%
Employee Benefits and Payroll Taxes	43.0	48.3	-5.3	-11.0%
Occupancy Expenses	28.2	26.6	1.6	6.0%
Equipment Costs	15.4	14.4	1.0	6.9%
Marketing and Business Development	17.2	12.9	4.3	33.3%
Computer Software and Maintenance	17.5	16.7	0.8	4.8%
Bankcard Processing and Other Costs	36.8	38.9	-2.1	-5.4%
Management and Consulting	12.0	8.6	3.4	39.5%
FDIC Insurance	2.7	3.0	-0.3	-10.0%
OMSR Amortization	8.0	12.2	-4.2	-34.4%
Information Services	5.3	5.1	0.2	3.9%
Correspondent Bank Charges	3.7	3.8	-0.1	-2.6%
Loan Collection and Other Real Estate Costs	2.6	1.5	1.1	73.3%
Travel, Meetings, and Entertainment	4.2	3.0	1.2	40.0%
Printing, Telecommunications, Postage	8.8	8.1	0.7	8.6%
Legal Fees	3.4	1.0	2.4	240.0%
Intangible Asset Amortization	3.5	4.0	-0.5	-12.5%
Other	16.1	17.9	-1.8	-10.1%
Total Noninterest Expense	$439.8	$444.8	$-5.0	-1.1%

The Company's consolidated efficiency ratio for 2022 was 55.9% compared to 57.5% for 2021.

Income Taxes

For 2022, the Company recorded an expense for income taxes of $75.3 million, compared to $73.5 million in 2021. The 2022 expense is comprised of $62.8 million in Federal income tax, $8.8 million in State income tax, and $3.7 million in amortization of tax credit costs.

The Company's effective tax rate (Federal and State) amounted to 22.6% in 2022 and 23.0% in 2021.

5 YEAR Consolidated Average Balance Sheet

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Assets	2022	2021	2020	2019	2018
Cash & Due From Banks	$201,020,000	198,742,000	190,398,000	168,642,000	167,414,000
Investment Securities	6,509,442,000	5,383,453,000	4,567,481,000	3,363,369,000	2,949,581,000
Money Market Obligations	1,545,224,000	2,723,056,000	1,246,672,000	868,795,000	813,716,000
Loans Less Unearned Income	10,811,266,000	10,374,803,000	10,067,989,000	8,670,796,000	8,263,526,000
Allowance for Loan Loss	-155,317,000	-154,159,000	-140,457,000	-132,228,000	-129,565,000
Net Loans	10,655,949,000	10,220,644,000	9,927,532,000	8,538,568,000	8,133,961,000
Other Assets	868,088,000	811,392,000	789,383,000	695,973,000	629,118,000
Total Assets	$19,779,723,000	19,337,287,000	16,721,466,000	13,635,347,000	12,693,790,000

Liabilities and Stockholders' Equity

	2022	2021	2020	2019	2018
Noninterest Bearing Demand Deposits	$6,073,019,000	5,779,320,000	4,607,624,000	3,368,629,000	3,132,724,000
Savings, NOW, & Money Market Deposits	8,516,596,000	7,998,218,000	6,732,864,000	5,438,204,000	5,109,279,000
Time Deposits	1,159,223,000	1,353,946,000	1,569,535,000	1,514,351,000	1,418,183,000
Total Deposits	15,748,838,000	15,131,484,000	12,910,023,000	10,321,184,000	9,660,186,000
Federal Funds Purchased & Repurchase Agreements	1,425,900,000	1,513,773,000	1,301,060,000	1,016,169,000	976,546,000
Borrowed Funds	0	3,750,000	5,000,000	2,296,000	14,000
Other Liabilities	213,774,000	247,629,000	251,335,000	217,341,000	196,097,000
Total Liabilities	17,388,512,000	16,896,636,000	14,467,418,000	11,556,990,000	10,832,843,000
Accumulated Other Comprehensive Loss (AOCL)	-305,004,000	-62,712,000	-42,832,000	-54,339,000	-90,960,000
Stockholders' Equity, Excluding AOCL	2,696,215,000	2,503,363,000	2,296,880,000	2,132,696,000	1,951,907,000
Total Liabilities & Stockholders' Equity	$19,779,723,000	19,337,287,000	16,721,466,000	13,635,347,000	12,693,790,000

5 YEAR Consolidated Summary of Operations

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

	2022	2021	2020	2019	2018
Interest Income	$ 608,705,000	516,942,000	534,087,000	538,614,000	470,009,000
Interest Expense	52,930,000	21,087,000	40,732,000	73,595,000	51,479,000
Net Interest Income	555,775,000	495,855,000	493,355,000	465,019,000	418,530,000
Provision for Loan Losses	13,715,000	6,146,000	27,153,000	14,025,000	15,880,000
Noninterest Income	231,249,000	275,456,000	276,601,000	190,262,000	162,487,000
Noninterest Expense	439,822,000	444,794,000	432,012,000	368,928,000	339,013,000
Income Before Taxes	333,487,000	320,371,000	310,791,000	272,328,000	226,124,000
Income Taxes	75,267,000	73,541,000	70,015,000	62,685,000	48,548,000
Net Income	$ 258,220,000	246,830,000	240,776,000	209,643,000	177,576,000

Financial Data of Market Banks

As of December 31, 2022

Market	Total Assets	Loans	Deposits
Greater Kansas City	$ 3,659,800,000	2,239,130,000	3,312,832,000
Jefferson City - Central	3,211,447,000	1,434,332,000	2,362,398,000
Boone County	3,003,817,000	1,652,217,000	2,453,500,000
Greater St. Louis	2,285,291,000	1,948,747,000	1,823,290,000
Springfield	1,844,374,000	1,330,644,000	1,657,585,000
Lake of the Ozarks	1,078,421,000	505,132,000	994,811,000
Jefferson City - Jefferson	759,694,000	544,227,000	668,939,000
Oklahoma	749,856,000	722,889,000	455,701,000
Branson	562,549,000	262,690,000	499,704,000
Sedalia	515,495,000	283,967,000	463,162,000
Warrensburg	365,059,000	166,045,000	347,043,000
Audrain County	277,497,000	80,745,000	264,389,000
Moberly	254,554,000	74,624,000	238,608,000

KPMG LLP
Suite 1100
1000 Walnut Street
Kansas City, MO 64106-2162

Independent Auditors' Report

The Board of Directors
Central Bancompany, Inc.:

Opinion

We have audited the consolidated financial statements of Central Bancompany, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

We also have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in the *Internal Control – Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 28, 2023 expressed an unmodified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Kansas City, Missouri
March 28, 2023

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

		2022	2021
Assets			
Cash and due from banks	$	249,734,000	150,484,000
Short-term interest-bearing deposits		638,592,000	3,263,699,000
Interest-bearing deposits		1,438,000	1,936,000
Federal funds sold and securities purchased under agreements to resell		6,678,000	1,578,000
Investment securities (note 2):			
Available for sale (AFS)		6,472,587,000	5,720,767,000
Held to maturity (fair value of $4,724,000 and $9,887,000, in 2022 and 2021, respectively)		4,727,000	9,779,000
Equity		52,126,000	84,021,000
Total investment securities		6,529,440,000	5,814,567,000
Loans (note 3)		11,223,613,000	10,301,371,000
Less allowance for loan losses (note 4)		(157,630,000)	(152,387,000)
Net loans		11,065,983,000	10,148,984,000
Loans held for sale		33,878,000	77,243,000
Land, buildings, and equipment, net (notes 6 and 13)		209,920,000	214,547,000
Deferred tax assets, net (note 8)		101,015,000	7,550,000
Foreclosed assets held for sale		5,000,000	6,644,000
Goodwill (note 7)		348,237,000	348,237,000
Core deposit and other intangibles (note 7)		13,562,000	17,092,000
Mortgage servicing rights (note 5)		37,788,000	37,367,000
Bank owned life insurance		24,230,000	23,653,000
Other assets		179,902,000	159,593,000
Total assets	$	19,445,397,000	20,273,174,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

		2022	2021
Liabilities and Stockholders' Equity			
Deposits:			
Noninterest-bearing demand	$	5,918,812,000	6,267,617,000
Savings and interest-bearing demand		8,505,154,000	8,597,716,000
Time (note 9)		1,137,230,000	1,263,571,000
Total deposits		15,561,196,000	16,128,904,000
Federal funds purchased and securities sold under agreements to repurchase (note 10)		1,316,947,000	1,421,371,000
Other liabilities (note 13)		179,662,000	217,238,000
Total liabilities		17,057,805,000	17,767,513,000
Stockholders' equity:			
Class A voting common stock, $1 par value. Authorized, 3,993,779 shares; issued, 1,993,779 shares		1,994,000	1,994,000
Class B nonvoting common stock, $1 par value. Authorized, 7,962,278 shares; issued, 3,962,278 shares		3,962,000	3,962,000
Capital surplus		5,934,000	5,460,000
Retained earnings		2,859,483,000	2,649,879,000
Accumulated other comprehensive loss (note 16)		(396,913,000)	(76,260,000)
		2,474,460,000	2,585,035,000
Less treasury stock of 447,682 shares of Class A voting common stock in 2022 and 2021, respectively; 1,093,316 and 1,082,425 shares of Class B nonvoting common stock in 2022 and 2021, respectively		(86,868,000)	(79,374,000)
Total stockholders' equity		2,387,592,000	2,505,661,000
Total liabilities and stockholders' equity	$	19,445,397,000	20,273,174,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statements of Income

December 31, 2022 and 2021

		2022	2021
Interest income:			
Loans	$	496,198,000	473,661,000
Investment securities		95,984,000	39,534,000
Federal funds sold and securities purchased under agreements to resell		16,523,000	3,747,000
Total interest income		608,705,000	516,942,000
Interest expense:			
Deposits		37,970,000	18,728,000
Federal funds purchased, securities sold under agreements to repurchase, and borrowed funds		14,960,000	2,359,000
Total interest expense		52,930,000	21,087,000
Net interest income		555,775,000	495,855,000
Provision for loan losses (note 4)		13,715,000	6,146,000
Net interest income after provision for loan losses		542,060,000	489,709,000
Other income:			
Service charges and commissions		57,384,000	51,114,000
Bankcard and merchant services		66,603,000	65,828,000
Brokerage services		20,048,000	20,660,000
Fees for fiduciary services		38,232,000	38,607,000
Mortgage banking revenues, net (note 5)		38,934,000	88,925,000
Other income		10,535,000	8,869,000
Investment securities (losses) gains, net		(487,000)	1,453,000
Total other income		231,249,000	275,456,000
Other expenses:			
Salaries and employee benefits (note 11)		254,401,000	267,118,000
Net occupancy (notes 6 and 13)		28,222,000	26,633,000
Equipment (notes 6 and 13)		15,441,000	14,396,000
Computer software and maintenance		17,543,000	16,746,000
Marketing and business development		17,167,000	12,886,000
FDIC insurance		2,774,000	3,044,000
Management and consulting fees		12,035,000	8,651,000
Bankcard		36,789,000	38,916,000
Other expenses		55,450,000	56,404,000
Total other expenses		439,822,000	444,794,000
Income before income taxes		333,487,000	320,371,000
Income taxes (note 8)		75,267,000	73,541,000
Net income	$	258,220,000	246,830,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

December 31, 2022 and 2021

		2022	2021
Net income	$	258,220,000	246,830,000
Change in unrealized loss on AFS securities, net of income taxes		(356,389,000)	(44,895,000)
Change in pension gain, net of income taxes		35,736,000	19,288,000
Other comprehensive loss		(320,653,000)	(25,607,000)
Total comprehensive (loss) income	$	(62,433,000)	221,223,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statement of Stockholders' Equity

December 31, 2022 and 2021

		2022	2021
Common Stock:			
Balance at beginning and end of year, Class A, voting	$	1,994,000	1,994,000
Balance at beginning and end of year, Class B, nonvoting		3,962,000	3,962,000
Capital Surplus:			
Balance at beginning of year		5,460,000	5,250,000
Net change in capital surplus		474,000	210,000
Balance at end of year		5,934,000	5,460,000
Retained Earnings:			
Balance at beginning of year		2,649,879,000	2,449,521,000
Net income		258,220,000	246,830,000
Cash dividends ($11.00 per common share in 2022 and $10.50 per common share in 2021)		(48,616,000)	(46,472,000)
Balance at end of year		2,859,483,000	2,649,879,000
Accumulated other comprehensive loss:			
Balance at beginning of year		(76,260,000)	(50,653,000)
Other comprehensive (loss)		(320,653,000)	(25,607,000)
Balance at end of year		(396,913,000)	(76,260,000)
Treasury Stock:			
Balance at beginning of year		(79,374,000)	(79,419,000)
Net change in treasury stock		(7,494,000)	45,000
Balance at end of year		(86,868,000)	(79,374,000)
Total Stockholders' Equity	$	2,387,592,000	2,505,661,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

December 31, 2022 and 2021

		2022	2021
Cash flows from operating activities:			
Net income	$	258,220,000	246,830,000
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		28,061,000	33,276,000
Accretion of discounts and amortization of premiums, net		22,377,000	27,310,000
Deferred income taxes		6,907,000	(1,499,000)
Provision for loan losses		13,715,000	6,146,000
Gain on sale of loans, net		(9,777,000)	(71,387,000)
Purchases of trading securities		(124,000)	(1,568,000)
Sales of trading securities		122,000	1,898,000
Investment securities (losses) gains, net		487,000	(1,453,000)
Originations of mortgage loans held for sale		(1,389,125,000)	(2,614,867,000)
Proceeds from sales of mortgage loans held for sale		1,391,653,000	2,679,835,000
Increase in other assets		(25,836,000)	(23,661,000)
Increase (decrease) in other liabilities		8,239,000	(14,114,000)
Net cash provided by operating activities		304,919,000	266,746,000
Cash flows from investing activities:			
Purchase of available-for-sale securities		(3,663,442,000)	(4,710,810,000)
Purchase of equity securities		(155,000)	(27,526,000)
Proceeds from sales of available-for-sale securities		139,595,000	945,417,000
Proceeds from sales of equity securities		31,396,000	2,209,000
Proceeds from maturities of available-for-sale securities		2,281,866,000	3,285,151,000
Proceeds from maturities of held-to-maturity securities		5,058,000	19,811,000
Net change in interest bearing deposits		498,000	26,743,000
Net (increase) decrease in loans		(880,100,000)	3,689,000
Purchase of land, buildings, and equipment		(18,061,000)	(17,296,000)
Proceeds from sale of land, buildings, and equipment		5,959,000	5,796,000
Net cash used in investing activities		(2,097,386,000)	(466,816,000)
Cash flows from financing activities:			
(Decrease) increase in deposits		(567,708,000)	1,737,580,000
(Decrease) increase in federal funds purchased and securities sold under agreements to repurchase		(104,424,000)	105,624,000
Repayment of borrowed funds		—	(5,000,000)
Dividends paid		(48,602,000)	(46,464,000)
Purchase of treasury stock		(7,556,000)	—
Net cash (used in) provided by financing activities		(728,290,000)	1,791,740,000
Net (decrease) increase in cash and cash equivalents		(2,520,757,000)	1,591,670,000
Cash and cash equivalents at beginning of year		3,415,761,000	1,824,091,000
Cash and cash equivalents at end of year	$	895,004,000	3,415,761,000
Cash and due from banks	$	249,734,000	150,484,000
Short-term interest-bearing deposits		638,592,000	3,263,699,000
Federal funds sold and securities purchased under agreements to resell		6,678,000	1,578,000
Total cash and cash equivalents	$	895,004,000	3,415,761,000
Supplemental disclosure of cash flow information:			
Interest paid	$	51,625,000	22,323,000
Income taxes paid		62,074,000	72,318,000
Loans transferred to foreclosed assets held for sale		3,483,000	2,153,000

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Central Bancompany, Inc., and its subsidiaries (collectively, the "Company"). Central Bancompany owns all the outstanding capital stock of The Central Trust Bank (the "Bank"), which is headquartered in Missouri. All intercompany accounts and transactions have been eliminated. The Company evaluated subsequent events for recognition or disclosure through March 28, 2023, the date on which the consolidated financial statements were issued. While the U.S. economy continued to be strong in 2022, record levels of inflation forced the Federal Reserve to aggressively hike interest rates and tighten monetary conditions. High inflation and interest rates may adversely affect our business activities, financial condition and results of operations. Such effects will depend on future developments, which are highly uncertain and difficult to predict. Meanwhile, continued risk from the COVID pandemic and an uncertain geopolitical climate may cause stress to the economic conditions in the U.S. and globally.

(b) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP). Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Company considers cash and due from banks, short-term interest-bearing deposits maturing within 90 days, and federal funds sold and securities purchased under agreements to resell maturing within 90 days to be cash equivalents. Interest-bearing deposits are interest-bearing securities held at other financial institutions but are not considered cash and cash equivalents.

(d) Investment Securities

Held-to-maturity securities ("HTM") are those that the Company has the positive intent and ability to hold to maturity. HTM securities are recorded at amortized cost. Trading account securities ("Trading") are bought and held principally for the purpose of selling them in the near term. Equity securities ("Equity") include common and preferred stock with readily determinable fair value as well as certain equity securities without a readily determinable fair value. All other debt securities held by the Company are classified as available-for-sale ("AFS"). Trading, Equity, and available-for-sale securities are recorded at fair value. For both Trading and Equity securities, gains and losses, both realized and unrealized, are included in earnings. Unrealized holding gains and losses, net of related tax effect, on available-for-sale securities are excluded from earnings and are reported as a separate component of accumulated other comprehensive income (loss) until realized. Realized gains and losses upon disposition of available-for-sale securities are included in income using the specific identification method for determining the cost of the securities sold.

Securities are evaluated for other-than-temporary impairments in accordance with guidance provided in Accounting Standards Codification (ASC) 320-10-35, *Investments–Debt Securities–Overall–Subsequent Measurement*. For securities with other-than-temporary impairments, the entire loss in fair value is required to be recognized in current earnings if the Company intends to sell the securities or believes it likely that it will be required to sell the security before the anticipated recovery. If neither condition is met, but the Company does not expect to recover the amortized cost basis, the Company determines whether a credit loss has occurred, which is then recognized in current earnings. The non-credit related portion of the overall loss is reported in other comprehensive income (loss).

Purchased premiums and discounts on investment securities are amortized/accreted into interest income using the constant yield method based upon the remaining contractual maturity of the asset, adjusted for any expected prepayments.

(e) Loans held for sale-mortgage banking

Loans held for sale-mortgage banking are accounted for at fair value pursuant to the fair value option permitted by ASC 825, *Financial Instruments.* The Company elected to take the fair value option for loans held for sale permitted by ASC 825, Financial Instruments beginning January 1, 2020. The fair value is based on secondary market prices for loans with similar characteristics, including an adjustment for embedded servicing value. Gains and losses from the changes in fair value are included in mortgage banking revenues, net.

(f) Loans

Interest on loans is accrued and credited to income based upon the principal amount outstanding using primarily a simple interest calculation. Fees associated with the origination of loans are deferred and amortized over the life of the loans and are shown as an adjustment to interest income using the straightline method, which materially approximates the level-yield method. The accrual of interest on loans is discontinued when, in management's judgment, the interest is uncollectible in the normal course of business. When a loan is placed on non-accrual status, any interest previously accrued but not collected is reversed against current income. Interest received on nonaccrual loans is recognized on a cash basis. The loan is returned to accrual status only when the borrower has brought all past-due principal and interest payments current and, in the opinion of management, has demonstrated the ability to make future payments of principal and interest as scheduled.

(g) Provision for Loan Losses

The Company performs ongoing reviews of its loan portfolio to assess collectability, with a detailed review as of the close of each calendar quarter. The balance in the allowance for loan losses account reflects the Company's estimate of the losses inherent in the portfolio based on these reviews. While these estimates are based on generally accepted accounting principles (GAAP) and industry norms for assessing collectability, actual outcomes may differ from estimated results.

In compliance with ASC 310-10, individual loans determined to be impaired are reviewed quarterly for impairment. Impaired loans consist of all troubled debt restructurings and most non-accrual loans. To determine the individual impairment on these loans, the Company applies regulatory requirements to either charge the loan down or establish a reserve for any incurred loss.

Loans which are not impaired are segregated into pools of loans with common risk characteristics as required by ASC 450-20. The historical annualized loss rate for each pool is determined. In accordance with regulatory guidance, these historical loss rates are then adjusted for factors which, in the opinion of management, are expected to cause future loss rates to be higher or lower than past loss rates. Some of these factors are external, such as current economic conditions and trends, and others are internal, such as changes in the composition and performance of the current loan portfolio. The combined quantitative and qualitative loss rates are then adjusted by an appropriate loss emergence period. The Company's ending allowance balance is the sum of the estimated required reserve on the various pools of loans plus the estimated required reserve on impaired loans.

(h) Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost less accumulated depreciation. Depreciation is computed on the straightline or declining balance method depending upon the type of asset. The Company generally assigns depreciable lives of 25-30 years for buildings; 15 years for building improvements; 15 years for land improvements; and 3-7 years for furniture, equipment, and software. Maintenance and repair costs are charged to expense as incurred. Major improvements are individually considered and are capitalized or expensed as the facts dictate.

(i) Goodwill and Other Intangible Assets

Goodwill represents the excess of cost over equity in net assets of entities acquired. The Company accounts for goodwill in accordance with ASC 350, *Intangibles – Goodwill and Other*. Under ASC 350, goodwill and intangible assets that have indefinite useful lives are not amortized, but rather tested at least annually for impairment. Intangible assets that have finite useful lives continue to be amortized over 7 to 20 years. The Company performs an annual qualitative evaluation of goodwill as of December 31. No impairment was identified in 2022 or 2021.

(j) Foreclosed Assets

Foreclosed assets consist of property that has been formally repossessed. Collateral obtained through foreclosure is comprised of commercial and residential real estate and other non-real estate property, including automobiles. The assets are initially recorded at the lesser of the loan balance or fair value less estimated selling costs at the time of foreclosure, with any valuation adjustments charged to the allowance for loan losses. Subsequently, the asset is carried at fair value with unrealized losses and realized gains and losses on sale recorded in other expense.

(k) Income Taxes

The Company and its subsidiaries file a consolidated federal income tax return. State and local income tax returns are filed on a combined, consolidated or separate return basis based upon each jurisdiction's laws and regulations. Certain income and expense items are accounted for differently for financial reporting purposes than for income tax purposes. Deferred income taxes are provided in recognition of these temporary differences at rates expected to be in effect when such differences reverse.

(l) Comprehensive Income

Comprehensive income is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. For the Company, this includes net income, changes in unrealized gains and losses on available-for-sale investment securities, and the net periodic benefit cost related to the Company's defined benefit pension plan, net of applicable tax effects. The amounts recognized in accumulated other comprehensive loss related to the defined benefit pension plan are adjusted out of accumulated other comprehensive loss when they are subsequently recognized as components of net periodic benefit cost.

(m) Mortgage Banking

The fair value of retained mortgage servicing rights related to loans originated and sold is capitalized as an asset in accordance with ASC 860, *Accounting for Servicing of Financial Assets*, thereby increasing the gain on sale of the loan by the amount of the asset. Such mortgage servicing rights are amortized in proportion to and over the period of estimated net servicing income, considering appropriate prepayment assumptions. Any remaining unamortized amount is charged to expense if the related loan is repaid prior to maturity.

Management monitors the capitalized mortgage servicing rights on a disaggregated basis by stratum for impairment based on the fair value of those rights. Any impairment is recognized through a valuation allowance.

(n) Derivative Financial Instruments

ASC 815, *Derivatives and Hedging*, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. Accordingly, the Company records all derivatives at fair value.

The Company enters into interest rate lock commitments on certain mortgage loans related to mortgage banking operations on a best-efforts basis, which are commitments to originate loans whereby the interest rate on the loan is determined prior to funding. The Company also originates and sells certain loans related to mortgage banking operations on a mandatory delivery basis. To hedge interest rate risk, the Company sells short positions in mortgage backed securities related to the loans sold on a mandatory delivery basis. The commitments to originate and short positions are accounted for as derivatives and carried at fair value in other assets and other liabilities with changes in fair value recorded in mortgage banking revenues, net.

The Company maintains an overall interest rate risk management strategy that permits the use of derivative instruments to modify exposure to interest rate risk. The Company's interest rate risk management strategy includes the ability to modify the repricing characteristics of certain assets and liabilities so that changes in interest rates do not adversely affect the net interest margin and cash flows. Interest rate swaps may be used on a limited basis as part of this strategy. The Company also makes interest rate swap contracts available to customers who wish to modify their interest rate sensitivity. The Company offsets the interest rate risk of these swaps by purchasing matching contracts with offsetting pay/receive rates from other financial institutions.

(o) Securities Sold under Agreements to Repurchase

The Company enters into the sales of securities under agreements to repurchase as of a specified future date. Such repurchase agreements are considered financing agreements, and accordingly, the obligation to repurchase assets sold is reflected as a liability in the consolidated balance sheet of the Company. Repurchase agreements are collateralized by securities that are under the control of the Company.

(p) Recent Accounting Pronouncements

Credit Losses – In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. The update replaces the current incurred loss methodology for recognizing credit losses with a current expected loss model, which requires the measurement of all expected credit losses for financial assets held at the report date based on historical experience, current conditions, and reasonable and supportable forecasts. The amendment broadens the information that the entity must consider in developing its expected credit loss estimates. Additionally, the update amends the accounting for credit losses on AFS debt securities. The update requires enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimated credit losses, as well as the credit quality and underwriting standards of a company's loan portfolio. The ASU is effective for annual periods beginning January 1, 2023. The Company does not expect the change to have a significant effect on the Company's consolidated financial statements.

On March 31, 2022, the FASB issued ASU 2022-02, *Financial Instruments – Credit Losses (Topic 326):Troubled Debt Restructuring and Vintage Disclosures,* which eliminated the accounting guidance on troubled debt restructurings ("TDRs") for creditors in ASC 310-40. ASU 2022-02 requires that an entity evaluate whether the modification represents a new loan or a continuation of an existing loan. The amendments also enhance existing disclosure requirements and introduce new requirements related to certain modifications of receivables made to borrowers experiencing financial difficulty. Further, it requires entities to disclose gross write-offs recorded in the current period by year of origination in the vintage disclosures on a year-to-date basis. The guidance is effective January 1, 2023. The Company does not expect the change to have a significant effect on the Company's consolidated financial statements. However, the Company expects a moderate impact to the Company's disclosures in 2023.

Reference Rate Reform - The FASB issued ASU 2020-04, *Reference Rate Reform*, in March 2020. The amendments in the ASU provide optional expedients and exceptions for applying GAAP to loan and lease agreements, derivative contracts, and other transactions affected by the anticipated transition away from LIBOR toward new interest rate benchmarks. For loan and lease agreements that are modified because of reference rate reform and that meet certain scope guidance (i) modifications of loan agreements should be accounted for by prospectively adjusting the effective interest rate, and the modifications would be considered "minor" with the result that any existing unamortized origination fees/costs would carry forward and continue to be amortized and (ii) modifications of lease agreements should be accounted for as a continuation of the existing agreement, with no reassessments of the lease classification and the discount rate or remeasurements of lease payments that otherwise would be required for modifications not accounted for as separate contracts. ASU 2020-04 also provides numerous optional expedients for derivative accounting.

ASU 2020-04 is effective March 12, 2020, through December 31, 2022. However, on December 21, 2022, the FASB issued ASU 2022-06 which defers the sunset date of ASU 2020-04 to December 31, 2024. The details of ASU 2022-06 are described further below.

The Company anticipates that ASU 2020-04 will simplify any modifications executed between the selected start date and December 31, 2024, that are directly related to LIBOR transition by allowing prospective recognition of the continuation of the contract, rather than extinguishment of the old contract that would result in writing off unamortized fees/costs. Management will continue to actively assess the impacts of ASU 2020-04 and the related opportunities and risks involved in the LIBOR transition and does not believe it will have a significant impact on the Company's consolidated financial statements.

On December 21, 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848,* which defers the sunset date under Topic 848 from December 31, 2022, to December 31, 2024. ASU 2022-06 aligns the temporary accounting relief guidance with the expected cessation date of LIBOR, which was postponed by the Financial Conduct Authority in March 2021 to June of 2023, a year after the sunset date under ASU 2020-04. The change did not have a significant impact on the Company's consolidated financial statements.

Derivatives and Hedging - In March 2022, the FASB issued ASU 2022-01, *Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method*, which allows multiple hedged layers to be designated for a single closed portfolio of financial assets resulting in a greater portion of the interest rate risk in the closed portfolio being eligible to be hedged. The amendments allow the flexibility to use different types of derivatives or combinations of derivatives to better align with risk management strategies. Furthermore, among other things, the amendments clarify that basis adjustments of hedged items in the closed portfolio should be allocated at the portfolio level and not the individual assets within the portfolio. ASU 2022-01 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The Company does not expect the change to have a significant effect on the Company's consolidated financial statements.

(2) Investment Securities

The table below includes the fair value of equity securities as of December 31, 2022 and 2021 for equity securities with readily determinable fair value. Equity investments with no readily determinable fair value are carried at cost. Federal Home Loan Bank and Federal Reserve stock represent equity interests the Company is required to hold in the Federal Reserve Banks and Federal Home Loan Banks. These amounts are also carried at cost as they do not have a readily determinable fair value because ownership of these shares is restricted, and they lack a market.

Equity Securities	12/31/2022	12/31/2021
Common and preferred stocks with readily determinable fair value	$ 4,059,000	4,726,000
Federal Home Loan Bank stock	10,894,000	11,042,000
Federal Reserve Bank stock	26,057,000	57,287,000
Other - no readily determinable fair value	11,116,000	10,966,000
Total equity securities	$ 52,126,000	84,021,000

Also included in the equity securities portfolio are holdings of VISA Class B shares. These shares have a carrying value of zero, as there have not been observable price changes in orderly transactions for identical or similar investments of the same issuer.

During 2022, $612,000 in losses were recorded on the net decrease in market value of the common and preferred stock, consisting of $42,000 in gains realized on sales during 2022 and $654,000 in net unrealized losses on the portfolio. In 2021, $532,000 in gains were recorded on the net increase in market value of the common and preferred stock, consisting of $196,000 in gains realized on sales during 2021 and $336,000 in net unrealized gains on the portfolio.

The following tables show the carrying amount, gross unrealized holding gains, gross unrealized holding losses, and fair value of AFS and HTM securities by security type at December 31, 2022 and 2021.

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair values
2022				
Available for sale:				
United States treasuries	$ 2,395,387,000	—	(160,242,000)	2,235,145,000
United States debentures	1,400,129,000	49,000	(94,635,000)	1,305,543,000
United States agency mortgage-backed securities	3,068,193,000	2,293,000	(241,325,000)	2,829,161,000
Obligations of states and political subdivisions	61,086,000	89,000	(1,089,000)	60,086,000
Other securities	43,874,000	23,000	(1,245,000)	42,652,000
	$ 6,968,669,000	2,454,000	(498,536,000)	6,472,587,000
Held to maturity:				
United States agency mortgage-backed securities	$ 51,000	—	(1,000)	50,000
Obligations of states and political subdivisions	4,676,000	6,000	(8,000)	4,674,000
	$ 4,727,000	6,000	(9,000)	4,724,000

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair values
2021				
Available for sale:				
United States treasuries	$ 1,470,013,000	109,000	(11,906,000)	1,458,216,000
United States debentures	1,503,473,000	168,000	(12,797,000)	1,490,844,000
United States agency mortgage-backed securities	2,652,693,000	17,301,000	(21,728,000)	2,648,266,000
Obligations of states and political subdivisions	79,022,000	1,245,000	(61,000)	80,206,000
Other securities	43,699,000	138,000	(602,000)	43,235,000
	$ 5,748,900,000	18,961,000	(47,094,000)	5,720,767,000
Held to maturity:				
United States agency mortgage-backed securities	$ 55,000	—	—	55,000
Obligations of states and political subdivisions	9,724,000	108,000	—	9,832,000
	$ 9,779,000	108,000	—	9,887,000

The amortized cost and fair value of available-for-sale and held-to-maturity securities at December 31, 2022, by contractual maturity, are shown below:

	United States government obligations and government-sponsored enterprises		Obligations of states and political subdivisions		Other securities	
	Amortized cost	Fair value	Amortized cost	Fair value	Amortized cost	Fair value
Available for sale:						
Within 1 year	$ 485,664,000	476,277,000	24,947,000	24,647,000	5,917,000	5,940,000
After 1 but within 5 years	3,302,475,000	3,057,217,000	30,723,000	30,142,000	25,000,000	24,066,000
After 5 but within 10 years	7,377,000	7,194,000	4,443,000	4,333,000	3,512,000	3,380,000
After 10 years	—	—	973,000	964,000	—	—
Mortgage – and asset-backed securities	3,068,193,000	2,829,161,000	—	—	9,445,000	9,266,000
	$ 6,863,709,000	6,369,849,000	61,086,000	60,086,000	43,874,000	42,652,000
Held to maturity:						
Within 1 year	$ —	—	590,000	585,000	—	—
After 1 but within 5 years	—	—	3,365,000	3,368,000	—	—
After 5 but within 10 years	—	—	721,000	721,000	—	—
After 10 years	—	—	—	—	—	—
Mortgage – and asset-backed securities	51,000	50,000	—	—	—	—
	$ 51,000	50,000	4,676,000	4,674,000	—	—

Proceeds from sales of available-for-sale securities in 2022 and 2021 were $139,595,000 and $945,417,000, respectively. Net gains of $83,000 and net gains of $921,000 were recognized on the sale of available-for-sale securities in 2022 and 2021, respectively.

Other securities consist primarily of corporate bonds.

Investment securities and money market obligations with a carrying value of approximately $3,572,761,000 and $3,478,780,000 were pledged to secure public deposits, repurchase agreements, and borrowed funds at December 31, 2022 and 2021, respectively.

Gross unrealized losses on available-for-sale investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2022 and 2021 were as follows:

		Less than 12 months		12 months or more		Total	
		Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
2022							
Available for sale:							
United States government obligations and government-sponsored enterprises	$	2,904,288,000	(195,007,000)	3,138,483,000	(301,195,000)	6,042,771,000	(496,202,000)
Obligations of states and political subdivisions		26,545,000	(601,000)	21,005,000	(487,000)	47,549,000	(1,088,000)
Other securities		12,579,000	(311,000)	24,066,000	(935,000)	36,646,000	(1,246,000)
	$	2,943,412,000	(195,919,000)	3,183,554,000	(302,617,000)	6,126,966,000	(498,536,000)

		Less than 12 months		12 months or more		Total	
		Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
2021							
Available for sale:							
United States government obligations and government-sponsored enterprises	$	3,994,791,000	(43,200,000)	129,713,000	(3,231,000)	4,124,504,000	(46,431,000)
Obligations of states and political subdivisions		18,012,000	(56,000)	469,000	(5,000)	18,481,000	(61,000)
Other securities		8,297,000	(179,000)	19,577,000	(423,000)	27,874,000	(602,000)
	$	4,021,100,000	(43,435,000)	149,759,000	(3,659,000)	4,170,859,000	(47,094,000)

Gross unrealized losses on held-to-maturity investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2022 were as follows:

		Less than 12 months		12 months or more		Total	
		Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
2022							
Held to maturity:							
United States government obligations and government-sponsored enterprises	$	50,000	(1,000)	—	—	50,000	(1,000)
Obligations of states and political subdivisions		1,037,000	(8,000)	—	—	1,037,000	(8,000)
	$	1,087,000	(9,000)	—	—	1,087,000	(9,000)

There were no gross unrealized losses on held-to-maturity investment securities at December 31, 2021.

For the investments in the tables above, management has determined that the unrealized losses are temporary in nature. A primary factor considered in making that determination is management’s intent and ability to hold each investment for a period of time sufficient to allow for an anticipated recovery in fair value. Management has the positive intent and ability to hold each investment until the earlier of its anticipated recovery or maturity. Additional factors considered in determining whether a loss is temporary include:

- The length of time and the extent to which fair value has been below cost
- The severity of the impairment
- The cause of the impairment and the financial condition and near-term prospects of the issuer
- Activity in the market of the issuer, which may indicate adverse credit conditions

Other-than-temporary impairment (OTTI) may arise in future periods, due to further deterioration in the general economy and national housing markets, and changing cash flows, loss severities, and delinquency levels of the securities' underlying collateral, which would negatively affect the Company's financial results.

The Company's impairment policy requires a review of all securities for which fair value is less than amortized cost for a period of 12 months. Special emphasis and analysis is placed on securities whose credit rating has experienced a negative credit rating event. These securities are placed on a watch list, and for all such securities, further credit analysis, research, and rating agency outlook is evaluated for further action considerations. Securities below investment grade with risk of bankruptcy filing or uncertain financial outlook are considered for OTTI impairment. There were no securities on the watch list as of December 31, 2022 and 2021 that were considered other than temporarily impaired.

As of December 31, 2022 and 2021, the Company had no recorded other than temporary impairment, as the majority of securities are obligations of the U.S. government or government sponsored enterprises that the Company has the positive intent and ability to hold until the earlier of its anticipated recovery or maturity. Securities that were temporarily impaired at December 31, 2022 and 2021 are shown above, along with the length of the impairment period. Out of the total available-for-sale securities portfolio, consisting of 1,486 and 1,519 individual securities at December 31, 2022 and 2021, respectively, 1,222 and 431 securities were temporarily impaired. Of these securities, 392 and 133 securities, amounting to 50% and 2.5% of the available-for-sale portfolio, were temporarily impaired for 12 months or longer as of December 31, 2022 and 2021, respectively. Unrealized losses in the investment portfolio were driven by increasing market interest rates. The contractual terms of these investments do not permit the issuer to redeem the securities at a price less than par.

(3) Loans

Loans consisted of the following at December 31, 2022 and 2021:

	2022	2021
Commercial	$ 8,241,156,000	7,816,623,000
Residential real estate	1,650,430,000	1,233,414,000
Individual	1,368,173,000	1,291,791,000
	11,259,759,000	10,341,828,000
Less unearned income	36,146,000	40,457,000
Total loans	$ 11,223,613,000	10,301,371,000

The Company funded $0 and $373,631,000 of Paycheck Protection Program (PPP) loans during 2022 and 2021, respectively. These loans were fixed rate loans carrying a 1% interest rate. The Company recognized interest income on the PPP loans of $221,000 and $4.8 million for the year ended December 31, 2022 and 2021, respectively. In addition, fee income of $3.5 million and $39.9 million was recognized during 2022 and 2021, respectively on PPP loans.

At December 31, 2022, the contractual balance, carrying value, and accretable discounts for Purchased Credit-Impaired (PCI) credits and non PCI credits carried at fair value are as follows:

At December 31, 2022:		Contractual Loan Balance	Carrying Value*	Accretable Discount
PCI Loans	$	9,859,000	7,903,000	3,669,000
Non PCI Loans		240,154,000	240,154,000	—
	$	250,013,000	248,057,000	3,669,000

*Carrying Value determined by subtracting from the Contractual Loan Balance the non-accretable discount applied to the loans of $1,956,000 as of December 31, 2022.

Accretion moved from non-accretable to accretable in 2022	$	537,000
Discount accretion recognized as interest income in 2022 from accretable		3,666,000

At December 31, 2021:		Contractual Loan Balance	Carrying Value*	Accretable Discount
PCI Loans	$	15,514,000	13,090,000	4,878,000
Non PCI Loans		329,812,000	329,812,000	1,920,000
	$	345,326,000	342,902,000	6,798,000

*Carrying Value determined by subtracting from the Contractual Loan Balance the non-accretable discount applied to the loans of $2,424,000 as of December 31, 2021.

Accretion moved from non-accretable to accretable in 2021	$	1,560,000
Discount accretion recognized as interest income in 2021 from accretable		3,587,000

No loans were acquired by the Company in 2022 or 2021.

Loans made to officers and directors of the Company are summarized below. They were made in the ordinary course of business at market rates.

		2022
Balance at beginning of year	$	247,237,000
New loans		124,541,000
Repayments		(92,113,000)
Other changes		(3,762,000)
Balance at end of year	$	275,903,000

Mortgage loans held-for-sale at December 31, 2022 and 2021 totaled approximately $33,878,000 and $77,243,000 respectively. The Company determines at the time of origination whether mortgage loans will be held for the Company's portfolio or sold to the secondary market. Loans originated and intended for sale in the secondary market are recorded using the fair value option. The election of the fair value option aligns the accounting for these loans with the related economic hedges discussed in Note 18.

Nonaccruing loans at December 31, 2022 and 2021 totaled approximately $20,982,000 and $22,102,000, respectively. The interest income recorded on nonaccrual loans was approximately $1,018,000 and $1,134,000 in 2022 and 2021, respectively.

Restructured loans at December 31, 2022 and 2021 totaled $7,662,000 and $10,559,000, respectively. The interest income recognized on restructured loans for the year ended December 31, 2022 and 2021 was approximately $300,000 and $442,000, respectively.

Section 4013 of the CARES Act was signed into law on March 27, 2020, and includes a provision that short-term modifications are not troubled debt restructurings, if made on a good-faith basis in response to COVID-19 to borrowers who were current prior to December 31, 2019. The Company follows the guidance under the CARES Act when determining if a customer's modification is subject to troubled debt restructuring classification. If it is deemed the modification is not short term, not COVID-19 related or the customer does not meet the criteria under the guidance to be scoped out of troubled debt restructuring classification, the Company will evaluate the loan modifications under its existing framework which requires modifications that result in a concession to a borrower experiencing financial difficulty be accounted for as a troubled debt restructuring.

The initial guidance issued under the CARES Act was due to expire on December 31, 2020. During January 2021, the Consolidated Appropriations Act, 2021 was enacted and extended relief offered under the CARES Act related to the accounting and disclosure requirements for troubled debt restructurings as a result of COVID-19. The Company elected to adopt the extension of this guidance through December 31, 2021.

The Company has entered into commitments to lend additional funds of approximately $93,000 at December 31, 2022 to borrowers whose loans have been restructured and that are included in the TDR loan totals below. The table below shows the outstanding balance of loans classified as troubled debt restructurings (TDR) at December 31, 2022 and 2021. Non-performing TDRs include all past-due and nonaccrual TDR loans. As of December 31, 2022, the Company had 5 TDRs totaling $209,000 that were past-due.

	2022			2021		
	Performing TDRs	Nonperforming TDRs	Total TDRs	Performing TDRs	Nonperforming TDRs	Total TDRs
Commercial	$ 2,899,000	795,000	3,694,000	4,678,000	820,000	5,498,000
Residential real estate	2,533,000	1,379,000	3,912,000	1,124,000	3,893,000	5,017,000
Individual	—	56,000	56,000	44,000	—	44,000
Total loans	$ 5,432,000	2,230,000	7,662,000	5,846,000	4,713,000	10,559,000

The Company has outstanding commitments to provide loans to customers and also has issued letters of credit. Loan commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Letters of credit are conditional commitments issued by the Company 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 is involved in extending loan facilities to customers. At December 31, 2022 and 2021, the Company had unfunded loan commitments of $3,644,585,000 and $3,317,122,000, respectively. Outstanding letters of credit as of December 31, 2022 and 2021 amounted to $82,518,000 and $73,935,000, respectively.

The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary, by the Company upon extension of credit is based on management's credit evaluation of the customer. Collateral held varies, but may include accounts receivable, inventory, property, plant, equipment, and income producing commercial properties. The Company's banking markets are located throughout the states of Missouri, Kansas, Illinois, Iowa, Oklahoma, Colorado, North Carolina, Tennessee, Florida, and Arkansas and the Company's loan portfolio has no unusual geographic concentrations of credit risk beyond its market areas.

(4) Allowance for Loan Losses

The following is a summary of activity in the allowance for loan losses:

		Commercial	Residential real estate	Individual	Total
For the year ended December 31, 2022:					
Balance at beginning of year	$	103,029,000	29,192,000	20,166,000	152,387,000
Provision for loan losses		3,345,000	2,578,000	7,792,000	13,715,000
Loans charged off		(4,686,000)	(7,000)	(11,859,000)	(16,552,000)
Recoveries on loans previously charged off		3,671,000	226,000	4,183,000	8,080,000
Balance at end of year	$	105,359,000	31,989,000	20,282,000	157,630,000

		Commercial	Residential real estate	Individual	Total
For the year ended December 31, 2021:					
Balance at beginning of year	$	101,854,000	25,160,000	23,443,000	150,457,000
Provision for loan losses		2,754,000	3,302,000	90,000	6,146,000
Loans charged off		(4,992,000)	(54,000)	(7,192,000)	(12,238,000)
Recoveries on loans previously charged off		3,413,000	784,000	3,825,000	8,022,000
Balance at end of year	$	103,029,000	29,192,000	20,166,000	152,387,000

The following table provides the balance in the allowance for loan losses at December 31, 2022 and 2021, and the related loan balance by impairment methodology. Loans evaluated under ASC 310-10-35, *Receivable–Overall–Subsequent Measurement*, include loans on nonaccrual status, which are individually evaluated for impairment (substandard loan balances greater than $100,000), troubled debt restructurings, and other impaired loans deemed to have similar risk characteristics. All other loans are collectively evaluated for impairment under ASC 450-20, *Loss Contingencies*. Although the allowance for loan losses is comprised of specific and general allocations, the entire allowance is available to absorb credit losses.

	Commercial	Residential real estate	Individual	Total
At December 31, 2022:				
Allowance for loan losses:				
Individually evaluated for impairment	$ 120,000	271,000	—	391,000
Collectively evaluated for impairment	105,239,000	31,718,000	20,282,000	157,239,000
Total	$ 105,359,000	31,989,000	20,282,000	157,630,000
Loans outstanding:				
Individually evaluated for impairment	$ 22,465,000	959,000	—	23,424,000
Collectively evaluated for impairment	8,183,329,000	1,682,654,000	1,368,084,000	11,234,067,000
Total	$ 8,205,794,000	1,683,613,000	1,368,084,000	11,257,491,000

	Commercial	Residential real estate	Individual	Total
At December 31, 2021:				
Allowance for loan losses:				
Individually evaluated for impairment	$ 47,000	320,000	—	367,000
Collectively evaluated for impairment	102,982,000	28,872,000	20,166,000	152,020,000
Total	$ 103,029,000	29,192,000	20,166,000	152,387,000
Loans outstanding:				
Individually evaluated for impairment	$ 18,781,000	2,040,000	—	20,821,000
Collectively evaluated for impairment	7,758,040,000	1,308,070,000	1,291,683,000	10,357,793,000
Total	$ 7,776,821,000	1,310,110,000	1,291,683,000	10,378,614,000

The following table presents information on impaired loans at December 31:

		2022	2021
Impaired loans with a specific allowance provided			
Commercial	$	588,000	916,000
Residential real estate		426,000	927,000
Individual		—	—
		1,014,000	1,843,000
Impaired loans with no specific allowance provided			
Commercial		25,574,000	26,909,000
Residential real estate		533,000	1,113,000
Individual		—	—
		26,107,000	28,022,000
Total impaired loans	$	27,121,000	29,865,000
Allowance related to impaired loans			
Commercial	$	120,000	47,000
Residential real estate		271,000	320,000
Individual		—	—
Total allowance related to impaired loans	$	391,000	367,000

Total average impaired loans during 2022 and 2021 are shown in the table below.

	2022			2021		
	Nonaccrual	Restructured and still accruing	Total	Nonaccrual	Restructured and still accruing	Total
Average Impaired Loans:						
Commercial	$ 12,775,000	3,789,000	16,564,000	15,271,000	4,965,000	20,236,000
Residential real estate	4,913,000	1,829,000	6,742,000	5,838,000	2,305,000	8,143,000
Individual	3,855,000	22,000	3,877,000	3,779,000	46,000	3,825,000
Total	$ 21,543,000	5,640,000	27,183,000	24,888,000	7,316,000	32,204,000

Age Analysis of Past Due and Nonaccrual Loans

	Current or less than 30 days past due	30 – 89 Days past due	90 Days past due and still accruing	Nonaccrual	Total
At December 31, 2022:					
Commercial	$ 8,183,380,000	10,610,000	438,000	11,366,000	8,205,794,000
Residential real estate	1,671,822,000	4,981,000	1,323,000	5,487,000	1,683,613,000
Individual	1,349,157,000	14,497,000	301,000	4,129,000	1,368,084,000
Total	$ 11,204,359,000	30,088,000	2,062,000	20,982,000	11,257,491,000

		Current or less than 30 days past due	30 – 89 Days past due	90 Days past due and still accruing	Nonaccrual	Total
At December 31, 2021:						
Commercial	$	7,757,023,000	5,437,000	364,000	13,997,000	7,776,821,000
Residential real estate		1,300,170,000	5,356,000	245,000	4,339,000	1,310,110,000
Individual		1,278,286,000	9,321,000	310,000	3,766,000	1,291,683,000
Total	$	10,335,479,000	20,114,000	919,000	22,102,000	10,378,614,000

The following table provides information about the credit quality of the loan portfolio using the Company's internal rating system reflecting management's risk assessment. Loans are placed on *watch* status when (1) one or more weaknesses which could jeopardize timely liquidation exists; or (2) the margin or liquidity of an asset is sufficiently tenuous that adverse trends could result in a collection problem. Loans classified as *substandard* are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified may have a well-defined weakness or weaknesses that jeopardize the repayment of the debt. Such loans are characterized by the distinct possibility that the Company may sustain some loss if the deficiencies are not corrected. Loans are placed on *nonaccrual* status when (1) deterioration in the financial condition of the borrower exists for which payment of full principal and interest is not expected, or (2) upon which principal or interest has been in default for a period of 90 days or more and the asset is not both well secured and in the process of collection.

		Commercial	Residential real estate	Individual	Total
At December 31, 2022:					
Watch	$	110,135,000	4,819,000	481,000	115,435,000
Substandard		31,803,000	10,439,000	1,472,000	43,714,000
Nonaccrual		11,366,000	5,487,000	4,129,000	20,982,000
Total	$	153,304,000	20,745,000	6,082,000	180,131,000

		Commercial	Residential real estate	Individual	Total
At December 31, 2021:					
Watch	$	138,426,000	8,039,000	194,000	146,659,000
Substandard		34,725,000	14,851,000	1,619,000	51,195,000
Nonaccrual		13,997,000	4,339,000	3,766,000	22,102,000
Total	$	187,148,000	27,229,000	5,579,000	219,956,000

(5) Mortgage Banking Activities

The Company originates mortgage loans and sells those loans to the Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), and other private investors. Typically, these loans are sold with servicing retained by the Bank. Loans sold with servicing retained in 2022 and 2021 aggregated $749,239,000 and $2,192,595,000, respectively. Loans serviced for investors aggregated $5,206,064,000 and $5,109,362,000 at December 31, 2022 and 2021, respectively.

Included in mortgage banking revenues in the accompanying consolidated statements of income for 2022 and 2021 are the following:

		2022	2021
Gains on sale of mortgage loans	$	9,149,000	82,590,000
Gains (losses) on interest rate lock commitments (IRLC) and associated hedging*		16,823,000	(5,377,000)
Servicing fees		12,962,000	11,712,000
Mortgage banking revenues, net	$	38,934,000	88,925,000

*For additional detail on this item see note 17.

Included in gain on sales of mortgage loans during 2022 and 2021 are capitalized mortgage servicing rights aggregating $8,371,000 and $22,375,000, respectively.

The following assumptions were used in determining the fair value of the capitalized mortgage servicing rights:

	2022	2021
Discount Rate	9.72%	10.18%
Prepayment Speed	7.32%	11.18%
Delinquency Rate	0.76%	0.40%

A summary of the mortgage servicing rights is as follows:

		2022	2021
Balance at beginning of year	$	37,367,000	27,153,000
Capitalized mortgage servicing rights		8,371,000	22,375,000
Amortization		(7,950,000)	(12,515,000)
Change in valuation allowance		0	354,000
Balance at end of year	$	37,788,000	37,367,000

The valuation allowance at December 31, 2022 and 2021 was $0 and $0 respectively.

The following table shows the estimated future amortization expense based on existing asset balances and the interest rate environment as of December 31, 2022. The Company's actual amortization expense in any given period may be different from the estimated amounts depending upon the addition of new intangible assets, changes in mortgage interest rates, prepayment speeds, and other market conditions.

Year:		
2023	$	5,081,000
2024		4,497,000
2025		4,011,000
2026		3,583,000
Thereafter		20,616,000

(6) Land, Buildings, and Equipment

A summary of land, buildings, and equipment at December 31, 2022 and 2021 is as follows:

	2022	2021
Land	$ 58,781,000	58,763,000
Buildings and improvements	276,221,000	271,418,000
Equipment	53,367,000	74,598,000
Right to use assets, net of amortization	32,692,000	34,468,000
	421,061,000	439,247,000
Less accumulated depreciation	211,141,000	224,700,000
	$ 209,920,000	214,547,000

The following table shows the estimated future depreciation expense based on existing asset balances as of December 31, 2022.

Year:	
2023	$ 14,708,000
2024	11,917,000
2025	10,164,000
2026	9,029,000
2027	7,761,000
Thereafter	64,868,000

Depreciation of buildings charged to operating expense was approximately $9,007,000 and $9,167,000 in 2022 and 2021, respectively, and is included in net occupancy expense on the consolidated statements of income. Depreciation of equipment charged to operating expense was approximately $7,722,000 and $7,716,000 in 2022 and 2021, respectively, and is included in equipment expense on the consolidated statements of income.

(7) Goodwill and Intangible Assets

Goodwill and core deposit intangible assets are summarized in the following table:

	2022			2021		
	Gross carrying amount	Accumulated amortization	Net amount	Gross carrying amount	Accumulated amortization	Net amount
Amortizable intangible assets:						
Core deposit intangible assets	$ 26,052,000	(14,648,000)	11,404,000	26,052,000	(11,446,000)	14,606,000
Trust customer intangible asset	6,100,000	(3,942,000)	2,158,000	6,100,000	(3,614,000)	2,486,000
Goodwill	348,237,000	—	348,237,000	348,237,000	—	348,237,000

Aggregate amortization expense on core deposit and other intangible assets for the years ended December 31, 2022 and 2021 was $3,531,000 and $3,996,000, respectively. The following table shows the estimated future amortization expense for the next five years based on existing asset balances and the interest rate environment as of December 31, 2022. The Company's actual amortization expense in any given period may be different from the estimated amounts depending upon the addition of new intangible assets and other market conditions.

Year:	
2023	$ 3,520,000
2024	3,388,000
2025	3,227,000
2026	2,483,000
2027	280,000
Thereafter	664,000

(8) Income Taxes

The components of income tax expense on operations for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Current income tax expense:		
Federal	$ 60,677,000	65,328,000
State	7,683,000	9,712,000
Total current income tax expense	68,360,000	75,040,000
Deferred income tax expense (benefit):		
Federal	5,847,000	(1,387,000)
State	1,060,000	(112,000)
Total deferred income tax expense (benefit)	6,907,000	(1,499,000)
Total income tax expense on operations	$ 75,267,000	73,541,000

The reasons for the difference between the effective tax rates of 22.6% and 23.0% for 2022 and 2021, respectively, and the current federal statutory income tax rate of 21%, are as follows:

	2022		2021	
	Amount	Percent	Amount	Percent
Income tax expense at federal statutory rate	$ 70,032,000	21.0	$ 67,278,000	21.0
Increase (reduction) in income taxes resulting from:				
Tax-exempt interest	(1,598,000)	(0.5)	(1,699,000)	(0.5)
Dividend exclusion	(43,000)	(0.0)	(38,000)	(0.0)
State income taxes, net of federal income tax	6,907,000	2.1	7,584,000	2.4
Nondeductible expenses	386,000	0.1	391,000	0.1
Federal tax credits, net of low income housing tax credit partnership amortization	(420,000)	(0.1)	(20,000)	(0.0)
Other, net	3,000	0.0	45,000	0.0
	$ 75,267,000	22.6	$ 73,541,000	23.0

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2022 and 2021 are presented below:

	2022	2021
Deferred tax assets:		
Loans, principally due to allowance for loan losses	$ 37,943,000	36,725,000
Accrued expenses	26,003,000	26,859,000
Buildings and equipment	2,999,000	2,944,000
Defined benefit plan	5,978,000	17,164,000
Unrealized loss on available-for-sale securities	118,266,000	6,707,000
Total gross deferred tax assets	191,189,000	90,399,000
Deferred tax liabilities:		
Prepaid pension expense	10,298,000	10,340,000
Mortgage servicing rights	9,009,000	8,910,000
Goodwill	33,040,000	30,802,000
Lease financing	35,019,000	28,653,000
Unrealized gain on equity securities	981,000	1,455,000
Other	1,827,000	2,689,000
Total gross deferred tax liabilities	90,174,000	82,849,000
Net deferred taxes	$ 101,015,000	7,550,000

The Company has not recorded a valuation allowance related to the net deferred tax assets at December 31, 2022 or 2021 due to historical and expected future earnings of the Company.

The Company classifies interest and penalties on uncertain tax benefits as income tax expense. In the normal course of business, the Company provides for uncertain tax positions and the related interest and penalties and adjusts its unrecognized tax benefits and related interest and penalties accordingly. Unrecognized tax benefits decreased by $600,000 during 2022, totaling $1.6 million at December 31, 2022.

Federal net operating loss (NOL) carryovers were acquired in certain acquisitions. The remaining amount of NOL carryover is $774,000 and $861,000 as of December 31, 2022 and 2021, respectively. The NOL expires in 2033. The annual use of the NOL is limited and the Company expects to use the remaining carryover before expiration.

The Company's U.S. federal and state income tax returns for years prior to 2016 are no longer subject to examination by the tax authorities.

(9) Deposits

Maturities of time deposits are as follows at December 31, 2022:

Year:	
2023	$ 890,067,000
2024	160,649,000
2025	61,352,000
2026	16,035,000
2027	8,942,000
Thereafter	185,000
	$ 1,137,230,000

Time deposits include certificates of deposit of $250,000 and over, totaled approximately $254,262,000 and $275,733,000 at December 31, 2022 and 2021, respectively. Interest expense on such deposits amounted to $3,569,000 and $1,454,000 in 2022 and 2021, respectively.

(10) Securities Sold under Agreements to Repurchase

The Company's obligation to repurchase securities sold at December 31, 2022 and 2021 totaled $1,166,718,000 and $1,167,441,000, respectively. These are short-term borrowings that generally have one day maturities. Information concerning securities sold under agreements to repurchase during the year is as follows:

	2022	2021
Average monthly balance during the year	$ 1,220,617,000	1,188,305,000
Maximum month-end balance during the year	1,271,283,000	1,301,127,000
Average interest rate during the year	1.00%	0.17%

Assets and liabilities relating to securities purchased under agreements to resell (resale agreements) and securities sold under agreements to repurchase (repurchase agreements) are presented gross in the consolidated balance sheet and the Company is not party to any offsetting arrangements associated with these agreements. Resale and repurchase agreements to purchase/sell securities are subject to an obligation to resell/repurchase the same or similar securities and are accounted for as collateralized financing transactions, not as sales and purchases of the securities portfolio. The securities collateral accepted or pledged in resale and repurchase agreements with other financial institutions also may be sold or re-pledged by the secured party, but is usually delivered to and held by third party trustees.

The table below shows the remaining contractual maturities of repurchase agreements outstanding at December 31, 2022, in addition to the various types of marketable securities that have been pledged as collateral for these borrowings.

	Remaining Contractual Maturity of the Agreements			
	Overnight and continuous	Up to 90 days	Greater than 90 days	Total
December 31, 2022:				
Repurchase agreements, secured by:				
U.S. government and federal agency obligations	$ 89,302,000	—	—	89,302,000
Government-sponsored enterprise obligations	93,707,000	—	—	93,707,000
Mortgage-backed securities	983,709,000	—	—	983,709,000
Other	—	—	—	—
Total Repurchase agreements, gross amount recognized	$ 1,166,718,000	—	—	1,166,718,000

(11) Employee Benefit Plans

The Company has a noncontributory defined benefit pension plan, the Central Bancompany, Inc. Retirement Plan (the Plan), available to qualified employees, as defined under the Plan. On November 14, 2018, the Company's

Board of Directors approved an amendment to freeze the Plan, effective December 31, 2018. After December 31, 2018, participants in the Plan stopped accruing additional benefits for future service or compensation. Participants retained benefits accumulated as of December 31, 2018 in accordance with the terms of the Plan.

The Company's funding policy is to contribute funds to an account maintained by the pension plan trustee, as necessary, to provide for the normal cost and amortization of the unfunded actuarial accrued liability. To the extent that these costs are fully covered by assets in the trust, a contribution might not be made in a particular year.

Assets held in the Plan are primarily government and government agency obligations, common stock, corporate bonds, mutual funds, and money market accounts. Certain executives also participate in a supplemental pension plan (the CERP) that the Company funds only as retirement benefits are disbursed. The CERP carries no segregated assets.

Benefit obligations of the CERP are shown in the table immediately below. In all other tables presented, the pension plan and the CERP are presented on a combined basis, even though the CERP is unfunded.

		2022	2021
Projected benefit obligation	$	16,626,000	21,748,000
Cumulative contributions in excess of net periodic benefit cost		19,203,000	20,290,000

The following items are components of net pension cost for the years ended December 31, 2022 and 2021:

		2022	2021
Interest cost on projected benefit obligation	$	10,180,000	9,835,000
Expected return on plan assets		(11,596,000)	(11,997,000)
Amortization of net loss		2,204,000	2,863,000
Net periodic pension cost	$	788,000	701,000

The following table sets forth the pension plans' funded status, using valuation dates of December 31, 2022 and 2021:

		2022	2021
Change in projected benefit obligation:			
Projected benefit obligation at prior valuation date	$	342,737,000	355,597,000
Interest cost		10,180,000	9,835,000
Benefits paid		(15,609,000)	(14,612,000)
Actuarial gain		(89,538,000)	(9,977,000)
Other		—	1,894,000
Projected benefit obligation at valuation date		247,770,000	342,737,000
Change in plan assets:			
Fair value of plan assets at beginning of year		293,799,000	268,361,000
Actual (loss) return on plan assets		(33,226,000)	26,378,000
Employer contributions		1,721,000	13,672,000
Benefits paid		(15,609,000)	(14,612,000)
Other		—	1,894,000
Fair value of plan assets at end of year		246,685,000	293,799,000
Funded status and net amount recognized at December 31	$	(1,085,000)	(48,938,000)

Amounts recognized on the December 31 balance sheet are as follows:

	2022	2021
Prepaid pension asset	$ 43,194,000	43,349,000
Accrued benefit liability	(44,279,000)	(92,287,000)
Net amount recognized at December 31	$ (1,085,000)	(48,938,000)

Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive loss, on a pretax basis, at December 31, 2022 are as follows:

Accumulated other comprehensive loss, pretax	$ (25,076,000)
Cumulative employer contributions in excess of net periodic benefit cost	23,991,000
Net amount recognized on the December 31, 2022 balance sheet	$ (1,085,000)

The following weighted average assumptions have been used at December 31, 2022 and 2021:

	2022	2021
Determination of benefit obligation at year-end:		
Discount rate	5.55%	3.05%
Determination of net periodic benefit cost for the year ended:		
Discount rate	3.05%	2.80%
Expected long-term rate of return on Plan assets	4.50%	5.00%

The expected return on pension plan assets is developed using inflation expectations and risk factors to arrive at a long-term nominal expected return for each asset class. The nominal expected return for each asset class is then weighted based on the target asset allocation to develop the expected long-term rate of return on plan assets.

The following table shows the Company's employer contributions and benefits paid for the years ended December 31, 2022 and 2021:

	2022	2021
Employer contributions	$ 1,720,824	13,672,000
Benefits paid	15,609,000	14,612,000

The weighted average asset allocations as of December 31, 2022 and 2021, by asset category, are as follows:

	Plan assets as of December 31,	
	2022	2021
Equity securities	41 %	74 %
Fixed income	57	23
Cash and equivalents	2	3
Total	100 %	100 %

The Plan's Investment Policy focuses on efficient allocation of capital among various asset classes to create a diversified portfolio in order to achieve the Plan's investment return objective of 4.5%. In making capital allocation decisions, the Trustee considers the expected return, standard deviation, and correlation of returns of various asset classes, as well as the current term structure of interest rates and current market conditions. In order to generate returns sufficient to meet actuarial estimates of the Plan's future obligations, the majority of the Plan's assets are typically invested in asset classes with higher expected rates of return, specifically equity securities. In order to limit risk, a lesser allocation is made to fixed income securities. Within strict policy ranges, the Trustee has discretion to increase or decrease the equity and fixed income allocations in response to changing market conditions. The Plan allocates a small percentage to real assets in the form of precious metals trusts.

The following benefit payments are expected to be paid:

Year:	
2023	$ 15,697,000
2024	15,994,000
2025	16,608,000
2026	17,033,000
2027	17,354,000
2028 – 2032	87,977,000

Following is a description of the valuation methodologies used for assets measured at fair value in the Plan:

Cash equivalents – Money market funds are valued at the closing price reported on the active market on which the funds are traded.

U.S. government and agency obligations – Federal agencies are priced utilizing industry-standard models that consider various assumptions, including time value, yield curves, volatility factors, prepayment speeds, default rates, loss severity, current market, and contractual prices for the underlying financial instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.

Corporate bonds - Corporate securities are valued using a type of matrix, or grid, pricing in which securities are benchmarked against the treasury rate based on credit rating. These model and matrix measurements are classified as Level 2 in the fair value hierarchy.

Mutual funds and common stocks – The fair value of these investments is based on quoted market prices from national securities exchanges.

The following table sets forth by level, within the fair value hierarchy, the pension plan's assets at fair value as of December 31, 2022:

		Fair value measurements at report date using		
	December 31, 2022	Quoted prices in active markets for identical assets (Level 1)	Significant other unobservable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash equivalents	$ 5,241,000	5,241,000	—	—
U.S. government and agency obligations	87,935,000	38,559,000	49,376,000	—
Common stocks	47,521,000	47,521,000	—	—
Corporate bonds	4,866,000	—	4,866,000	—
Mutual funds - fixed income	48,011,000	48,011,000	—	—
Mutual funds - equities	53,207,000	53,207,000	—	—
Total	$ 246,781,000	192,539,000	54,242,000	—

The following table sets forth by level, within the fair value hierarchy, the pension plan's assets at fair value as of December 31, 2021:

		Fair value measurements at report date using		
	December 31, 2021	Quoted prices in active markets for identical assets (Level 1)	Significant other unobservable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash equivalents	$ 8,643,000	8,643,000	—	—
U.S. government and agency obligations	2,001,000	—	2,001,000	—
Common stocks	97,611,000	97,611,000	—	—
Mutual funds - fixed income	66,288,000	66,288,000	—	—
Mutual funds - equities	119,256,000	119,256,000	—	—
Total	$ 293,799,000	291,798,000	2,001,000	—

The Company has established a Voluntary Employees Beneficiary Association Trust (VEBA) to fund the employee benefit plan covering medical and dental benefits. For the years ended December 31, 2022 and 2021, the Company contributed $12,779,000 and $17,738,000, respectively, to the VEBA.

The Company has established an employee savings plan under Section 401(k) of the Internal Revenue Code (the Code). Under this plan, employees are allowed to contribute a maximum of 75% of their base pay, subject to certain IRS limitations. The Company's matching contribution is equal to one-half of the employee's contribution up to a maximum of 6% of the employee's base pay. For the years ended December 31, 2022 and

2021, the Company contributed $3,864,000 and $3,779,000, respectively, to the 401(k) plan.

In 2019, with the freezing of the defined benefit pension plan effective December 31, 2018, the Company added to the defined contribution plan two additional benefits. Effective January 1, 2019, a Non-Elective Contribution (NEC) of 4% was given to all employees, except employees who are drawing a pension. NEC eligibility has an immediate entry date for employees age 18 or older. For the years ended December 31, 2022 and 2021, the Company contributed $7,410,000 and $7,335,000, respectively, to the 401(k) plan related to this benefit.

Also, in effect as of January 1, 2019, a Supplemental NEC of an additional 4% was given to employees who have been active ten plus years as of January 1, 2019 and not drawing a pension. This contribution will be given for five years. For the years ended December 31, 2022 and 2021, the Company expensed $2,239,000 and $2,794,000, respectively, related to the 4% contribution for ten year plus employees.

The Company maintains deferred compensation plans. The liability for the plans, aggregating $40,407,000 and $41,689,000 at December 31, 2022 and 2021, respectively, is recorded in other liabilities in the accompanying consolidated balance sheets. Total expenses under these arrangements included in salaries and employee benefits was $3,849,000 and $6,194,000 for the years ended December 31, 2022 and 2021, respectively.

(12) Capital Adequacy

Quantitative measures established by regulation to ensure capital adequacy require banks to maintain minimum amounts and ratios (set forth in the table below on a consolidated basis, amounts in thousands) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets, and of Tier 1 capital to average assets. At December 31, 2022, the Company met all capital requirements to which it is subject, and the Bank's capital position exceeded the regulatory definition of well-capitalized.

The Basel III minimum required ratios for well-capitalized banks (under prompt corrective action provisions) are 6.5% for Tier I common capital, 8.0% for Tier I capital, 10.0% for Total capital and 5.0% for the leverage ratio.

A summary of the Company's and its subsidiary's capital ratios at December 31, 2022 and 2021 is as follows:

(in 000's)	Actual		Minimum capital adequacy requirement		Well-capitalized requirement	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2022:						
Total risk-based capital (to risk-weighted assets):						
Company	$ 2,610,542	20.40%	$ 1,023,755	8.00%	$ —	—%
Central Trust Bank	1,766,566	13.84	1,021,353	8.00	1,276,691	10.00
Tier 1 capital (to risk-weighted assets):						
Company	2,451,387	19.16	767,817	6.00	—	—
Central Trust Bank	1,607,411	12.59	766,014	6.00	1,021,353	8.00
Tier 1 common equity capital (to risk-weighted assets):						
Company	2,451,387	19.16	575,862	4.50	—	—
Central Trust Bank	1,607,411	12.59	574,511	4.50	829,849	6.50
Tier 1 capital (to average assets):						
Company	2,451,387	12.58	779,421	4.00	—	—
Central Trust Bank	1,607,411	8.31	773,824	4.00	967,280	5.00

(in 000's)	Actual		Minimum capital adequacy requirement		Well-capitalized requirement	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2021:						
Total risk-based capital (to risk-weighted assets):						
Company	$ 2,390,352	20.68%	$ 924,812	8.00%	$ —	—%
Central Trust Bank	1,740,662	15.09	922,920	8.00	1,153,650	10.00
Tier 1 capital (to risk-weighted assets):						
Company	2,245,734	19.43	693,609	6.00	—	—
Central Trust Bank	1,596,336	13.84	692,190	6.00	922,920	8.00
Tier 1 common equity capital (to risk-weighted assets):						
Company	2,245,734	19.43	520,207	4.50	—	—
Central Trust Bank	1,596,336	13.84	519,142	4.50	749,872	6.50
Tier 1 capital (to average assets):						
Company	2,245,734	11.46	783,600	4.00	—	—
Central Trust Bank	1,596,336	8.15	783,795	4.00	979,744	5.00

(13) Leasing

Leases are recorded at market values at the inception of the lease and may contain escalations based on indexes tied to the consumer price index or other factors for an increase in the amount of the lease payment. Escalators are included in valuing of right to use assets under certain conditions. Lease value cash flows are discounted to present value in recording the right to use asset based on Federal Home Loan Bank advance rates. The Company has made the election not to separate lease and non-lease components for existing real estate leases when determining consideration within the lease contract. All of the Company's lease agreements are classified as operating leases under ASC 842.

As of December 31, 2022 and 2021, the Company's assets included right to use assets for operating leases that had a weighted average lease term remaining of 26.1 years and 26.3 years and a weighted average discount rate of 3.7% and 3.7%, respectively. The Company's assets also included right to use assets for finance leases in 2022 and 2021 that had a weighted average lease term remaining of 4.1 years and 5.1 years and weighted average discount rate of 1.49% and 1.49%, respectively.

Operating lease cost recorded in net occupancy amounted to $3,562,000 and $3,489,000 in 2022 and 2021, respectively. Operating cash flows from operating leases were $3,437,000 and $3,375,000 in 2022 and 2021, respectively. As of December 31, 2022 and 2021, the right to use assets, reported within premises and equipment, net, totaled $32,692,000 and $34,468,000, respectively. The lease liability, reported within other liabilities, recognized on the financial statements as of December 31, 2022 and 2021 totaled $33,635,000 and $35,264,000, respectively.

As of December 31, 2022, undiscounted operating lease liabilities are scheduled to mature as follows:

Year:	
2023	$ 3,328,000
2024	3,191,000
2025	2,764,000
2026	2,520,000
2027	2,169,000
Thereafter	39,959,000

Operating expense and short-term lease costs totaled $3,753,000 and $3,764,000 in 2022 and 2021, respectively. Amortization of right to use assets charged to operating expense was approximately $2,353,000 and $2,232,000 in 2022 and 2021, respectively, and is included in net occupancy and equipment expense on the consolidated statements of income.

(14) Litigation

The Company and its subsidiaries are defendants in various claims, legal actions, and complaints arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, all such matters are adequately covered by insurance or reserves recorded by management or are of such nature that the unfavorable disposition of any, or all, such matters would not have a material adverse effect on the financial position of the Company.

(15) Fair Value Disclosures

Fair Value Hierarchy

The Company uses fair value measurements to record fair value adjustments to certain financial and nonfinancial assets and liabilities and to determine fair value disclosures. Various financial instruments such as available-for-sale and trading securities are recorded at fair value on a recurring basis. Additionally, from time to time, the Company may be required to record at fair value other assets and liabilities on a nonrecurring basis, such as loans, loans held for sale, mortgage servicing rights, and certain other investment securities. These nonrecurring fair value adjustments typically involve lower of cost or market accounting, or writedowns of individual assets.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Depending on the nature of the asset or liability, the Company uses various valuation techniques and assumptions when estimating fair value, which are in accordance with ASC 820. ASC 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liabilities, either directly or indirectly (such as interest rates, yield curves, and prepayment speeds).
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value. These may be internally developed, using the Company's best information and assumptions that a market participant would consider.

When determining the fair value measurements for assets and liabilities required or permitted to be recorded or disclosed at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability. When possible, the Company looks to active and observable markets to price identical assets or liabilities. When identical assets and liabilities are not traded in active markets, the Company looks to market observable data for similar assets and liabilities.

Valuation Methods for Instruments Measured at Fair Value on a Recurring Basis

The following table presents assets and liabilities measured at fair value on a recurring basis (including items that are required to be measured at fair value) at December 31, 2022 and 2021.

			Fair value measurements at report date using		
		Fair Value December 31, 2022	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:					
Loans held for sale	$	33,878,000	—	33,878,000	—
Available-for-sale investment securities:					
U.S. government obligations and government-sponsored enterprises		6,369,848,000	2,235,145,000	4,134,703,000	—
Obligations of states and political subdivisions		60,087,000	—	60,087,000	—
Other securities		42,652,000	901,000	41,751,000	—
Equity investments		52,126,000	4,060,000	36,950,000	11,116,000
Derivatives *		12,004,000	—	12,004,000	—
Total assets	$	6,570,595,000	2,240,106,000	4,319,373,000	11,116,000
Liabilities:					
Derivatives *	$	10,756,000	—	10,756,000	—
Total liabilities	$	10,756,000	—	10,756,000	—

* The fair value of each class of derivative is shown in Note 18.

		Fair value measurements at report date using		
	Fair Value December 31, 2021	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Loans held for sale	$ 77,243,000	—	77,243,000	—
Available-for-sale investment securities:				
U.S. government obligations and government-sponsored enterprises	5,597,326,000	1,458,216,000	4,139,110,000	—
Obligations of states and political subdivisions	80,206,000	—	80,206,000	—
Other securities	43,235,000	2,414,000	40,821,000	—
Equity investments	84,021,000	4,726,000	68,329,000	10,966,000
Derivatives *	11,605,000	—	11,605,000	—
Total assets	$ 5,893,636,000	1,465,356,000	4,417,314,000	10,966,000
Liabilities:				
Derivatives *	$ 9,970,000	—	9,970,000	—
Total liabilities	$ 9,970,000	—	9,970,000	—

* The fair value of each class of derivative is shown in Note 18.

Following is a description of the Company's valuation methodologies used for instruments measured at fair value on a recurring basis:

Securities

Securities are identified as trading, available for sale, or held to maturity at the time of purchase based upon the intent of management.

Trading securities are carried at fair value with unrealized gains and losses included in current period earnings.

Available-for-sale securities are accounted for in accordance with ASC 320 and are carried at fair value. Unrealized gains and losses are recorded, net of deferred income taxes, as accumulated other comprehensive income in shareholders' equity. Available-for-sale securities are separately identified as pledged to creditors if the creditor has the right to sell or re-pledge the collateral. This portfolio comprises the majority of the assets the Company records at fair value.

Held-to-maturity securities are carried at amortized cost.

The fair value of our securities, which consist primarily of obligations of the U.S. government and government sponsored enterprises (GSEs), is generally based on instrument-level pricing provided to us by a third-party pricing service which utilizes a combination of market quotations in an active market where available, and industry-standard models that consider various assumptions, including time value, yield curves, volatility factors, prepayment speeds, default rates, loss severity, current market and contractual prices for the underlying financial instruments, as well as other relevant economic measures. Substantially all these assumptions are observable in the marketplace, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.

We periodically evaluate the pricing supplied by third-party pricing services by comparing the provided pricing with other sources including, but not limited to, recent transactions in similar instruments, dealer quotes and modeled values using various observable market inputs. Based on the results of such evaluations, management may choose to adjust prices obtained from third-party pricing services to more appropriately reflect its estimate of prices that could be realized in orderly transactions in the current market.

The various portions of the estimated fair value of the Company's equity securities are based on several inputs. Where quoted prices are available in an active market, the measurements are classified as Level 1. Equity securities which are infrequently traded or restricted, such as equity interests in the Federal Reserve and Federal Home Loan Bank, are classified as Level 2. The fair value of equity securities based on unobservable inputs and estimates are classified as Level 3.

Loans Held for Sale

Loans held for sale are carried at fair value. The portfolio consists primarily of residential real estate loans that are originated with the intent to sell. The Company contracts to sell the loans to the FHLMC, FNMA, and other private investors. Fair value measurements on these loans held for sale are based on quoted market prices for similar loans in the secondary market and are classified as Level 2. No write-down was necessary at December 31, 2022 and 2021.

Derivatives

The Company's derivative instruments include interest rate swaps, interest rate lock commitments (IRLC) and to-be-announce (TBA) contracts for hedging our mortgage loan pipeline. Valuations for interest rate swaps are derived from a proprietary model whose significant inputs are readily observable market parameters, primarily yield curves used to calculate current exposure. The results of the model are constantly validated through comparison to active trading in the marketplace. The fair value measurements of interest rate swaps and floors are classified as Level 2 due to the observable nature of the significant inputs utilized. Derivatives relating to residential mortgage loan sale activity include commitments to originate mortgage loans held for sale, forward loan sale contracts, and forward commitments to sell TBA securities. The fair values of loan commitments and sale contracts are estimated using quoted market prices for loans similar to the underlying loans in these instruments. The valuations of loan commitments are further adjusted to include embedded servicing value and the probability of funding. These assumptions are considered Level 2 inputs and are significant to the loan commitment valuation; accordingly, the measurement of loan commitments is classified as Level 2. The fair value measurement of TBA contracts is based on security prices published on trading platforms and is classified as Level 2.

Valuation Methods for Instruments Measured at Fair Value on a Nonrecurring Basis

Following is a description of the Company's valuation methodologies used for other financial instruments measured at fair value on a nonrecurring basis:

Mortgage Servicing Rights

The Company initially measures its mortgage servicing rights at fair value, and amortizes them over the period of estimated net servicing income. They are periodically assessed for impairment based on fair value at the reporting date. Mortgage servicing rights do not trade in an active market with readily observable prices. Accordingly, the fair value is estimated based on a valuation model, which calculates the present value of estimated future net servicing income. The model incorporates assumptions that market participants use in estimating future net servicing income, including estimates of prepayment speeds, market discount rates, cost to service, float earnings rates, and other ancillary income, including late fees. The fair value measurements are classified as Level 3. There was no valuation adjustment recorded on the mortgage servicing rights at December 31, 2022.

Collateral Dependent Impaired Loans

While the overall portfolio is not carried at fair value, adjustments are recorded on certain loans to reflect partial writedowns that are based on the value of the underlying collateral. In determining the value of real estate collateral, the Company relies on external appraisals and assessment of property values by its internal staff. In the case of non-real estate collateral, reliance is placed on a variety of sources, including external estimates of value and judgments based on the experience and expertise of internal specialists.

Because many of these inputs are not observable, the measurements are classified as Level 3. The carrying value of the impaired loans specifically reviewed and the allowance related to these loans was $23.4 million and $.4 million at December 31, 2022 and $20.8 million and $.4 million at December 31, 2021, respectively. Impaired loans carried at fair value were $23.0 million at December 31, 2022 and $20.5 million at December 31, 2021.

Foreclosed Assets

Foreclosed assets consist of loan collateral, which has been repossessed through foreclosure. This collateral is comprised of commercial and residential real estate and other non-real estate property. Foreclosed assets are recorded as held for sale initially at the lower of the loan balance or fair value of the collateral less estimated selling costs. Subsequent to foreclosure, valuations are updated periodically, and the assets may be marked down further, reflecting a new cost basis. Fair value measurements may be based upon appraisals, third-party price opinions, or internally developed pricing methods. These measurements are classified as Level 3.

Fair Value of Financial Instruments

The carrying amounts and estimated fair values of financial instruments held by the Company, in addition to a discussion of the methods used and assumptions made in computing the estimates, are set forth below.

Cash and Due from Banks, Short-term Interest-Bearing Deposits, Federal Funds Sold and Securities Purchased Under Agreement to Resell, and Accrued Interest Receivable

The carrying amounts for cash and due from banks, short-term interest-bearing deposits, and federal funds sold, and securities purchased under agreements to resell, and accrued interest receivable approximate fair value because they mature in 90 days or less and do not present unanticipated credit concerns.

Time Deposits

The fair value of time deposits is based on the discounted value of cash flows. Discount rates are based on the Company's approximate cost of obtaining similar maturity funding in the market. Their fair value measurement is classified as Level 3.

Held-to-Maturity Securities

The fair value of our held-to-maturity investment securities is generally based on instrument-level pricing provided to us by a third-party pricing service which utilizes a combination of market quotations in an active market where available, and industry-standard models that consider various assumptions, including time value, yield curves, volatility factors, prepayment speeds, default rates, loss severity, current market and contractual prices for the underlying financial instruments, as well as other relevant economic measures. Substantially all these assumptions are observable in the marketplace, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.

We periodically evaluate the pricing supplied by third-party pricing services by comparing the provided pricing with other sources including, but not limited to, recent transactions in similar instruments, dealer quotes and modeled values using various observable market inputs. Based on the results of such evaluations, management may choose to adjust prices obtained from third-party pricing services to more appropriately reflect its estimate of prices that could be realized in orderly transactions in the current market.

Loans

The estimated fair value of the Company's loan portfolio is based on the segregation of loans by type — commercial, residential mortgage, and consumer. Each loan category is further segmented into fixed and adjustable-rate interest categories. In estimating the fair value of each category of loan, the carrying amount of the loan is reduced by an allocation of the allowance for loan losses. Such allocation is based on management's loan classification system, which is designed to measure the credit risk inherent in each classification category.

The estimated fair value for variable rate loans is the carrying value of such loans, reduced by an allocation of the allowance for loan losses based on management's loan classification system.

The estimated fair value of fixed-rate loans is calculated by discounting the scheduled cash flows for each loan category — commercial, residential real estate, and consumer. The cash flows through maturity for each category of fixed-rate loans are aggregated for the Company. Prepayment estimates for residential real estate and installment consumer loans are based on estimates for similar instruments in the secondary market with similar maturity schedules and interest rates. Discount rates used for each loan category of fixed rate loans represent rates the Company believes are reflective of what the Company could sell loans for based on market conditions and the Company's assessment of credit quality.

Deposits

The fair value of deposits with no stated maturity is equal to the amount payable on demand. Such deposits include savings and interest and non-interest-bearing demand deposits. The fair value of demand deposits does not include the benefit that results from the low-cost funding provided by deposit liabilities compared to the cost of borrowing funds in the market. Because they are payable on demand, they are classified as Level 1 in the fair value hierarchy. The fair value of time deposits is based on the discounted value of cash flows. Discount rates are based on the Company's approximate cost of obtaining similar maturity funding in the market. Their fair value measurement is classified as Level 3.

Federal Funds Purchased and Securities Sold Under Agreements to Repurchase

The estimated fair value of federal funds purchased and securities sold under agreements to repurchase approximate their carrying values because of the short-term nature of these borrowings.

Accrued Interest Payable

The estimated fair value of accrued interest payable approximates the carrying value because of the short-term nature of the liability.

The estimated fair values of the Company's financial instruments are as follows:

	December 31, 2022			
	Carrying amount	Estimated Fair Value Level 1	Level 2	Level 3
Financial Assets				
Cash and due from banks and short-term interest bearing deposits	$ 888,326,000	888,326,000	—	—
Time deposits	1,438,000	—	—	1,435,000
Federal funds sold and securities purchased under agreements to resell	6,678,000	6,678,000	—	—
Investment securities				
Available for sale	6,472,587,000	2,236,046,000	4,236,541,000	—
Held to maturity	4,727,000	—	4,047,000	677,000
Equity	52,126,000	4,060,000	36,950,000	11,116,000
Loans				
Commercial	8,100,435,000	—	—	7,943,711,000
Residential real estate	1,617,746,000	—	—	1,540,757,000
Individual loans	1,347,802,000	—	—	1,322,631,000
Loans held for sale	33,878,000	—	33,878,000	—
Derivatives	12,004,000	—	12,004,000	—

	December 31, 2021			
	Carrying amount	Estimated Fair Value Level 1	Level 2	Level 3
Financial Assets				
Cash and due from banks and short-term interest bearing deposits	$ 3,414,183,000	3,414,183,000	—	—
Time deposits	1,936,000	—	—	1,943,000
Federal funds sold and securities purchased under agreements to resell	1,578,000	1,578,000	—	—
Investment securities				
Available for sale	5,720,767,000	1,460,630,000	4,260,137,000	—
Held to maturity	9,779,000	—	9,211,000	677,000
Equity	84,021,000	4,726,000	68,329,000	10,966,000
Loans				
Commercial	7,673,792,000	—	—	7,688,227,000
Residential real estate	1,203,675,000	—	—	1,224,904,000
Individual	1,271,517,000	—	—	1,276,910,000
Loans held for sale	77,243,000	—	77,243,000	—
Derivatives	11,605,000		11,605,000	

	December 31, 2022				
	Carrying amount		Estimated Fair Value Level 1	Level 2	Level 3
Financial Liabilities					
Noninterest-bearing demand	$	5,918,812,000	5,918,812,000	—	—
Savings and interest-bearing demand		8,505,154,000	8,505,154,000	—	—
Time deposits		1,137,230,000	—	—	1,106,489,000
Total deposits	$	15,561,196,000	14,423,966,000	—	1,106,489,000
Federal funds purchased and securities sold under agreements to repurchase	$	1,316,947,000	1,316,947,000	—	—
Accrued interest payable		2,406,000	2,406,000	—	—
Derivatives		10,756,000	—	10,756,000	—

	December 31, 2021				
	Carrying amount		Estimated Fair Value Level 1	Level 2	Level 3
Financial Liabilities					
Noninterest-bearing demand	$	6,267,617,000	6,267,617,000	—	—
Savings and interest-bearing demand		8,597,716,000	8,597,716,000	—	—
Time deposits		1,263,571,000	—	—	1,261,434,000
Total deposits	$	16,128,904,000	14,865,333,000	—	1,261,434,000
Federal funds purchased and securities sold under agreements to repurchase	$	1,421,371,000	1,421,371,000	—	—
Accrued interest payable		1,101,000	1,101,000	—	—
Derivatives		9,970,000	—	9,970,000	—

Limitations

Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instruments. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective, involve uncertainties and cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(16) Accumulated Other Comprehensive Loss

The table below shows the activity and accumulated balances for components of other comprehensive loss.

		Unrealized Gains/Losses on AFS Securities	Pension Plan	Total
Balance December 31, 2020	$	23,469,000	(74,122,000)	(50,653,000)
Other comprehensive income (loss) before reclassifications		(58,949,000)	25,326,000	(33,623,000)
Amounts reclassified from accumulated other comprehensive loss		—	—	—
Current period other comprehensive income (loss), before tax		(58,949,000)	25,326,000	(33,623,000)
Income tax (expense) benefit		14,054,000	(6,038,000)	8,016,000
Current period other comprehensive income (loss), net of tax		(44,895,000)	19,288,000	(25,607,000)
Balance December 31, 2021	$	(21,426,000)	(54,834,000)	(76,260,000)
Other comprehensive income (loss) before reclassifications	$	(467,948,000)	46,922,000	(421,026,000)
Amounts reclassified from accumulated other comprehensive loss		—	—	—
Current period other comprehensive income (loss), before tax		(467,948,000)	46,922,000	(421,026,000)
Income tax (expense) benefit		111,559,000	(11,186,000)	100,373,000
Current period other comprehensive income (loss), net of tax		(356,389,000)	35,736,000	(320,653,000)
Balance December 31, 2022	$	(377,815,000)	(19,098,000)	(396,913,000)

(17) Derivative Instruments

The Company's mortgage banking originates mortgage loans (interest rate locks) to be sold into the secondary market. The Company does not enter into a commitment to sell these loans at the time of the interest rate lock but instead enters into an agreement to sell the loan(s) after funding. The Company enters into free-standing derivatives to protect against movement in interest rates once the loan commitment is entered into. These derivatives are in the form of commitments to sell to-be-announced (TBA) securities which move in value in the opposite direction of the fixed rate loan commitments thereby economically protecting the Company from movement in interest rates during the period from the interest rate lock to the date the loan is sold into the secondary market.

As of December 31, 2022, the amounts reflected in the Company's balance sheet in assets and liabilities for the value of the interest rate lock commitments, funded loans held for sale, and the corresponding commitments to sell the TBA securities were as follows:

		Notional Value 12/31/2022	Market Value 12/31/2022	Notional Value 12/31/2021	Market Value 12/31/2021
Interest Rate Lock Commitments	$	52,036,000	103,000	180,794,000	2,553,000
Loans Closed - Market Value Loans Held for Sale		15,413,000	395,000	52,132,000	1,460,000
TBA Derivative Value		58,500,000	(127,000)	199,500,000	(184,000)

The market value of the loan commitment pipeline is net of expenses.

The Company maintains an overall interest rate risk management strategy that permits the use of derivative instruments to modify exposure to interest rate risk. The Company's interest rate risk management strategy includes the ability to modify the repricing characteristics of certain assets and liabilities so that changes in interest rates do not adversely affect the net interest margin and cash flows. Interest rate swaps may be used on a limited basis as part of this strategy. The Company also sells interest rate swap contracts to customers who wish to modify their interest rate sensitivity. The Company offsets the interest rate risk of these swaps by purchasing matching contracts with offsetting pay/receive rates from other financial institutions. The Company's "Back-to-Back" swaps are accounted for as free-standing derivatives, and changes in their fair value are recorded in current earnings. These Back-to-Back swap contracts comprised a portion of the Company's swap portfolio at December 31, 2022 and 2021 with total notional amounts of $205.4 million and $417.6 million, respectively.

The Company also employs the use of "Critical Terms" swaps. While this strategy does not directly involve customers of the Bank, they are used to swap the interest rate structure of individual loans. By using Critical Terms, the Bank is able to mark-to-market the loan as well. For derivatives designated and that qualify as fair value hedges, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in earnings. The Company includes the gain or loss on the hedged items in the same line item as the offsetting loss or gain on the related derivatives. These structures had a notional amount of $13.8 million, with a fair value of $1,272,000 and a notional amount of $18.6 million, with a fair value of $734,000 at December 31, 2022 and 2021, respectively.

		Derivative Assets 12/31/22	Derivative Liabilities 12/31/22	Derivative Assets 12/31/21	Derivative Liabilities 12/31/21
Back to back swaps	$	10,629,000	10,629,000	9,052,000	9,052,000
Fair value hedges		1,272,000	—	—	734,000

(18) Revenue Recognition

Revenue should be recognized to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue from financial instruments, including revenue from loans and securities, is not included within this guidance. Noninterest revenue items that are subject to this guidance mainly include fees for bank card, trust, deposit account services, and consumer brokerage services and are discussed below and summarized in the table that follows.

Fees for Fiduciary Services

Trust and asset management income is primarily comprised of fees earned from the management and administration of trusts, settlement of estates, and other similar duties where Central Trust Company serves in a fiduciary capacity. The Company's performance obligation is generally satisfied over time and the resulting fees are recognized monthly, based upon the average monthly value of the assets under management and the applicable fee rate or otherwise as negotiated as a fee for service. Other transactional-based services, including but not limited to, tax return preparation and financial planning are available. The performance obligation for these services is generally satisfied and related revenue recognized, at the completion of the service.

Deposit Accounts and Other Fees

Service charges on deposit accounts consist of account analysis fees (i.e., net fees earned on analyzed business and public checking accounts), monthly service fees, check orders, and other deposit account related fees. The Company's performance obligation for account analysis and monthly service fees is generally satisfied, and the related revenue recognized, when the service is provided and received immediately or in the following month.

The Company provides corporate cash management services to its business customers to meet their various transaction processing needs. Such services include deposit and check processing, lockbox, remote deposit, reconciliation, online banking, and other similar transaction processing services. The Company maintains unit prices for each type of service, and the customer is billed based on transaction volumes processed monthly.

Overdraft fees are charged to customers when daily checks and other withdrawals to customers' accounts exceed balances on hand. The daily overdraft charge is calculated and the fee is posted to the customer's account each day.

Other deposit related fees such as check orders, foreign ATM processing fees, stop payment fees, and cashier's checks are largely transactional based, and therefore, the Company's performance obligation is satisfied, and related revenue recognized, when the transaction is processed.

Bankcard Transaction Fees

Fees, exchange, and other service charges are primarily comprised of debit and credit card income, ATM fees, merchant services income, and other service charges. Debit and credit card income is primarily comprised of interchange fees earned whenever the Company's debit and credit cards are processed through card payment networks such as MasterCard. The fees earned are established by the settlement network and are dependent on the type of transaction processed but are typically based on a per unit charge. Interchange income is settled daily through the networks.

Consumer Brokerage Services

Consumer brokerage services revenue is comprised of commissions received upon the execution of purchases and sales of mutual fund shares and equity securities, in addition to certain limited insurance products in an agency capacity. Also, fees are earned on managed advisory programs. Payment from the customer is upon settlement for purchases and sales of securities, upon purchase for annuities and insurance products, and upon inception of the service period for advisory programs.

Other Non-Interest Income from Contracts with Customers

Other non-interest income consists mainly of gains on foreclosed assets as well as bank premises and equipment. Performance obligations for these services consist mainly of the execution of transactions for sale of various properties. Fees from these revenue sources are recognized when the performance obligation is completed, at which time cash is received by the Company.

	2022	2021
Service charges and commissions		
Deposit account and other fees	$ 48,782,000	43,559,000
Other non-ASC 606 revenue	8,602,000	7,555,000
	$ 57,384,000	51,114,000
Bankcard and merchant service fees		
Bankcard transaction fees	$ 66,603,000	65,828,000
Brokerage services		
Consumer brokerage service fees	$ 20,048,000	20,660,000
Fees for fiduciary services		
Fiduciary service fees	$ 38,232,000	38,607,000
Other		
Gain on sale of bank premises and equipment	$ 488,000	1,593,000
Other non-ASC 606 revenue	10,047,000	7,276,000
	$ 10,535,000	8,869,000

Company History

1970 Central Bancompany incorporates as a multi-bank holding company that includes The Central Trust Bank and Jefferson Bank of Missouri, both in Jefferson City, MO

1972 First National Bank of Clayton joins Central Bancompany

1973 Acquired – The Guaranty Trust Company, Clayton, MO

1974 Acquired – Boone County National Bank, Columbia, MO

1977 Acquired – First National Bank of Mexico, Mexico, MO

Deployed first Automated Teller Machine (ATM)

1979 Acquired – City Bank & Trust Company, Moberly, MO

1980 Acquired – Empire Bank, Springfield, MO

1984 Reached **$1 Billion** in Total Assets

1985 The Central Trust Bank acquires Lake National Bank of Tuscumbia, Tuscumbia, MO

1986 Acquired – Bank of the Lake of the Ozarks, Osage Beach, MO

Launched credit card division

1988 Central Bank of Lake of the Ozarks acquires Camden County Bank, Camden, MO

Acquired – Ozark Mountain Bank, Branson, MO

1991 Empire Bank acquires Nixa Bank, Nixa, MO

1992 Acquired – Third National Bank of Sedalia, Sedalia, MO

1993 Acquired – First National Bank of Lee's Summit, Lee's Summit, MO

Added our **50th** Location

1994 Boone County National Bank acquires South County Bank, Ashland, MO

FNB of Audrain County acquires Laddonia State Bank, Laddonia, MO

Launched InvestorServices, a full-service brokerage division

1995 FNB of Missouri (previously FNB of Lee's Summit) acquires First State Bank of Buckner, Buckner, MO

Empire Bank acquires Webster County Bank and Pleasant Hope Bank, Springfield, MO

1997 Acquired – Bank of Warrensburg, Warrensburg, MO and renamed First Central Bank

Acquired – Farmers & Traders Bank, California, MO

Boone County National Bank acquires Mercantile Bank of Boonville, Boonville, MO

1998 First Central Bank acquires Bank of Higginsville, Higginsville, MO

FNB of St. Louis (previously FNB of Clayton) acquires Colonial Bank, Des Peres, MO

Launched Internet Banking

1999 Acquired – Bank of Jacomo, Blue Springs, MO

Boone County National Bank acquires State Bank of Hallsville and Sturgeon State Bank, Boone County, MO

Central Trust Bank acquires Fulton Savings Bank, Fulton, MO

Farmers and Traders Bank, California, MO merges with Central Trust Bank, Jefferson City, MO

2000 Central Trust Bank acquires deposits from Union Planters Bank, California, MO

Reached **$5 Billion** in Total Assets

2001 FNB of St. Louis acquires Mid America Bank of St. Clair County, O'Fallon, IL

Expanded into the State of Illinois

Added our **100th** location

2004 Bank of Jacomo collapses into FNB of Missouri

Acquired – Community Bank and Trust Company, Tulsa, OK

First Central Bank acquires Higginsville, MO, branches of Bank Midwest

Expanded into the State of Oklahoma

2007 The Guaranty Trust Company collapses into the Central Trust Company, Jefferson City, MO

Acquired – ONB Bank, Tulsa, OK
Community Bank and Trust collapses into ONB Bank

Acquired – Metcalf Bank, Overland Park, KS

Acquired – First Kansas Bank & Trust Company, Gardner, KS

FNB of St. Louis acquires First National Bank of Millstadt, Millstadt, IL

Expanded into the State of Kansas

2008 FNB of Missouri, First Kansas Bank, and Metcalf Bank merge with Metcalf Bank, the surviving name

Empire Bank acquires The Greene County Bank, Strafford, MO

First Central Bank acquires Bank of Holden, Holden, MO

2009 Metcalf Bank acquires, through purchase and assumption agreement, American Sterling Bank, Sugarcreek, MO

2009 Central Trust Company acquires Springfield Trust Company, Springfield, MO

Recognized by *Forbes* as being a TOP TEN bank in America

2010 Empire Bank acquires Citizens National Bank, Springfield, MO

2011 TNB of Sedalia acquires Union Savings Bank, Sedalia, MO

2012 Metcalf Bank acquires, through purchase and assumption agreement, Heartland Bank, Leawood, KS

Reached **$10 Billion** in Total Assets

2013 Boone County National Bank acquires partial assets from Shelter Financial Bank, Columbia, MO

2014 Metcalf Bank acquires Bank of Belton, Belton, MO

FNB of Audrain County acquires the Vandalia branch from First State Community Bank

2015 Central Bank of the Midwest acquires Douglas County Bank, Lawrence, KS

Twelve of 13 charters are renamed under the **Central Bank** name

2017 Central Trust Bank and Central Bank of Lake of the Ozarks acquires Bank Star One, New Bloomfield, MO

Central Trust Bank creates Mortgage Central and opens offices in Colorado

Expanded into the State of Colorado

2018 Full-service branch opens in Colorado Springs, CO

2019 Central Bank of the Midwest acquires BankLiberty, Liberty, MO

Central Bank of the Midwest acquires Platte Valley Bank, Platte City, MO

2020 Surpassed **$15 Billion** in Total Assets

2021 Consolidated 13 Affiliate Bank Charters into one charter, "The Central Trust Bank."

Recognized by *Forbes* as being the 4th *"Best Banks in America."*

2022 Expanded into the State of Florida

Board of Directors & Senior Leadership

Central Bancompany Board of Directors

S. Bryan Cook, *Chairman & Chief Executive Officer*
Robert M. Robuck, *Vice Chairman*
E. Stanley Kroenke, *President & CEO*, The Kroenke Group
Robert R. Hermann, Jr., *President & CEO*, Hermann Companies, Inc.
Charles E. Kruse, *President*, Charles Kruse Farms, Inc.
Richard H. McClure, *Lead Director*, World Wide Technology, *(Retired)*, UniGroup, Inc.
Michael K. Farmer, *President*, Farmer Companies
Edward D. "Chip" Robertson, Jr., *Attorney*, Bartimus Frickleton Robertson Rader P.C.
Charles Digges, Jr., The Insurance Group - Columbia

The Central Trust Bank Board of Directors

S. Bryan Cook, *Chairman*
Robert M. Robuck, *Vice Chairman*
Stephen E. Erdel, *Vice Chairman*
Kenneth W. Littlefield, *Vice Chairman*
John T. Ross, *Chief Executive Officer*
David P. Minton, *President*
Richard H. McClure, *Lead Director*, World Wide Technology, *(Retired)*, UniGroup, Inc.
Mark A. Adams, MD, *President*, Columbia Orthopaedic Group
J. Mark Cook, *CEO*, Central States Industrial Equipment
Laura Crowley-Coy, *General Manager*, Crowley Furniture
Kirk Farmer, *Owner*, Farmer Holding Company
Michael L. Kehoe, *Lt. Governor*, State of Missouri

Senior Leadership

S. Bryan Cook, *Chairman & Chief Executive Officer*
John T. Ross, *President & Chief Operating Officer*
Robert M. Robuck, *Vice Chairman*
Stephen E. Erdel, *Vice Chairman*
Kenneth W. Littlefield, *Vice Chairman*
Piyush P. Agarwal, *Executive Vice President*, Chief Financial Officer
Russell L. Goldammer, *Executive Vice President*, Chief Information Officer
Joe T. Henderson, *Executive Vice President*, Chief Credit Officer
Scott M. Kellett, *Executive Vice President*, Wealth Management
David P. Minton, *Executive Vice President*, Mortgage Banking
Gregory D. Omer, *Executive Vice President*, General Counsel & Corporate Secretary
Daniel H. Westhues, *Executive Vice President*, Chief Marketing & Retail Banking Officer
W. Bradford Emmons, *Senior Vice President*, Treasurer
Paul J. Kleffner, *Senior Vice President*, Chief Audit Officer
Peter J. Langston, *Senior Vice President*, Loan Review
Lisa J. Pittman, *Senior Vice President*, Controller
Carey D. Schoeneberg, *Senior Vice President*, Chief Risk Officer
Shannon M. Thomason, *Senior Vice President*, Chief Compliance Officer
Matthew T. Tollerton, *Senior Vice President*, Digital Banking
Shawn D. Von Talge, *Senior Vice President*, Mortgage Banking
Arlene R. Vogel, *Senior Vice President*, Commercial Banking Services
Cynthia A. Whaley, *Senior Vice President*, Commercial Banking Services
Julie L. Zerr, *Senior Vice President*, Senior Audit Manager

Shown here is our newest location in Edmond, Oklahoma, opened April 2022.

Central Bank – Jefferson City Market

Joined Central Bancompany in 1970

President & CEO: L. Kenton Theroff • Branches: 14 • Employees: 758

Central Bank had an eventful year with many new developments and changes to our leadership team. We brought on new members such as a new Chief Financial Officer, Human Resources Director, Communications Director, and Marketing Director, adding to an already dynamic team. Most notably, we announced Ken Theroff as President and CEO. Furthermore, we promoted a new chief lending officer and established a team focused on employee engagement.

As a part of the new initiatives, we partnered with Jefferson Bank and piloted The A.C.E. Project in Jefferson City, which incentivizes and improves academic achievement in high school students. Read more about The A.C.E. project *on page 10*. We also continued our dedication to supporting local communities by sponsoring events and activities through United Way organizations and other not-for-profit groups.

Looking ahead, we aim to renew our focus on improving and retaining employees through training and growth opportunities. We plan to continue building relationships with state, county, and local government agencies. Lastly, we have strengthened our partnerships with local communities, schools, and businesses in branches located in Jefferson City, Fulton, Holts Summit, California, New Bloomfield, and Tuscumbia.

Advisory Board

David P. Minton, *Chairman of the Board*
Kenneth W. Littlefield, *Vice Chairman*
Robert M. Robuck, *Vice Chairman*
Michael L. Kehoe, *Lt. Governor*, State of Missouri
Clyde G. Lear, *Owner (Retired)*, Learfield Communications
Jacob L. Vogel, *President*, Jefferson City Coca-Cola Bottling Company
Kirk Farmer, *Owner*, Farmer Holding Company
Joseph N. Scheppers, *Owner*, N.H. Scheppers Distributing Company
John B. Moseley, *President*, Lincoln University

Callaway, Cole, Miller, and Moniteau Counties
Expansion Markets include Colorado, North Carolina, and Florida

Jefferson Bank – Jefferson City Market

Joined Central Bancompany in 1970

President & CEO: L. Brandy Bryant • Branches: 4 • Employees: 90

Jefferson Bank is excited to announce Brandy Bryant as our new President and CEO. Additionally, there were new division leaders in Commercial Lending and Marketing in 2022. Our new leaders will provide exceptional service to our customers, and drive the bank forward.

In terms of new initiatives, we are proud to be the presenting sponsor of the Young Professionals Business Summit, which supports local young professionals in their business development endeavors. We also support the local United Way annual campaign, with a majority of employees donating at least 1% of their annual salaries, and achieving 100% employee participation. Additionally, we have partnered with Central Bank in Jefferson City on The A.C.E. Project, read more *on page 10*.

Looking to The Road Ahead, Jefferson Bank hosted company-wide strategic planning sessions in each line of business to identify and plan for growth initiatives for 2023. We added strength to our mortgage production team in Jefferson City, and expanded to Rolla and Owensville.

We remain committed to continuing our affordable housing initiative this year. We are excited about the future and are confident in our ability to serve our customers and community with excellence.

Advisory Board

Harold W. Westhues, *Chairman of the Board, Retired*, Jefferson Bank
Robert P. Wankum, MD, *Retired*, JCMG Ophthalmology
Bernard J. Fechtel, *Owner*, Fechtel Beverage & Sales
C. Roger Schrimpf, *Owner*, Schrimpf Management
Jeffrey L. Patrick, MD, *Radiologist, JCMG President*

Serving Jefferson City
Expanded into Rolla and Owensville

Central Bank – St. Louis Market

Joined Central Bancompany in 1972

President & COO: Daniel G. Stephen • Branches: 16 • Employees: 217

Central Bank of St. Louis has recently made several leadership changes, including a new Chief Credit Officer, Commercial Lending Manager, Controller, and Commercial Lending Division Director. Most notably, Dan Kleffner has been promoted to President & Chief Operating Officer, succeeding Dan Stephen, effective January 1, 2023.

We are continuing to align our efforts with The Road Ahead by negotiating an addition to our St. Louis Cardinals contract announcing a new St. Louis Cardinals Credit Card — set to launch in the first quarter of 2023. We are proud to boast a Net Promoter Score of 65.32%, which is third overall in our company, and the highest among the larger markets.

Despite the Paycheck Protection Program (PPP) loan payoffs, the Commercial Banking unit has shown strength with loan growth. We have also grown our mortgage offerings with the addition of a new mortgage loan production office on Pernod Ave.

In terms of community spotlight and economic development highlights, we hosted a Ferguson Community Appreciation Day, which provided free BBQ and entertainment for the community. Community Reinvestment Act (CRA) Lenders also hosted Realtor partners to promote the Home Turf program, and to meet potential homebuyers attending the event. Additionally, 34 bank volunteers taught 261 students grades K-5 for Junior Achievement at Pershing Elementary. Lastly, the Thanksgiving Food Drive Campaign partnered with the St. Louis Area FoodBank, and accepted food donations at all branch locations throughout the month of November. We advertised the efforts on social media and with two local radio stations, including two live remotes. We have also sponsored numerous local events and initiatives to support the community.

Advisory Board

S. Bryan Cook, *Chairman & CEO*
Richard J. Bagy, Jr., *Vice Chairman*
Wayne R. Baker, *President,* Warrenton Oil Company
Daniel B. Bruns, *President/Owner,* Kienstra Company
Robert C. Byrne, Jr., *Owner,* Byrne & Jones Enterprises, Inc.
Christopher Chivetta, *President,* Hastings & Chivetta Architects
Jeffrey S. Gershman, *Principal,* Stone, Leyton & Gershman
Daniel L. Human, *Executive Director,* Howard Bend Levee District
Richard H. McClure, *Lead Director,* World Wide Technology, *(Retired),* UniGroup, Inc.

St. Louis City (MO), St. Louis County (MO), St. Charles County (MO), St. Clair County (IL), Monroe County (IL)
Expansion Market in Tennessee

Central Bank – Boone County Market

Joined Central Bancompany in 1974

President & CEO: Edward W. Scavone • Branches: 15 • Employees: 352

Central Bank of Boone County has made exciting changes and developments in recent months. We are proud to announce the appointment of two new division heads, one for consumer banking and one for commercial lending. These additions will help us better serve customers in these areas. We are proud to report that through ProsperU, our financial education program, we have helped 3,719 individuals improve their financial literacy skills. We also played a major role in sponsoring Summerfest, which supports the arts and enriches the Columbia community through arts and entertainment.

As part of our community outreach, we highlighted small businesses and non-profits in the area via social media to bring awareness to the great work these organizations do for our community. Looking ahead, we hosted a company-wide sales leadership training to help our sales leaders better lead their teams.

As it relates to The Road Ahead, we were proud to strengthen our position as an SBA Lender by supporting women and minority-owned businesses, adding and saving local jobs. We continue to be strong in business banking and have solidified our position at the top of the Company for Wealth Management. As part of our commitment to affordable housing initiatives, we have been involved in several projects this year. In addition, we are proud to have supported the development of Columbia's new airport, which will have a significant impact on the economic growth of our town.

Advisory Board

Stephen E. Erdel, *Chairman of the Board*
Joseph T. Henderson, Central Bancompany
Mark A. Adams, MD, *President,* Columbia Orthopaedic Group
Jason A. Burchfield, *President,* Silver Tree Companies
Robert A. Gerding, *Partner Emeritus,* Gerding, Korte & Chitwood PC CPAs
Paul T. Land, *Owner,* Plaza Commercial Realty
Rick L. Means, *Retired, Chairman,* Shelter Insurance
Jerry K. Price, *Office Manager,* Suzi Davis Travel
Gary W. Thompson, *President/CEO,* Columbia Insurance Group

Columbia, Ashland, Boonville, Hallsville, Sturgeon, and Centralia
Expansion Market in Iowa

Central Bank – Audrain County Market

Joined Central Bancompany in 1977

President: Tony Robertson • Branches: 2 • Employees: 21

Central Bank of Audrain County had a solid year in 2022, primarily due to the strong performance of the agricultural sector. The area experienced above-average growing conditions and strong commodity prices for the second straight year, although this was dampened by increases in input costs. Unfortunately, the closure of our local hospital had a negative impact on the local business outlook. However, efforts are underway to develop alternative healthcare options for Audrain County.

Looking ahead to 2023, Central Bank of Audrain County is building on the positive opportunities provided by the merger of our family of banks. We will be utilizing the Boone market to provide additional support in key backroom areas of the bank, allowing our local staff to focus on customer service and building banking opportunities.

Central Bank of Audrain County remains active and involved in supporting the local communities we serve. Our employees are active in a variety of local and regional activities aimed at improving the quality of life for our customers. Additionally, we are meeting the credit needs of our entire community and participating in first-time home buyer, Farmer Mac, and USDA guarantee programs designed to provide customers with smaller down payments.

Advisory Board

Michael Bunge, *Chairman of the Board*
Sterling Oliver, *Retired, EVP,* Central Bank of Audrain County
Mike Miller, *Miller Tire Company*
Jimmie Reading, *Farmer*
Rita Jackson, *Community Development Director,* City of Mexico

Audrain County including Communities of Mexico, Vandalia, Laddonia, Rush Hill, Vandiver Village, Benton City, Middletown, and Auxvasse, Bowling Green, Wellsville, Montgomery City, Perry, and Paris

Central Bank – Moberly Market

Joined Central Bancompany in 1979

President & CEO: W. Michael Riffel • **Branches:** 3 • **Employees:** 27

At Central Bank of Moberly, we are proud to announce several new additions to our leadership team. We have recently named a new Retail Sales Manager, and promoted a long-term employee as our Operations Manager and Information Security Officer.

We are committed to supporting our local community. In support of Moberly schools, we sponsored the new digital scoreboards at the high school football stadium and basketball court. In addition, we are a major contributor to our local tourism, chamber, and economic development boards, and we engage with numerous local civic and non-profit agencies to promote community engagement.

Looking ahead, we have increased our focus on relationship building with strategic partners to strengthen our mortgage business. We are also strengthening our position in retail banking and remain committed to building relationships with our existing clients in both loans and deposits.

We are pleased to highlight some recent economic developments in our community, including the sale of Orscheln Farm and Home to Tractor Supply, the new construction of an early childhood center at the Moberly School District, and the expansion of amenities in the neighborhood Tannehill Park located in downtown Moberly. We are also proud to have financed the opening of the new location of Hils Pharmacy in Moberly. At Central Bank of Moberly, we are committed to supporting the growth and development of our local community and look forward to continuing to make a positive impact.

Advisory Board

John S. Meystrik, *Senior Vice President,* Central Bank of Moberly
K. Mack Hils, *Retired,* Mack Hils Inc.
J. Richard Truesdell, *Retired,* Truesdell Brothers Grain, Inc.
Barbara A. Westhues, *Chief Operating Officer,* Orscheln Industries
Charles W. McKeown, *Retired,* Century 21 McKeown & Associates

Randolph, Howard, Chariton, and Monroe Counties

Central Bank – Springfield Market

Joined Central Bancompany in 1980

President & CEO: Joselyn E. Baldner • Branches: 20 • Employees: 257

Central Bank of the Ozarks had a fantastic 2022 with several new developments and leadership changes. Jacob Kellett was appointed as Senior Vice President and Chief Credit Officer, bringing 17 years of experience to our bank. He replaced Bob Berlin who had served the bank for 14 years in that role. In addition, Mary Schrag was elected to our Advisory Board of Directors.

We are aligning our efforts with The Road Ahead by achieving a 13% increase in net income, solid loan and deposit growth, and increased fee income from the Central Trust Company and Central Investment Advisors teams. For the first time, we achieved the second-largest deposit share in the Springfield Market.

We also support a number of community initiatives, including Eden Village 3 from its inception, contributing to the third community in 2022. In addition, we also offer down payment and loan assistance to the RestoreSGF initiative that helps improve housing conditions in Springfield's historic neighborhoods. We partnered with Ozarks Technical Community College on the new Plaster Center for Advanced Manufacturing, which opened in August 2022. Last year, our employees have donated more than 2,000 volunteer hours. While 2022 was a strong year for the Ozark Market, we are excited for what 2023 will bring with several new initiatives and community projects.

Advisory Board

Russell R. Marquart, *Chairman,* Central Bank of the Ozarks
Michael J. Williamson, *Retired,* Central Bank of the Ozarks
J. Mark Cook, *CEO,* Central States Industrial Equipment
Judi M. Samuel, *Broker*
John R. Twitty, *General Manager & CEO,* Missouri Public Utility Alliance
Thomas B. Rankin, *Sr. Advisor/Broker,* Sperry Van Ness/Rankin Company
Mark M. McNay, *Sr. Vice President,* SMC Packaging Group
Mark L. Walker, *Chairman & CEO,* Transland
Mary Schrag, *Owner/CEO,* Physical Therapy Specialists Clinic, Inc.

Springfield, Nixa, Ozark, Highlandville, Marshfield, Strafford, Fair Grove, Pleasant Hope, Republic, and Battlefield

Central Bank – Lake of the Ozarks Market

Joined Central Bancompany in 1986

President & CEO: James D. Judas, Jr. • Branches: 7 • Employees: 150

Central Bank of Lake of the Ozarks is proud to announce several new developments, initiatives, and a new Retail Division Head in 2022. We also opened a new Mortgage Loan Production and Trust office in Lebanon, Mo., and installed a new Video Teller Machine located off Bagnell Dam Boulevard.

We sponsored the WingFest event in partnership with the Lake Ozark Rotary, which had nearly 1,000 attendees and benefitted the Community Foundation of the Lake. We are also proud to be involved with local schools and healthcare systems, including Eldon, School of the Osage, and Camdenton School Districts as well as the Lake Regional Health System which has recently entered the Lebanon Market.

For 14 consecutive years, we have been voted "Best Bank of the Lake" in the "Best of the Lake" survey, and for the last 20 years, have been awarded the title of "Best Bank" by the Readers Choice awards. We are honored by these accolades and use them as a reminder of the importance of Legendary Service.

Advisory Board

James W. Mead, *Senior Vice President/Chairman*
Joe Jurgensmeyer, *Owner,* J & M Farms
Danny D. Opie, *Owner,* Opie's Transport
Belinda K. Phillips, *Owner,* Four Seasons Storage
George Stanton, *Owner,* Stanton Manufacturing
Robert C. Frazee, *Retired,* Central Bank of Lake of the Ozarks

Miller, Camden & Morgan Counties
Osage Beach, Lake Ozark, Camdenton, Eldon, and Laurie Communities

Central Bank – Branson Market

Joined Central Bancompany in 1988

President & CEO: Joseph F. Loth, Jr. • Branches: 5 • Employees: 70

Central Bank of Branson had a great 2022 in many areas that helped the overall success of our organization. We expanded our footprint into Northwest Arkansas, a quickly growing community where homes are in high demand. It was opened in the third quarter, and our new Loan Officer hit the ground running, closing over $10 million in loans. At the end of 2022, another Loan Officer was hired, and we are anticipating adding two more in 2023. Not only will loan production be a focus going forward in Northwest Arkansas, but we will partner with our Central Trust Department to grow awareness of these products and services.

To focus on the development and retention of our employees, our management team implemented "Leadership Central." The goal is to provide continuing education for our employees and give them the tools needed in order to be successful in their career. We hold monthly training sessions for our managers and any employee aspiring to be a leader. The leadership topics change each month with feedback from our employees.

Central Bank of Branson continues to be a leader in community service throughout Stone and Taney counties. To accomplish this, most employees serve on chamber boards, non-profit boards, school boards, and volunteer hours in their personal time. For example, last August we were the main sponsor of an event, and gave our speaking time to a local non-profit, Faith Community. Faith Community helps provide group insurance to companies who cannot afford to offer benefits to their employees. Being in a seasonal and non-traditional business town, we saw the need to give our time to a community organization striving to help the overall good. Our goal is to continue this tradition, spotlighting non-profits throughout the years to come.

Advisory Board

Brian Burney, *Pharmacist, Assistant Director*, Convenient Care Pharmacy
Patrick Cox, *Co-Owner*, Starboard Marinas, Inc.
Ann M. McDowell, *Owner*, McDowell Consulting
Daniel Ruda, *President*, Thousand Hills Golf Resort
Rick Todd, *Retired*, Herschend Family Entertainment
Chris Vinton, *Owner*, Vinton Commercial Realty

Stone and Taney Counties
Expansion Market in Arkansas

Central Bank – Sedalia Market

Joined Central Bancompany in 1992

President & CEO: Greg Eby • Branches: 5 • Employees: 75

Central Bank of Sedalia had a successful year in 2022, marked by several new initiatives and community efforts. One of the notable changes was the bolstering of our mortgage loan division with a new manager of the department.

In line with our commitment to financial education, we expanded our "Reality Check" and "All About Banking" programs, which are aimed at increasing financial literacy for high school students and fourth-grade students in the area. We believe it is important to provide the youth with financial skills to help them make sound financial decisions.

In addition to our educational initiatives, we continued our annual Blood Drive, which collected 146 units of blood and saved 438 lives. We have also increased our efforts to be more active in the community, with our members being actively involved with several organizations, including the State Fair Community College Foundation, Open Door, United Way, and many more.

Central Bank of Sedalia is also working with Whiteman Airforce Base and Missouri Valley CAA to expand financial education, literacy, and lending for those groups, a move we believe will help our community.

As we look to the future, we remain committed to our dedication to the community through our active participation in a variety of events. We were pleased to win several awards, including Best Bank, Best Mortgage Lender, and Best Personal Loan Company from local publications and organizations. Central Bank of Sedalia is committed to building a better future for our community, and we look forward to continuing our efforts in the years to come.

Advisory Board

Larry Bahr, *Chairman, Retired,* Central Bank of Sedalia
Charles G. Kempton, *Retired,* Dugan Paint
David Albrecht, *Retired,* Septagon Construction
Charles G. Marshall, *Owner,* McDonald's
Kenneth D. Weymuth, *Owner,* W-K Chevrolet
Chris Squires, *an Owner,* SMC Electric Supply
Ruth Ferguson, *Co-Owner,* Robert Taylor Insurance
Greg Wehrman, *EVP,* Central Bank of Sedalia

Sedalia, Pettis County, and surrounding Counties

Central Bank – Kansas City Market

Joined Central Bancompany in 1993

President & CEO: Bill Ferguson • Branches: 48 • Employees: 440

Central Bank of the Midwest made notable strides in both community engagement and business growth in recent years. We are proud to have been named the Community Banking Partner for the University of Kansas, which has brought numerous business, engagement, sponsorship, and scholarship opportunities. In addition, we opened a new branch located in the University of Kansas Student Union in August 2022. We have also expanded our engagement with Sporting Kansas City, in preparation for the 2026 World Cup, as well as the opening of the Central Bank Sporting Complex in the KC Northland.

These efforts have contributed to our increased deposit market share, ranking fifth in Kansas City, as well as the third-ranked commercial lending bank in the Kansas City area. We have also launched initiatives with ProsperU, Habitat for Humanity, and the University of Kansas' Inaugural Emerging Professionals program with the first cohort graduating in the first quarter of 2023.

Looking ahead, we have identified future branch locations for growth, and remain committed to community involvement through initiatives with the inaugural scholarship program, customer appreciation days, sponsorship of charitable donations, and volunteer efforts.

Advisory Board

Thomas B. Fitzsimmons, *Chairman of the Board*
Jeff Bethel, *President*, Airport Chrysler Dodge Jeep Ram
Alec Cook, *Owner*, Continental Siding
Laura Crowley-Coy, *General Manager*, Crowley Furniture
Joe Flannery, *President*, Weaver's, Inc.
Suzanne McCanles, *Head of School*, Oakhill Day School
Molly Nail, *Attorney*, Chinnery Evans & Nail
Jim Person, *Retired*, Belton Police Department
Rob Rogers, *President*, Mid-State Aerospace, Inc.

Serving the Greater Kansas City and Lawrence areas.

Central Bank – Warrensburg Market

Joined Central Bancompany in 1997

President & CEO: Marshall S. Abney • Branches: 4 • Employees: 54

Central Bank of Warrensburg had an eventful year in 2022, with significant leadership changes and new developments. Three new leaders, including an Executive Vice President, a Chief Lending Officer, and a Senior Vice President, joined the executive leadership team. Furthermore, the bank hired an experienced Senior Lender with over 20 years of local lending experience. The bank also hired a local, University of Central Missouri (UCM) graduate as the next Central Investment Advisor.

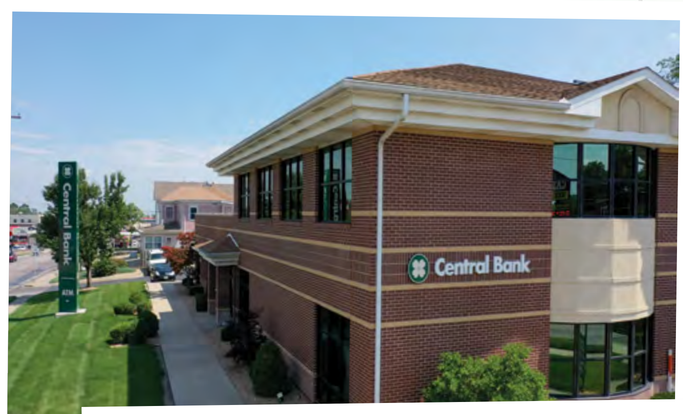
Central Bank of Warrensburg launched a new "Business Services" unit to expand its services and support to commercial customers and enhance its business development efforts. The bank also implemented new career paths in three of its business lines and promoted four positions from within.

In line with the bank's Road Ahead strategy, the bank expanded its branch footprint by opening a standalone Video Teller Machines (VTMs) location in the Hawthorne shopping center in Warrensburg. Additionally, all ATMs were replaced with VTMs in 2022. The bank achieved record commercial loan growth, with $59 million in new commercial loans that grew the portfolio by $25 million, resulting in 17.4% year-over-year loan growth.

Central Bank of Warrensburg remains committed to the community's economic development and actively participated in various events throughout the year. The University of Central Missouri (UCM) saw enrollment growth, while Whiteman AFB continues to expand with the B-21 bomber currently in production, expected to replace the B-2 at the base, marking the first new American bomber in over 30 years. The bank participated in volunteering events for the Chamber of Commerce, rodeo, Main Street events, and the local farmers market. Central Bank of Warrensburg was voted Best Bank, Mortgage Lender, and Personal Loan Company, winning the "Best of the Burg award."

Advisory Board

Stephen L. Abney, *Chairman*
Densil E. Allen, *Rancher*
Daric E. Elwell, *Retired,* Banking
Brandon Badgley, *Key Accounts Manager,* BW Fusion
Matt Lotspeich, *Co-owner,* Lotspeich Automotive
Angela Phelps, *M.D.,* Western Missouri Medical Center



Johnson and Lafayette Counties including the Warrensburg, Higginsville, Odessa, and Holden Communities

Central Bank – Oklahoma Market

Joined Central Bancompany in 2004

President & CEO: John B. Allan • Branches: 9 • Employees: 85

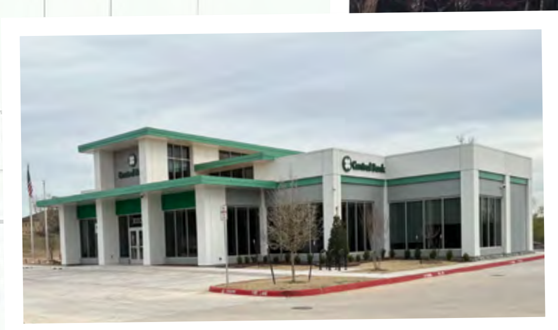
Central Bank of Oklahoma has been making significant strides in our efforts to stay ahead in the banking industry. We have increased our footprint in the Oklahoma City area by relocating our Edmond branch to a full-service stand-alone branch, as well as opening a new branch in north Oklahoma City. Additionally, we have strengthened our mortgage production team, and improved our position on the Bank Retail Scorecard from eleventh in 2021, to third in 2022. We continue to grow our Wealth Management area and have established a separate Business Banking department.

We have been actively involved in the development of Oklahoma's economy. We provided financing for construction of family homes, rental properties, apartment units, and student housing near the University of Central Oklahoma. In addition, we have financed the construction of a new grocery store, as well as an industrial development in Oklahoma City, which is set to become one of the largest industrial parks in the metropolitan area. Furthermore, we have shown our commitment to the revitalization of Tulsa, OKC, and the surrounding areas by supporting several urban remodel and construction projects to rehabilitate office, retail, and restaurant space.

Our focus on providing the necessary support to businesses and individuals is evident through our contributions to economic development and community growth. We continue to play an essential role in financing projects that provide much-needed housing, grocery stores, and industrial development, all while supporting the revitalization of the communities we serve.

Advisory Board

S. Doug Terry, *Executive Vice President and CLO,* CBOK
James E. Frasier, *Partner,* Frasier, Frasier, & Hickman Attorneys at Law
George S. Sharp, *President,* Sharp Mortgage Co. ALP
Clifton Taulbert, *President and CEO,* The Freemount Corporation
Rick Willhour, Rancher
John Woolman, *Chairman of the Board,* McGraw Realtors



Tulsa, Owasso, Sapulpa,
Edmond, and Oklahoma City

Central Bank - Wealth Management

President & CEO: Scott M. Kellett

Central Trust Company • Locations: 7 • Employees: 146

Central Investment Advisors • Locations: 44 • Employees: 51

Central Wealth is comprised of Central Trust Company, Central Investment Advisors, Central Insurance Services, and our Registered Investment Advisor (RIA), totaling 160 wealth management professionals, over $12 billion in assets, and approximately $58 million in annual revenue. Notwithstanding the significant headwinds in the investment markets in 2022, our wealth revenue was unchanged and we experienced record growth in new client assets.

Central Wealth added two strategic positions, a Chief Investment Officer and a Chief Administrative Officer, who joined the Central Wealth executive management team to further expand our investment and client service offerings in congruence with our "Road Ahead" plan. As part of that plan, in 2023, we will focus on expanding our client-facing wealth management professional head count by 15% in both our existing and newer markets, including Edmond, Okla. and Naples, Fla., where we opened full-service Central Bank branches in 2022.

Central Trust Locations: Jefferson City, Columbia, Springfield, St. Louis, Lake Ozark, Kansas City, Lawrence, KS.

Central Investment Advisors are located in all 14 markets with 44 registered locations.

Forbes 2022
AMERICA'S
BEST BANKS

AS PART OF CENTRAL BANCOMPANY

Central Bancompany

Strong roots. Endless possibilities.™

238 Madison Street, Jefferson City, Missouri 65101