CENTRAL BANCOMPANY

2021
ANNUAL REPORT

2021
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, 2022, 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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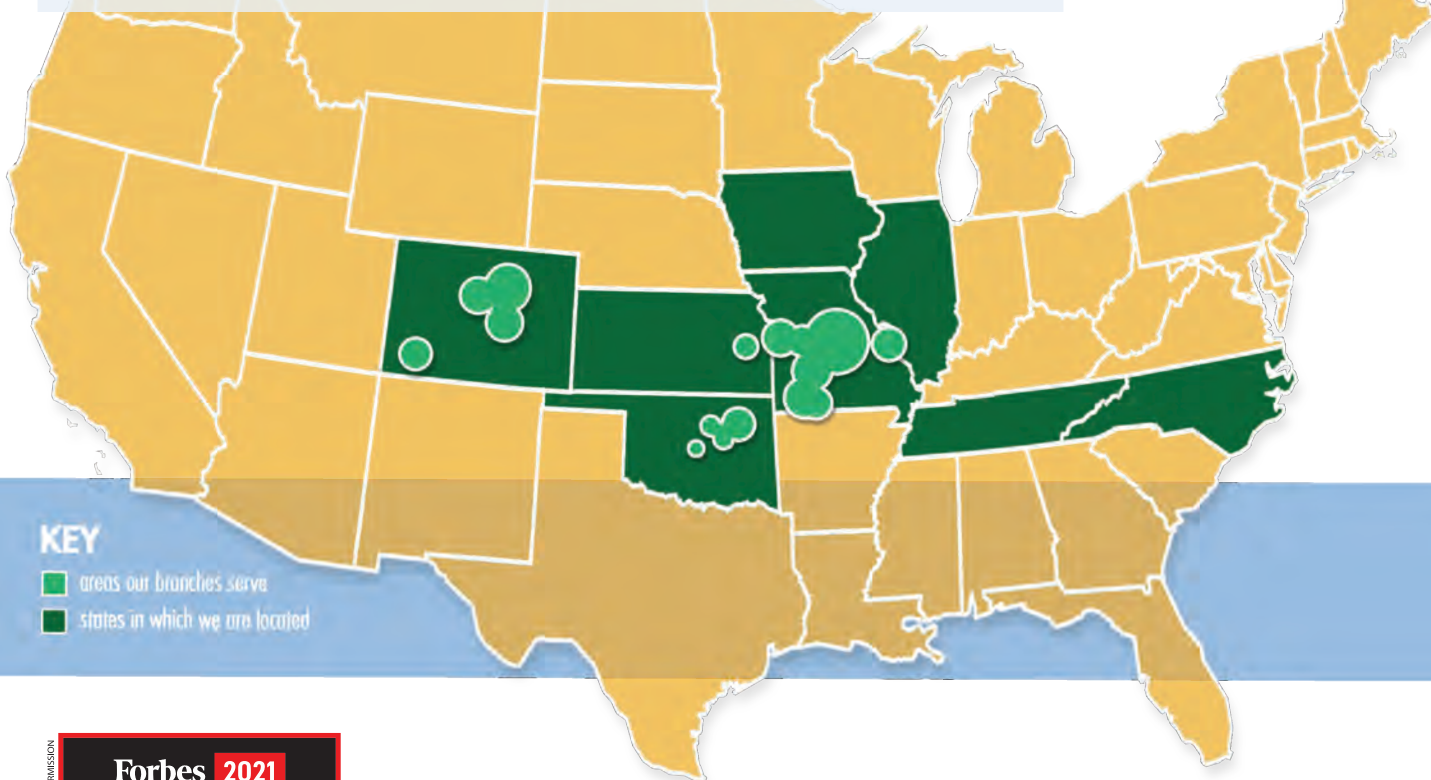
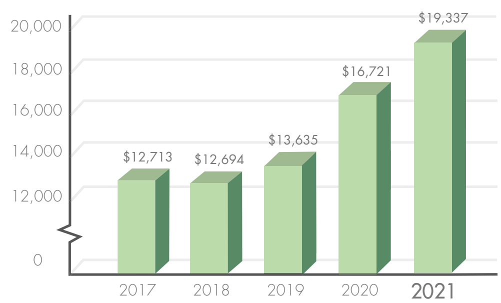


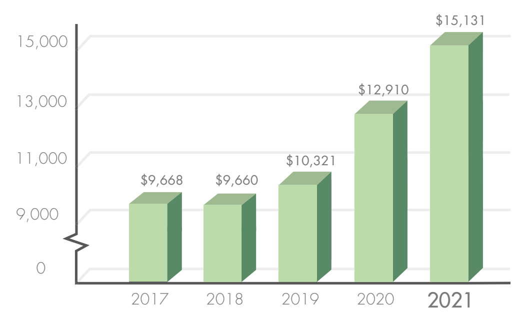
Financial Highlights

GROWTH

TOTAL AVERAGE ASSETS (in millions)



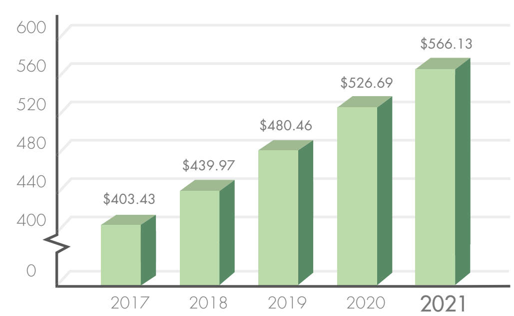
TOTAL AVERAGE DEPOSITS (in millions)



PERFORMANCE

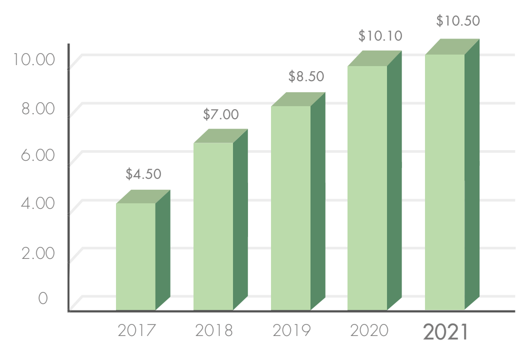
EARNINGS PER SHARE

BOOK VALUE PER SHARE



NET INCOME (in millions)

ANNUAL DIVIDENDS PER SHARE



Year in Review

For the Year	2021	2020
Interest Income	$516,942,000	534,087,000
Interest Expense	21,087,000	40,732,000
Net Interest Income	495,855,000	493,355,000
Provision for Loan Losses	6,146,000	27,153,000
Noninterest Income	275,456,000	276,601,000
Noninterest Expense	444,794,000	432,012,000
Income Taxes	73,541,000	70,015,000
Net Income	246,830,000	240,776,000
Average Daily Assets	19,337,287,000	16,721,466,000
Average Daily Deposits	15,131,484,000	12,910,023,000
Average Daily Loans	10,374,803,000	10,067,989,000
At Year-end		
Total Assets	$20,273,174,000	18,302,044,000
Investment Securities	5,814,567,000	5,413,954,000
Loans	10,378,614,000	10,380,100,000
Deposits	16,128,904,000	14,391,324,000
Stockholders' Equity	2,505,661,000	2,330,655,000
Number of Outstanding Shares	4,425,950	4,425,085
Per Share		
Net Income	$55.77	54.41
Dividends	10.50	10.10
Stockholders' Equity	566.13	526.69

Dear Fellow Shareholders,

We have a lot to be grateful for and proud of in 2021. While challenging, the year also presented opportunities to shine in the face of adversity. We continued to extend ourselves and test our capabilities to serve our customers and our communities. Although the effects and exhaustion of the pandemic, combined with an extremely tight labor market took its toll, your company was able to perform. We remained a source of strength for our communities by assisting our business clients in navigating their challenges and continued to enable individuals to meet their financial goals. I am proud to say that we continue to re-define the meaning of community banking and I have nothing but appreciation for what our 3,000 employees collectively achieved in 2021.

S. Bryan Cook,
Chairman & Chief Executive Officer

As a shareholder, you should also be proud of our 2021 results. Central Bancompany was able to end the year in a larger, more profitable, and better capitalized position than ever before. Allow me to share a few financial highlights that illustrate your company's 2021 performance.

- Total assets surpassed $20 billion,
- Net income increased to $246.8 million,
- Return on average assets was 1.28% in 2021 and the return on equity was 10.59%,
- Total stockholders' equity was $2.506 billion at the end of 2021 or $566.13 a share compared to $526.69 a share on December 31, 2020.

A detailed discussion of the financial results for your Company can be found in the Financial Review and in the Independent Auditor's Report.

These results only come from an unwavering focus on our stated Vision and our steadfast efforts to fulfilling our Mission.

Our Vision – ***We aspire to be the leading financial services provider in every community we serve.*** In 2021, we continued to make steady progress towards this end. One measurement of this goal is our deposit position. In 2021, we increased our weighted average deposit market share across our communities from 22.6% to 23.5%. This is a remarkable accomplishment considering an ever-increasing competitive landscape.

"We believe that customers should not have to look any further than their community bank to take advantage of the most relevant advancements in financial technology"

Our Mission – ***We hire extraordinary people that consistently provide legendary service with extraordinary products to our stakeholders.*** We made strides with each of our key stakeholders in 2021.

For our customers, we remain client centered. For the second year in a row, we provided the largest number of Paycheck Protection Program (PPP) loans in the State of Missouri and provided more than $1.3 billion of relief to more than 17,000 businesses across our entire footprint.

The annual customer survey indicated a further increase in customer satisfaction with a Net Promoter Score above 60. This puts us well above our industry average and in the company of Amazon and Apple.

Finally, our mobile banking app continues to rank among the highest in the annual S&P study on mobile banking functionality among regional banks. Our hard work has been rewarded with the highest rating in the Apple App store and Google Play store among 22 regional and national competitors.

For our communities, we remain committed and present through all economic cycles. Each of our markets continued to focus on contributing to the growth and improving the health of their respective communities. I encourage you to read about several of these projects later in this report.

In 2021, our employees donated more than $667,000 and spent more than 20,000 hours volunteering for charitable organizations.

For our colleagues, we know that extraordinary people are necessary to provide Legendary Service and help us improve the franchise. We were able to bolster our executive team with the hiring of Brad Emmons as Treasurer in 2021. Brad comes to us from BOK Financial with over 20 years of experience in Treasury management.

Our employee satisfaction remains high with more than 83% of respondents from our internal survey recommending our company as a great place to work.

Lastly, our employee tenure remains best in class, measuring more than twice the financial industry benchmark.

For our corporate owners, we are committed to creating value for our shareholders. At year-end, your company crossed $20 billion in assets with deposit inflows and market share gains. We earned a record profitability of $247 million of net income, which has increased for four straight years and 40 of the last 45 years. Additionally, we continue to maintain record capital levels of more than twice the regulatory well-capitalized standard.

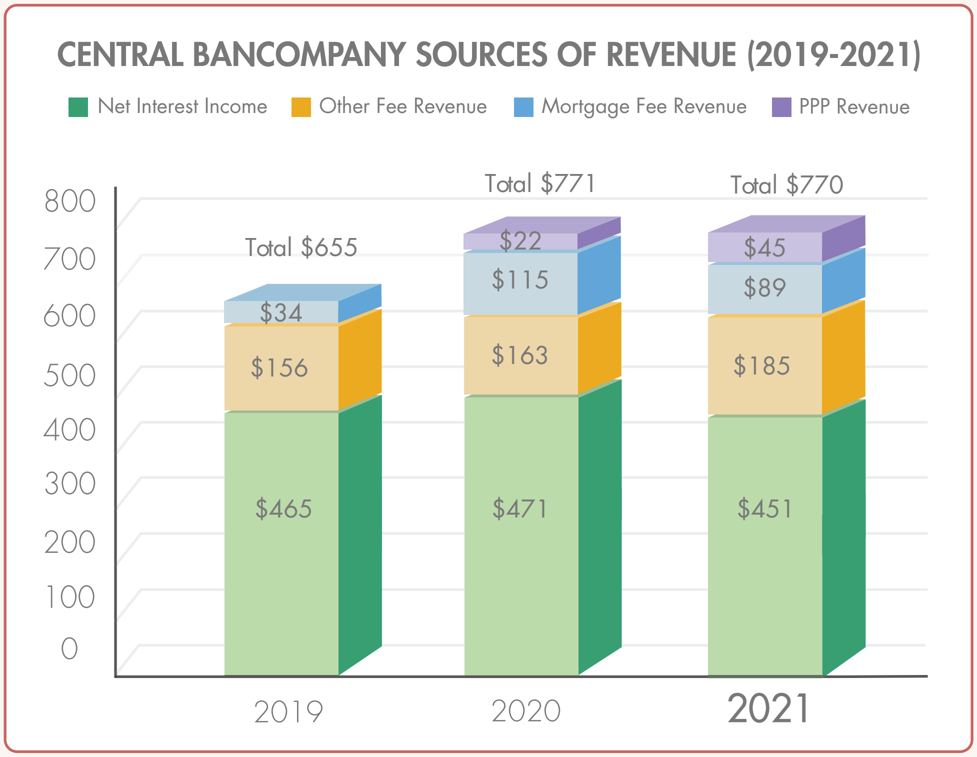
These accomplishments continued to be recognized nationally. In 2021, Central Bancompany was listed 4th on *Forbes Magazines* "100 Best Banks in America."

The largest accomplishment of the year, however, was charter consolidation. The Company consolidated its 13 individual bank charters into one single banking institution, The Central Trust Bank. This move is expected to materially benefit all of our stakeholders over the long-term. Our colleagues spent more than 10,000 hours in 2021 working to ensure a successful merger, which took place on October 1. By combining our resources, we will be more nimbly positioned to leverage our human, financial, and technological capital across the Company. Internally, we titled this initiative #BetterTogether, and have received broad-based support from our employees.

2022 Outlook

While 2020 and 2021 were exhausting years, they were also our most profitable. On balance, the government's unprecedented fiscal and monetary responses to the pandemic have had a materially beneficial impact to the entire financial industry. These positive effects, however, are expected to reverse in 2022. Specifically, deposit growth is expected to slow, volumes and spread trends in our increasingly sophisticated mortgage business are expected to be unfavorable, and the highly successful PPP program, of which we were the most prolific underwriter in Missouri, has come to an end. These headwinds, along with some strategic up-front investments for growth, could offset anticipated gains from a favorable economic environment and rising interest rates.

We currently expect solid economic growth in 2022, but pandemic, global disruptions, monetary, and regulatory uncertainties remain. As in prior years, we will strive to remain nimble for whatever environment



The Road Ahead

Looking beyond the current operating and economic environment, we will continue to stay the course and invest for the long-term. In our recently completed bi-annual strategic planning session, our senior managers worked comprehensively and collaboratively to develop a plan to double our net income over the medium-term. This plan is not without risk, as it will require material investments across our franchise and will depend on market conditions. However, we believe we have the human, technological, brand, and financial assets required to accomplish this goal.

Each of our Market CEOs and our Business Line Leaders have been challenged to unleash their entrepreneurial spirit and actively participate in our growth plan. We understand it will take additional bankers and thoughtful branch expansion, marketing investment, and enhancements to our technology. To that end, we are purposefully committed to making the necessary investments. Most importantly, I am more confident than ever in our team's ability and desire to perform.

Market Expansion

Our decentralized structure remains and encourages our CEOs to participate in our expansion. We have successfully entered Colorado, North Carolina, and Iowa with banking operations and continue to look for new opportunities. In 2022, we will officially open a full-service bank in Naples, Florida and expand our Oklahoma market by fully entering Oklahoma City. Several other markets are currently being evaluated for us to enter with our successful formula of community banking.

we face and will pay particular attention to two evolving developments:

Federal Reserve Balance Sheet: Since the onset of the pandemic, the Federal Reserve has increased the size of its balance sheet from $4.2 to $8.8 trillion, materially influencing our company's and the banking system's deposit growth over the same period of 39% and 36%, respectively. As the Board of Governors shifts their discussion to normalizing their balance sheet, we will carefully consider the potential impact on our deposit levels and the related optimal security portfolio investment decisions.

Regulatory Environment: As a result of our charter consolidation efforts, a change in the Presidential Administration and a change in the management at the Consumer Financial Protection Bureau (CFPB), we remain diligent in meeting all new supervisory expectations as they unfold. In any case, we hold ourselves to a high standard with regards to customer treatment and regulatory compliance.

While the challenges of 2022 weigh heavy on our minds, we will not let them distract us from our mission. We have purposefully committed to an accelerated growth plan and remain optimistic about our future, which we have titled "The Road Ahead."

Technology and Business Lines

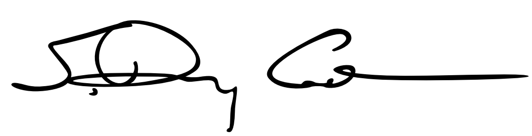
One of the keys to our success is our commitment to technology. We believe that customers should not have to look any further than their community bank to take advantage of the most relevant advancements in financial technology. This was my father's approach to banking when he created the Central Data Company in 1966, and it is a core belief of mine as we embark on evaluating potential modernization of our core banking system. We have assembled a large group of stakeholders, technicians, and business line managers to study this multi-year transformation. Their challenge is to design a forward-looking, best-in-class experience for our customers and build a system with the agility to deliver on the highest expectations of financial technology for the future.

A large concern for banks today is the disintermediation of the payments systems. Vehicles to send and receive money is the most common entry point into banking for "big tech" companies and countless fintechs. Companies like Amazon, Apple, and Facebook are now our competitors in the money movement space. To remain competitive, banks must work towards real-time payments and embrace new forms of payment now available to the customer, particularly as we look to improve our commercial and small business offerings. In 2021, we formalized a payments group and charged them with developing a strategy for the newest technology surrounding the movement of money, blockchain, cryptocurrency, and open banking. We officially joined the Faster Payments Council in 2021 and became a member of The Clearing House. This will allow us to begin accepting real-time payments, and better prepare us for the evolution of payments and its quickly changing ecosystem.

While we continue to work on our infrastructure, we are also focused on giving our customers access to the newest products on the market. One product launch planned for 2022 is Digital Investor, an easy way for customers to invest smaller dollar amounts in the stock market, all within our award-winning mobile app. Today's consumers are interested in more than just a traditional checking and savings account. They want the ability to participate in the stock market, have the choice between self-selecting or assistance with their investment choices, and seamlessly move money back and forth without fees or friction. Currently, consumers are looking to the vast number of fintech mobile apps providing this service today. It is my belief that we can offer the same experience as the fintechs but with one distinct advantage – do so with a bank they trust.

Technology will never stop proliferating, especially as new fintech challengers continue to drive innovation. We believe we are a driver of innovation but have also come to understand the value a fintech partnership can bring. I am encouraged to see the evolution of our technology as we leverage these important partnerships.

In closing, while it was another record year of profitability, we are most proud of our people, their resilience in the face of adversity, and the strides we have made to offensively position our company for the next generation. I want to thank our shareholders, directors, and customers for their continued support.



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

Financial Review

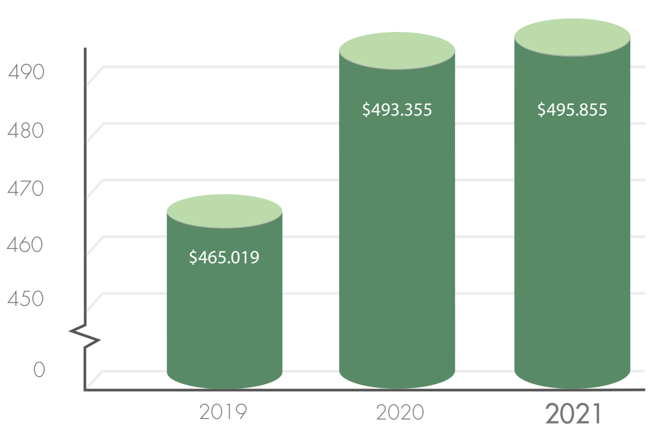
Results of Operations

Central Bancompany, Inc., recorded net income of $246,830,000 in 2021, a $6,054,000 increase compared to 2020 net income of $240,776,000. The Company's return on average assets was 1.28% in 2021 compared to 1.44% in 2020 while the return on equity was 10.59% in 2021 and 11.32% in 2020.

Average daily assets for the Company were $19.337 billion in 2021 compared to $16.721 billion in 2020. Consolidated assets of the Company on December 31, 2021 were $20.273 billion. Deposits increased by 12.1% to $16.129 billion on December 31, 2021 and loans increased by 0.03% to $10.379 billion. Included in the year-end 2021 loans were $92.807 million made under the (PPP) of the 2020 Cares Act. Loans increased by 7.2% in 2021, excluding the PPP loans.

Total stockholders' equity increased by 7.5% to $2,505,661,000 on December 31, 2021. Book value per share was $566.13 on December 31, 2021 compared to $526.69 on December 31, 2020. The Company's 2021 year-end tangible equity to asset ratio was 11.46% compared to 11.73% in 2020. Net income per share was $55.77 in 2021 compared to $54.41 per share in 2020, a 2.5% increase; total dividends paid by the Company in 2021 were $46,472,000 or $10.50 per share compared to $44,693,000 in 2020 or $10.10 per share, a 4.0% increase.

NET INTEREST INCOME (IN MILLIONS)



Total revenue in 2021 amounted to $771.3 million, a $1.3 million, or 0.2% increase from 2020. Noninterest expense in 2021 was $444.8 million, a $12.8 million or 3.0% increase compared to 2020. And the provision for credit losses in 2021 amounted to $6.1 million a decrease of $21.0 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, we evaluate all elements on a fully taxable equivalent (FTE) basis. FTE adjusts for the tax-exempt status of interest earned on state and municipal investments and loans of the Company and the nondeductible interest expense associated with funding certain tax-free investments.

Net interest income is affected by two factors, first the volume of earning assets utilized by the Company, and second the net interest rate spread, which is the difference in the rate earned on loans and investments and the overall rate paid on deposits and other funding liabilities.

In 2021, net interest income was $495.9 million, up $2.5 million or 0.5% from 2020. The volume of average earning assets was $18.481 billion in 2021, a 16.4% increase compared to 2020. Average loans increased by 3.0% to $10.375 billion while average deposits increased by 17.2% to $15.131 billion. The Company's level of investment securities and short-term investments averaged $8.107 billion in 2021, a 39.4% increase.

The Company's net interest margin decreased from 3.16% in 2020 to 2.68% in 2021.

The loan portfolio yielded 4.58% in 2021 and 4.66% in 2020 while the yield on the investment portfolio was 0.75% in 2021 and 1.38% in 2020. The Company's cost to fund the earning assets was 0.13% in 2021 and 0.26% in 2020.

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 possible losses in the loan portfolio.

The Company's provision for loan losses was $6.1 million in 2021 compared to $27.2 million in 2020. Net loan charge-offs were $4.2 million in 2021 and $9.6 million in 2020. Net loan charge-offs as a percentage of average loans were 0.04% in 2021 and 0.10% in 2020. The reserve for possible loan losses was $152.4 million on December 31, 2021 or 1.47% of outstanding loans; this compares to a reserve of $150.5 million on December 31, 2020 or 1.45% of loans. Excluding the PPP loans at year-end, the reserve for possible loan losses was 1.48% of outstanding loans on December 31, 2021; this compares to a reserve of 1.57% of outstanding loans on December 31, 2020.

Noninterest Income

Noninterest income is comprised of fees and commissions that are received from the products and services we provide to our customers. For 2021, total noninterest income was $275.5 million compared to $276.6 million in 2020, a 0.4% decrease. Mortgage banking revenue was $88.9 million in 2021 compared to $115.0 million in 2020, a 22.7% decrease. The 2020 increase in mortgage banking revenues was driven by historic low interest rates producing high demand for mortgage refinancing, and expansion markets. Excluding the mortgage banking revenue, noninterest income in 2021 increased by 15.4% over 2020. The following is a comparison by major categories of 2021 noninterest income with 2020.

(In millions)	2021	2020	$ Change	% Change
Service charges and commissions	$ 51.1	50.0	1.1	2.2%
Bankcard and merchant fees	65.8	56.2	9.6	17.1%
Fees for fiduciary services	38.6	32.8	5.8	17.7%
Mortgage banking revenues	88.9	115.0	(26.1)	(22.7%)
Brokerage fees	20.7	16.3	4.4	27.0%
Investment securities gains (losses)	1.5	(0.7)	2.2	———
Other	8.9	7.0	1.9	27.1%
Total noninterest income	$275.5	276.6	(1.1)	(0.4%)

Noninterest Expense

Noninterest expense for 2021 was $444.8 million compared to $432.0 million in 2020, an increase of $12.8 million or 3.0%.

Salaries, wages, employee benefits, and payroll taxes comprise about 60% of our total noninterest expenses. Total salary and benefits were $267.1 million in 2021 and $262.3 million in 2020, an increase of 1.8%.

Changes in other noninterest expense by major category between 2021 and 2020 are as follows:

(In millions)	2021	2020	$ Change	% Change
Salaries and wages	$218.8	213.4	5.4	2.5%
Employee benefits and payroll taxes	48.3	48.9	(0.6)	(1.2%)
Occupancy expenses	26.6	26.7	(0.1)	(0.4%)
Equipment costs	14.4	14.6	(0.2)	(1.4%)
Marketing and business development	12.9	9.6	3.3	34.4%
Computer software and maintenance	16.7	15.6	1.1	7.1%
Bankcard processing and other costs	38.9	34.4	4.5	13.1%
Management and consulting	8.6	9.0	(0.4)	(4.4%)
FDIC insurance	3.0	0.9	2.1	233.3%
OMSR amortization	12.2	13	(0.8)	(6.2%)
Information services	5.1	5.6	(0.5)	(8.9%)
Correspondent bank charges	3.8	3.8	0.3	8.6%
Loan collection and other real estate costs	1.5	2.9	(1.4)	(48.3%)
Travel, meetings, and entertainment	3.0	2.6	0.4	15.4%
Printing, telecommunications, postage	8.1	8.5	(0.4)	(4.7%)
Legal fees	1.0	1.1	(0.1)	(9.1%)
Intangible asset amortization	4.0	4.1	(0.1)	(2.4%)
Other	17.9	17.3	0.6	3.5%
Total noninterest expense	$444.8	432.0	12.8	3.0%

The Company's consolidated efficiency ratio for 2021 was 57.5% compared to 55.8% for 2020.

Income Taxes

For 2021, the Company recorded an expense for income taxes of $73.5 million compared to $70.0 million in 2020. The 2021 expense is comprised of $59.8 million in federal income tax, $9.6 million in state income tax, and $4.1 million in amortization of tax credit costs.

The Company's effective tax rate (federal and state) was 23.0% in 2021 and 22.5% in 2020.

5 YEAR Consolidated Average Balance Sheet

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Assets	2021	2020	2019	2018	2017
Cash & Due From Banks	$ 198,742,000	190,398,000	168,642,000	167,414,000	178,101,000
Investment Securities	5,383,453,000	4,567,481,000	3,363,369,000	2,949,581,000	3,386,506,000
Money Market Obligations	2,723,056,000	1,246,672,000	868,795,000	813,716,000	649,626,000
Loans Less Unearned Income	10,374,803,000	10,067,989,000	8,670,796,000	8,263,526,000	7,977,585,000
Allowance for Loan Loss	(154,159,000)	(140,457,000)	(132,228,000)	(129,565,000)	(126,816,000)
Net Loans	10,220,644,000	9,927,532,000	8,538,568,000	8,133,961,000	7,850,769,000
Other Assets	811,392,000	789,383,000	695,973,000	629,118,000	647,671,000
Total Assets	$19,337,287,000	16,721,466,000	13,635,347,000	12,693,790,000	12,712,673,000

Liabilities and Stockholders' Equity

	2021	2020	2019	2018	2017
Noninterest Bearing Demand Deposits	$ 5,779,320,000	4,607,624,000	3,368,629,000	3,132,724,000	3,175,488,000
Savings, NOW, & Money Market Deposits	7,998,218,000	6,732,864,000	5,438,204,000	5,109,279,000	4,946,129,000
Time Deposits	1,353,946,000	1,569,535,000	1,514,351,000	1,418,183,000	1,546,619,000
Total Deposits	15,131,484,000	12,910,023,000	10,321,184,000	9,660,186,000	9,668,236,000
Federal Funds Purchased & Repurchase Agreements	1,513,773,000	1,301,060,000	1,016,169,000	976,546,000	1,129,666,000
Borrowed Funds	3,750,000	5,000,000	2,296,000	14,000	0
Other Liabilities	247,629,000	251,335,000	217,341,000	196,097,000	193,746,000
Total Liabilities	16,896,636,000	14,467,418,000	11,556,990,000	10,832,843,000	10,991,648,000
Stockholders' Equity	2,440,651,000	2,254,048,000	2,078,357,000	1,860,947,000	1,721,025,000
Total Liabilities & Stockholders' Equity	$19,337,287,000	16,721,466,000	13,635,347,000	12,693,790,000	12,712,673,000

5 YEAR Consolidated Summary of Operations

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

	2021	2020	2019	2018	2017
Interest Income	$ 516,942,000	534,087,000	538,614,000	470,009,000	425,328,000
Interest Expense	21,087,000	40,732,000	73,595,000	51,479,000	33,378,000
Net Interest Income	495,855,000	493,355,000	465,019,000	418,530,000	391,950,000
Provision for Loan Losses	6,146,000	27,153,000	14,025,000	15,880,000	18,142,000
Noninterest Income	275,456,000	276,601,000	190,262,000	162,487,000	161,012,000
Noninterest Expense	444,794,000	432,012,000	368,928,000	339,013,000	335,288,000
Income Before Taxes	320,371,000	310,791,000	272,328,000	226,124,000	199,532,000
Income Taxes	73,541,000	70,015,000	62,685,000	48,548,000	62,505,000
Net Income	$ 246,830,000	240,776,000	209,643,000	177,576,000	137,027,000

Financial Data of Market Banks

As of December 31, 2021

Market	Total Assets	Loans	Deposits
Greater Kansas City	$ 3,715,028,000	2,068,429,000	3,404,250,000
Jefferson City - Central	3,645,619,000	1,366,608,000	2,702,303,000
Boone County	2,908,731,000	1,447,044,000	2,446,556,000
Greater St. Louis	2,415,553,000	1,656,393,000	1,884,525,000
Springfield	1,832,073,000	1,252,570,000	1,662,395,000
Lake of the Ozarks	1,118,669,000	479,623,000	1,042,008,000
Jefferson City - Jefferson	781,429,000	585,221,000	691,329,000
Oklahoma	649,648,000	623,881,000	577,090,000
Sedalia	544,881,000	286,934,000	500,249,000
Branson	531,677,000	258,995,000	473,751,000
Warrensburg	360,684,000	180,585,000	342,349,000
Moberly	261,230,000	93,799,000	245,632,000
Audrain County	257,677,000	85,578,000	246,551,000

KPMG LLP
Suite 1100
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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, 2021 and 2020, 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, 2021 and 2020, 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, the Company's internal control over financial reporting as of December 31, 2021, 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, 2022 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

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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, 2022

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

		2021	2020
Assets			
Cash and due from banks	$	150,484,000	277,207,000
Short-term interest-bearing deposits		3,263,699,000	1,536,646,000
Interest-bearing deposits		1,936,000	28,679,000
Federal funds sold and securities purchased under agreements to resell		1,578,000	10,238,000
Investment securities (note 2):			
Available for sale (AFS)		5,720,767,000	5,325,801,000
Held to maturity (fair value of $9,887,000 and $29,927,000, in 2021 and 2020, respectively)		9,779,000	29,569,000
Equity		84,021,000	58,368,000
Trading		-	216,000
Total investment securities		5,814,567,000	5,413,954,000
Loans (note 3)		10,301,371,000	10,240,018,000
Less allowance for loan losses (note 4)		(152,387,000)	(150,457,000)
Net loans		10,148,984,000	10,089,561,000
Loans held for sale		77,243,000	140,082,000
Land, buildings, and equipment, net (notes 6 and 14)		214,547,000	219,930,000
Deferred tax assets, net (note 8)		7,550,000	-
Foreclosed assets held for sale		6,644,000	10,580,000
Goodwill (note 7)		348,237,000	348,237,000
Core deposit and other intangibles (note 7)		17,092,000	21,088,000
Mortgage servicing rights (note 5)		37,367,000	27,153,000
Bank owned life insurance		23,653,000	23,401,000
Other assets		159,593,000	155,288,000
Total assets	$	20,273,174,000	18,302,044,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

		2021	2020
Liabilities and Stockholders' Equity			
Deposits:			
Noninterest-bearing demand	$	6,267,617,000	5,345,070,000
Savings and interest-bearing demand		8,597,716,000	7,555,475,000
Time (note 9)		1,263,571,000	1,490,779,000
Total deposits		16,128,904,000	14,391,324,000
Federal funds purchased and securities sold under agreements to repurchase (note 10)		1,421,371,000	1,315,747,000
Trust preferred securities and other borrowed funds (note 11)		-	5,000,000
Deferred tax liabilities, net (note 8)		-	1,966,000
Other liabilities (note 14)		217,238,000	257,352,000
Total liabilities		17,767,513,000	15,971,389,000
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		5,460,000	5,250,000
Retained earnings		2,649,879,000	2,449,521,000
Accumulated other comprehensive loss (note 17)		(76,260,000)	(50,653,000)
		2,585,035,000	2,410,074,000
Less treasury stock of 447,682 shares of Class A voting common stock in 2021 and 2020, respectively; 1,082,425 and 1,083,290 shares of Class B nonvoting common stock in 2021 and 2020, respectively		(79,374,000)	(79,419,000)
Total stockholders' equity		2,505,661,000	2,330,655,000
Total liabilities and stockholders' equity	$	20,273,174,000	18,302,044,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statements of Income

December 31, 2021 and 2020

		2021	2020
Interest income:			
Loans	$	473,661,000	467,580,000
Investment securities		39,534,000	61,498,000
Federal funds sold and securities purchased under agreements to resell		3,747,000	5,009,000
Total interest income		516,942,000	534,087,000
Interest expense:			
Deposits		18,728,000	36,157,000
Federal funds purchased, securities sold under agreements to repurchase, and borrowed funds		2,359,000	4,575,000
Total interest expense		21,087,000	40,732,000
Net interest income		495,855,000	493,355,000
Provision for loan losses (note 4)		6,146,000	27,153,000
Net interest income after provision for loan losses		489,709,000	466,202,000
Other income:			
Service charges and commissions		51,114,000	50,000,000
Bankcard and merchant services		65,828,000	56,246,000
Brokerage services		20,660,000	16,253,000
Fees for fiduciary services		38,607,000	32,841,000
Mortgage banking revenues, net (note 5)		88,925,000	114,974,000
Other income		8,869,000	7,020,000
Investment securities gains (losses), net		1,453,000	(733,000)
Total other income		275,456,000	276,601,000
Other expenses:			
Salaries and employee benefits (note 12)		267,118,000	262,311,000
Net occupancy (notes 6 and 14)		26,633,000	26,676,000
Equipment (notes 6 and 14)		14,396,000	14,627,000
Computer software and maintenance		16,746,000	15,558,000
Marketing and business development		12,886,000	9,558,000
FDIC insurance		3,044,000	895,000
Management and consulting fees		8,651,000	9,048,000
Bankcard		38,916,000	34,374,000
Other expenses		56,404,000	58,965,000
Total other expenses		444,794,000	432,012,000
Income before income taxes		320,371,000	310,791,000
Income taxes (note 8)		73,541,000	70,015,000
Net income	$	246,830,000	240,776,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

December 31, 2021 and 2020

	2021	2020
Net income	$ 246,830,000	240,776,000
Change in unrealized (loss) gain on AFS securities, net of income taxes	(44,895,000)	18,655,000
Change in pension gain (loss), net of income taxes	19,288,000	(10,146,000)
Other comprehensive (loss) income	(25,607,000)	8,509,000
Total comprehensive income	$ 221,223,000	249,285,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statement of Stockholders' Equity

December 31, 2021 and 2020

		2021	2020
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		5,250,000	5,250,000
Net change in capital surplus		210,000	-
Balance at end of year		5,460,000	5,250,000
Retained Earnings:			
Balance at beginning of year		2,449,521,000	2,253,438,000
Net income		246,830,000	240,776,000
Cash dividends ($10.50 per common share in 2021 and $10.10 per common share in 2020)		(46,472,000)	(44,693,000)
Balance at end of year		2,649,879,000	2,449,521,000
Accumulated other comprehensive loss:			
Balance at the beginning of the year		(50,653,000)	(59,162,000)
Other comprehensive (loss) income		(25,607,000)	8,509,000
Balance at end of year		(76,260,000)	(50,653,000)
Treasury Stock:			
Balance at beginning of year		(79,419,000)	(79,419,000)
Net change in treasury stock		45,000	-
Balance at end of year		(79,374,000)	(79,419,000)
Total Stockholders' Equity	$	2,505,661,000	2,330,655,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Net income	$ 246,830,000	240,776,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	33,276,000	33,520,000
Accretion of discounts and amortization of premiums, net	27,310,000	17,624,000
Deferred income taxes	(1,499,000)	131,000
Provision for loan losses	6,146,000	27,153,000
Gain on sale of loans, net	(71,387,000)	(95,816,000)
Purchases of trading securities	(1,568,000)	(5,438,000)
Sales of trading securities	1,898,000	5,325,000
Investment securities (gains) losses, net	(1,453,000)	733,000
Originations of mortgage loans held for sale	(2,614,867,000)	(2,644,312,000)
Proceeds from sales of mortgage loans held for sale	2,679,835,000	2,722,280,000
Increase in other assets	(23,661,000)	(34,224,000)
(Decrease) increase in other liabilities	(14,114,000)	3,931,000
Net cash provided by operating activities	266,746,000	271,683,000
Cash flows from investing activities:		
Purchase of available-for-sale securities	(4,710,810,000)	(7,201,436,000)
Purchase of equity securities	(27,526,000)	(9,114,000)
Purchase of held-to-maturity securities	—	(200,000)
Proceeds from sales of available-for-sale securities	945,417,000	230,233,000
Proceeds from sales of equity securities	2,209,000	5,514,000
Proceeds from maturities of available-for-sale securities	3,285,151,000	5,173,111,000
Proceeds from maturities of held-to-maturity securities	19,811,000	27,800,000
Net change in interest bearing deposits	26,743,000	31,541,000
Net decrease (increase) in loans	3,689,000	(894,997,000)
Purchase of land, buildings, and equipment	(17,296,000)	(13,610,000)
Proceeds from sale of land, buildings, and equipment	5,796,000	4,309,000
Net cash used in investing activities	(466,816,000)	(2,646,849,000)
Cash flows from financing activities:		
Increase in deposits	1,737,580,000	2,824,407,000
Increase in federal funds purchased and securities sold under agreements to repurchase	105,624,000	293,399,000
Proceeds from borrowed funds	—	5,000,000
Repayment of borrowed funds	(5,000,000)	(6,702,000)
Dividends paid	(46,464,000)	(44,693,000)
Net cash provided by financing activities	1,791,740,000	3,071,411,000
Net increase in cash and cash equivalents	1,591,670,000	696,245,000
Cash and cash equivalents at beginning of year	1,824,091,000	1,127,846,000
Cash and cash equivalents at end of year	$ 3,415,761,000	1,824,091,000
Cash and due from banks	$ 150,484,000	277,207,000
Short-term interest bearing deposits	3,263,699,000	1,536,646,000
Federal funds sold and securities purchased under agreements to resell	1,578,000	10,238,000
Total cash and cash equivalents	$ 3,415,761,000	1,824,091,000
Supplemental disclosure of cash flow information:		
Interest paid	$ 22,323,000	43,355,000
Income taxes paid	72,318,000	65,775,000
Loans transferred to foreclosed assets held for sale	2,153,000	10,076,000

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"). On October 1, 2021, the Company consolidated its 13 individual bank charters into one single banking institution, The Central Trust Bank (the "Bank"). Central Bancompany owns all the outstanding capital stock of The Central Trust 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, 2022, the date on which the consolidated financial statements were issued. The ongoing COVID-19 pandemic and measures intended to prevent its spread have adversely affected, and may continue to adversely affect our business activities, financial condition, and results of operations and such effects will depend on future developments, which are highly uncertain and difficult to predict. While the U.S. economy improved materially during 2021, the current uncertain geopolitical climate coupled with concerns over rising inflation and the expectation of Federal Reserve interest rate hikes may cause prolonged 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 noncredit-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 straight-line 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 straight-line 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.

(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 sell 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.

(o) Securities Sold under Agreements to Repurchase

The Company enters into 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 is currently evaluating the effects of this pronouncement on its consolidated financial statements.

Goodwill – In January 2017, the FASB issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment.* The ASU simplifies the accounting for goodwill impairments and are effective for financial statements issued for annual periods beginning after December 15, 2020. The change did not have a significant effect on the Company's consolidated financial statements.

Cloud Computing Arrangement Cost Capitalization - The FASB issued ASU 2018-15, "Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract", in August 2018. Under current guidance, the accounting for implementation costs of a hosting arrangement that is a service contract is not specifically addressed. Under the new amendments, the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract are aligned with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software or hosting arrangements that include an internal-use software license. The guidance was effective January 1, 2020. The change did not have a significant effect on the Company's consolidated financial statements.

Income Taxes - The FASB issued ASU 2019-12, "Simplifying the Accounting for Income Taxes", in December 2019. The amendments in the ASU eliminate certain exceptions under current guidance for investments, intraperiod allocations, and the methodology for calculating interim income tax. In addition, the amendments also add new guidance to simplify accounting for income taxes. The amendments were effective January 1, 2021. The change did not have a significant effect on the Company's consolidated financial statements.

Reference Rate Reform- The FASB issued ASU 2020-04, "*Reference Rate Reform,*", in March 2020. The amendments in the ASU provides 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, in December 2021, the FASB voted to propose extending the sunset date under Topic 848 from December 31, 2022 to December 31, 2024. The change is to align the temporary accounting relief guidance with expected cessation date of LIBOR, which was postponed by administrators earlier this year to June 2023, a year after the current sunset date of ASU 2020-04. An entity may elect to apply ASU 2020-04 for contract modifications as of January 1, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, up to the date that the financial statements are available to be issued. Once elected for a Topic or an Industry Subtopic within the ASC, ASU 2020-04 must be applied prospectively for all eligible contract modifications for that Topic or Industry Subtopic. 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 material impact on the Company's consolidated financial statements.

(2) Investment Securities

The table below includes the fair value of equity securities as of December 31, 2021 and 2020 including, Federal Home Loan Bank Stock, Federal Reserve Bank Stock, and equity securities with no readily determinable value:

Equity Securities	12/31/2021	12/31/2020
Common and preferred stocks with readily determinable fair value	$ 4,726,000	4,500,000
Federal Home Loan Bank stock	11,042,000	19,643,000
Federal Reserve Bank stock	57,287,000	25,097,000
No readily determinable fair value	10,966,000	9,128,000
Total equity securities	$ 84,021,000	58,368,000

During 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. In 2020, $552,000 in losses were recorded on the net decline in market value of the common and preferred stock, consisting of $15,000 in gains realized on sales during 2020 and $567,000 in net unrealized losses 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, 2021 and 2020.

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair values
2021				
Available for sale:				
United States government obligations and government-sponsored enterprises	$ 5,626,179,000	17,578,000	(46,431,000)	5,597,326,000
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 government obligations and government-sponsored enterprises	$ 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

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair values
2020				
Available for sale:				
United States government obligations and government-sponsored enterprises	$ 5,057,365,000	33,643,000	(3,729,000)	5,087,279,000
Obligations of states and political subdivisions	102,646,000	2,121,000	(37,000)	104,730,000
Other securities	134,973,000	416,000	(1,597,000)	133,792,000
	$ 5,294,984,000	36,180,000	(5,363,000)	5,325,801,000
Held to maturity:				
United States government obligations and government-sponsored enterprises	$ 73,000	—	—	73,000
Obligations of states and political subdivisions	29,496,000	358,000	—	29,854,000
	$ 29,569,000	358,000	—	29,927,000

The amortized cost and fair value of available-for-sale and held-to-maturity securities at December 31, 2021, 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	$ 303,974,000	304,058,000	23,590,000	23,658,000	2,414,000	2,414,000
After 1 but within 5 years	2,642,015,000	2,617,531,000	46,184,000	46,625,000	30,031,000	29,508,000
After 5 but within 10 years	27,497,000	27,473,000	8,247,000	8,909,000	—	—
After 10 years	—	—	1,001,000	1,014,000	—	—
Mortgage – and asset-backed securities	2,652,693,000	2,648,264,000	—	—	11,254,000	11,313,000
	$ 5,626,179,000	5,597,326,000	79,022,000	80,206,000	43,699,000	43,235,000
Held to maturity:						
Within 1 year	$ —	—	1,524,000	1,528,000	—	—
After 1 but within 5 years	—	—	5,861,000	5,911,000	—	—
After 5 but within 10 years	—	—	2,339,000	2,393,000	—	—
After 10 years	—	—	—	—	—	—
Mortgage – and asset-backed securities	55,000	55,000	—	—	—	—
	$ 55,000	55,000	9,724,000	9,832,000	—	—

Proceeds from sales of available-for-sale securities in 2021 and 2020 were $945,417,000 and $230,233,000, respectively. Net gains of $921,000 and net losses of $181,000 were recognized on the sale of available-for-sale securities in 2021 and 2020, respectively.

Other securities consist primarily of corporate bonds.

Investment securities and money market obligations with a carrying value of approximately $3,478,780,000 and $3,657,000,000 were pledged to secure public deposits, repurchase agreements, and borrowed funds at December 31, 2021 and 2020, 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, 2021 and 2020 were as follows:

		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 and other securities		26,308,000	(235,000)	20,046,000	(428,000)	46,354,000	(663,000)
	$	4,021,099,000	(43,435,000)	149,759,000	(3,659,000)	4,170,858,000	(47,094,000)

		Less than 12 months		12 months or more		Total	
		Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
2020							
Available for sale:							
United States government obligations and government-sponsored enterprises	$	1,322,720,000	(2,903,000)	96,564,000	(827,000)	1,419,284,000	(3,729,000)
Obligations of states and political subdivisions and other securities		5,334,000	(2,000)	35,983,000	(1,631,000)	41,317,000	(1,634,000)
	$	1,328,054,000	(2,905,000)	132,547,000	(2,458,000)	1,460,601,000	(5,363,000)

There were no gross unrealized losses on held-to-maturity investment securities at December 31, 2021 and December 31, 2020.

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, 2021 and 2020 that were considered other than temporarily impaired.

As of December 31, 2021 and 2020, the Company had no recorded other than temporary impairment, as the majority of securities are agency backed securities that the Company intends to hold until maturity. Securities that were temporarily impaired at December 31, 2021 and 2020 are shown above, along with the length of the impairment period. Out of the total available-for-sale securities portfolio, consisting of 1,519 and 3,149 individual securities at December 31, 2021 and 2020, respectively, 431 and 585 securities were temporarily impaired. Of these securities, 133 and 93 securities, amounting to 2.5% and 2.6% of the available-for-sale portfolio, were temporarily impaired for 12 months or longer as of December 31, 2021 and 2020, 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, 2021 and 2020:

	2021	2020
Commercial	$ 7,816,623,000	7,973,991,000
Residential real estate	1,233,414,000	1,051,298,000
Individual	1,291,791,000	1,272,763,000
	10,341,828,000	10,298,052,000
Less unearned income	40,457,000	58,034,000
Total loans	$ 10,301,371,000	10,240,018,000

The Company funded $373,631,000 and $941,223,000 of Paycheck Protection Program (PPP) loans during 2021 and 2020, respectively. These loans were fixed rate loans carrying a 1% interest rate. The Company recognized interest income of $4.8 million and $6.6 million for the year ended December 31, 2021 and 2020, respectively. In addition, fee income of $39.9 million and $15.4 million was recognized during 2021 and 2020, respectively on PPP loans.

At December 31, 2021, the contractual balance, carrying value, and accretable discounts for PCI credits and non PCI credits carried at fair value are as follows:

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

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

At December 31, 2020:		Contractual Loan Balance	Carrying Value	Accretable Discount
PCI Loans	$	19,546,000	15,562,000	4,279,000
Non PCI Loans		512,663,000	512,663,000	4,546,000
	$	532,209,000	528,225,000	8,825,000

Accretion moved from non-accretable to accretable in 2020	$	1,070,000
Discount accretion recognized as interest income in 2020 from accretable		3,736,000

No loans were acquired by the Company in 2021 or 2020.

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

		2021
Balance at beginning of year	$	528,893,000
Adjustment for charter consolidation*		(277,610,000)
New loans		159,684,000
Repayments		(159,023,000)
Other changes		(4,707,000)
Balance at end of year	$	247,237,000

*This represents a reduction in the beginning of year balance for individuals who no longer meet the the officer/director definition, as a result of the charter consolidation.

Mortgage loans held-for-sale at December 31, 2021 and 2020 totaled approximately $77,243,000 and $140,082,000 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, 2021 and 2020 totaled approximately $22,102,000 and $27,671,000, respectively. The interest income recorded on nonaccrual loans was approximately $1,134,000 and $1,478,000 in 2021 and 2020, respectively.

Restructured loans at December 31, 2021 and 2020 totaled $10,559,000 and $15,855,000, respectively. The interest income recognized on restructured loans for the year ended December 31, 2021 and 2020 was approximately $442,000 and $380,000, 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.

The Company has entered into commitments to lend additional funds of approximately $75,000 at December 31, 2021 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, 2021 and 2020. Nonperforming TDRs include all past-due and nonaccrual TDR loans. As of December 31, 2021, the Company had 10 TDRs totaling $721,000 that were past-due.

	2021			2020		
	Performing TDRs	**Nonperforming TDRs**	**Total TDRs**	**Performing TDRs**	**Nonperforming TDRs**	**Total TDRs**
Commercial	$ 4,678,000	820,000	5,498,000	5,252,000	4,334,000	9,586,000
Residential real estate	1,124,000	3,893,000	5,017,000	3,490,000	2,731,000	6,221,000
Individual	44,000	—	44,000	48,000	—	48,000
Total loans	$ 5,846,000	4,713,000	10,559,000	8,790,000	7,065,000	15,855,000

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, 2021 and 2020, the Company had unfunded loan commitments of $3,317,122,000 and $3,054,194,000, respectively. Outstanding letters of credit as of December 31, 2021 and 2020 amounted to $73,935,000 and $66,349,000, 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 subsidiaries are located throughout the states of Missouri, Kansas, Illinois, Iowa, Oklahoma, Colorado, North Carolina, Tennessee, and Florida 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, 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

		Commercial	Residential real estate	Individual	Total
For the year ended December 31, 2020:					
Balance at beginning of year	$	88,427,000	23,430,000	21,092,000	132,949,000
Provision for loan losses		17,222,000	1,771,000	8,160,000	27,153,000
Loans charged off		(6,251,000)	(838,000)	(9,494,000)	(16,583,000)
Recoveries on loans previously charged off		2,456,000	797,000	3,685,000	6,938,000
Balance at end of year	$	101,854,000	25,160,000	23,443,000	150,457,000

The following table provides the balance in the allowance for loan losses at December 31, 2021 and 2020, 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, 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

	Commercial	Residential real estate	Individual	Total
At December 31, 2020:				
Allowance for loan losses:				
Individually evaluated for impairment	$ 694,000	20,000	—	714,000
Collectively evaluated for impairment	101,160,000	25,140,000	23,443,000	149,743,000
Total	$ 101,854,000	25,160,000	23,443,000	150,457,000
Loans outstanding:				
Individually evaluated for impairment	$ 23,991,000	2,573,000	—	26,564,000
Collectively evaluated for impairment	7,892,592,000	1,188,311,000	1,272,634,000	10,353,537,000
Total	$ 7,916,583,000	1,190,884,000	1,272,634,000	10,380,101,000

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

		2021	2020
Impaired loans with a specific allowance provided			
Commercial	$	916,000	9,524,000
Residential real estate		927,000	1,015,000
Individual		—	—
		1,843,000	10,539,000
Impaired loans with no specific allowance provided			
Commercial		26,909,000	25,450,000
Residential real estate		1,113,000	1,858,000
Individual		—	—
		28,022,000	27,308,000
Total impaired loans	$	29,865,000	37,847,000
Allowance related to impaired loans			
Commercial	$	47,000	694,000
Residential real estate		320,000	20,000
Individual		—	—
Total allowance related to impaired loans	$	367,000	714,000

Total average impaired loans during 2021 and 2020 are shown in the table below.

	2021			2020		
	Nonaccrual	Restructured and still accruing	Total	Nonaccrual	Restructured and still accruing	Total
Average Impaired Loans:						
Commercial	$ 15,270,500	4,965,000	20,235,500	25,100,500	7,922,000	33,022,500
Residential real estate	5,837,500	2,305,000	8,142,500	10,717,000	4,344,500	15,061,500
Individual	3,778,500	46,000	3,824,500	3,889,500	49,000	3,938,500
Total	$ 24,886,500	7,316,000	32,202,500	39,707,000	12,315,500	52,022,500

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, 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

	less than 30 days past due	30 – 89 Days past due	past due and still accruing	Nonaccrual	Total
At December 31, 2020:					
Commercial	$ 7,889,808,000	10,075,000	342,000	16,358,000	7,916,583,000
Residential real estate	1,176,096,000	6,619,000	833,000	7,336,000	1,190,884,000
Individual	1,260,929,000	7,285,000	443,000	3,977,000	1,272,634,000
Total	$ 10,326,833,000	23,979,000	1,618,000	27,671,000	10,380,101,000

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, 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

	Commercial	Residential real estate	Individual	Total
At December 31, 2020:				
Watch	$ 119,329,000	13,618,000	652,000	133,599,000
Substandard	69,152,000	11,706,000	2,439,000	83,297,000
Nonaccrual	16,358,000	7,336,000	3,977,000	27,671,000
Total	$ 204,839,000	32,660,000	7,068,000	244,567,000

(5) Mortgage Banking Activities

The Company originates mortgage loans and sell 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 2021 and 2020 aggregated $2,192,595,000 and $2,073,882,000, respectively. Loans serviced for investors aggregated $5,109,362,000 and $4,329,148,000 at December 31, 2021 and 2020, respectively. Included in mortgage banking revenues in the accompanying consolidated statements of income for 2021 and 2020 are gains on the sale of mortgage loans totaling $82,590,000 and $93,686,000, as well as gains/(losses) on interest rate lock commitments (IRLC) and associated hedging of $(5,377,000) and $11,849,000, respectively. For additional detail on this item see note 18. Servicing fees recorded by the Bank, which are also recorded in mortgage banking revenues and recorded when collected, aggregated $11,712,000 and $9,439,000 in 2021 and 2020, respectively.

Included in gain on sales of mortgage loans during 2021 and 2020 are capitalized mortgage servicing rights aggregating $22,375,000 and $19,644,000, respectively.

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

	2021	2020
Discount Rate	10.18%	10.20%
Prepayment Speed	11.18%	16.38%
Delinquency Rate	0.40%	0.65%

A summary of the mortgage servicing rights is as follows:

	2021	2020
Balance at beginning of year	$ 27,153,000	20,474,000
Capitalized mortgage servicing rights	22,375,000	19,644,000
Amortization	(12,515,000)	(12,698,000)
Change in valuation allowance	354,000	(267,000)
Balance at end of year	$ 37,367,000	27,153,000

The valuation allowance at December 31, 2021 and 2020 was $0 and $354,000 respectively.

The following table shows the estimated future amortization expense based on existing asset balances and the interest rate environment as of December 31, 2021. 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:	
2022	$ 5,917,000
2023	4,958,000
2024	4,243,000
2025	3,663,000
Thereafter	18,586,000

(6) Land, Buildings, and Equipment

A summary of land, buildings, and equipment at December 31, 2021 and 2020 is as follows:

	2021	2020
Land	$ 58,763,000	61,192,000
Buildings and improvements	271,418,000	269,663,000
Equipment	74,598,000	79,182,000
Right to use assets, net of amortization	34,468,000	34,159,000
	439,247,000	444,196,000
Less accumulated depreciation	224,700,000	224,266,000
	$ 214,547,000	219,930,000

The following table shows the estimated future depreciation expense based on existing asset balances as of December 31, 2021.

Year:	
2022	$ 15,235,000
2023	12,372,000
2024	10,292,000
2025	8,992,000
2026	7,937,000
Thereafter	66,488,000

Depreciation of buildings charged to operating expense was approximately $9,167,000 and $9,478,000 in 2021 and 2020, respectively, and is included in net occupancy expense on the consolidated statements of income. Depreciation of equipment charged to operating expense was approximately $7,716,000 and $7,489,000 in 2021 and 2020, 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:

	2021			2020		
	Gross carrying amount	Accumulated amortization	Net amount	Gross carrying amount	Accumulated amortization	Net amount
Amortizable intangible assets:						
Core deposit intangible assets	$ 26,052,000	(11,446,000)	14,606,000	26,335,000	(8,073,000)	18,262,000
Trust customer intangible asset	6,100,000	(3,614,000)	2,486,000	6,100,000	(3,274,000)	2,826,000
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, 2021 and 2020 was $3,996,000 and $4,057,000, 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, 2021. 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:	
2022	$ 3,531,000
2023	3,520,000
2024	3,388,000
2025	3,227,000
2026	2,483,000
Thereafter	943,000

(8) Income Taxes

The components of income tax expense on operations for the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Current income tax expense:		
Federal	$ 65,328,000	60,816,000
State	9,712,000	9,068,000
Total current income tax expense	75,040,000	69,884,000
Deferred income tax (benefit) expense:		
Federal	(1,387,000)	133,000
State	(112,000)	(2,000)
Total deferred income tax (benefit) expense	(1,499,000)	131,000
Total income tax expense on operations	$ 73,541,000	70,015,000

The reasons for the difference between the effective tax rates of 23.0% and 22.5% for 2021 and 2020, respectively, and the current federal statutory income tax rate of 21%, are as follows:

	2021		2020	
	Amount	Percent	Amount	Percent
Income tax expense at federal statutory rate	$ 67,278,000	21.0	$ 65,266,000	21.0
Increase (reduction) in income taxes resulting from:				
Tax-exempt interest	(1,699,000)	(0.5)	(2,268,000)	(0.7)
Dividend exclusion	(38,000)	(0.0)	(57,000)	(0.0)
State income taxes, net of federal income tax	7,584,000	2.4	7,162,000	2.3
Nondeductible expenses	391,000	0.1	258,000	0.1
Federal tax credits, net of low income housing tax credit partnership amortization	(20,000)	(0.0)	(460,000)	(0.2)
Other, net	45,000	0.0	114,000	0.0
	$ 73,541,000	23.0	$ 70,015,000	22.5

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2021 and 2020 are presented below:

		2021	2020
Deferred tax assets:			
Loans, principally due to allowance for loan losses	$	36,725,000	36,419,000
Accrued expenses		26,859,000	28,010,000
Buildings and equipment		2,944,000	1,412,000
Defined benefit plan		17,164,000	23,202,000
Unrealized loss on available-for-sale securities		6,707,000	-
Total gross deferred tax assets		90,399,000	89,043,000
Deferred tax liabilities:			
Prepaid pension expense		10,340,000	7,538,000
Mortgage servicing rights		8,910,000	6,480,000
Goodwill		30,802,000	28,128,000
Lease financing		28,653,000	35,378,000
Unrealized gain on equity securities		1,455,000	1,229,000
Unrealized gain on available-for-sale securities		-	7,347,000
Other		2,689,000	4,909,000
Total gross deferred tax liabilities		82,849,000	91,009,000
Net deferred taxes	$	7,550,000	(1,966,000)

The Company has not recorded a valuation allowance related to the net deferred tax assets at December 31, 2021 or 2020 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 $300,000 during 2021, totaling $2.2 million at December 31, 2021.

Federal net operating loss (NOL) carryovers were acquired in certain acquisitions. The remaining amount of NOL carryover is $861,000 and $948,000 as of December 31, 2021 and 2020, 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, 2021:

Year:		
2022	$	996,295,000
2023		170,849,000
2024		60,540,000
2025		22,784,000
2026		12,874,000
Thereafter		229,000
	$	1,263,571,000

Time deposits include certificates of deposit of $250,000 and over, totaling approximately $275,733,000 and $316,828,000 at December 31, 2021 and 2020, respectively. Interest expense on such deposits amounted to $1,454,000 and $3,105,000 in 2021 and 2020, respectively.

(10) Securities Sold under Agreements to Repurchase

The Company's obligation to repurchase securities sold at December 31, 2021 and 2020 totaled $1,167,441,000 and $1,050,430,000, 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:

	2021	2020
Average monthly balance during the year	$ 1,188,305,000	1,002,524,000
Maximum month-end balance during the year	1,301,127,000	1,090,969,036
Average interest rate during the year	0.17%	0.35%

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, 2021, 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, 2021:				
Repurchase agreements, secured by:				
U.S. government and federal agency obligations	$ 86,345,000	—	—	86,345,000
Government-sponsored enterprise obligations	61,903,000	—	—	61,903,000
Mortgage-backed securities	1,019,193,000	—	—	1,019,193,000
Other	—	—	—	—
Total Repurchase agreements, gross amount recognized	$ 1,167,441,000	$ —	$ —	1,167,441,000

(11) Trust Preferred Securities and Other Borrowed Funds

Borrowed funds at December 31, 2021 and 2020 are as follows:

	2021	2020
Notes payable to the FHLB of Topeka at a .37% fixed rate of interest, secured by certain qualifying mortgage loans of the Company with a maturity in 2022, paid off 10-1-2021.	$ —	5,000,000

(12) 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. However, during 2021, the Company elected to contribute $11,911,000 to the plan. This contribution was made to reduce current and future pension insurance premiums. 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.

		2021	2020
Projected benefit obligation	$	21,748,000	23,584,000
Accumulated benefit obligation		20,290,000	21,423,000

The following items are components of net pension cost for the years ended December 31, 2021 and 2020:

		2021	2020
Interest cost on projected benefit obligation	$	9,835,000	11,194,000
Expected return on plan assets		(11,997,000)	(11,547,000)
Amortization of net loss		2,863,000	2,160,000
Net periodic pension cost	$	701,000	1,807,000

The following table sets forth the pension plans' funded status, using valuation dates of December 31, 2021 and 2020:

		2021	2020
Change in projected benefit obligation:			
Projected benefit obligation at prior valuation date	$	355,597,000	325,986,000
Interest cost		9,835,000	11,194,000
Benefits paid		(14,612,000)	(16,471,000)
Actuarial (gain) loss		(9,977,000)	34,888,000
Other		1,894,000	—
Projected benefit obligation at valuation date		342,737,000	355,597,000
Change in plan assets:			
Fair value of plan assets at beginning of year		268,361,000	252,200,000
Actual return on plan assets		26,378,000	30,952,000
Employer contributions		13,672,000	1,680,000
Benefits paid		(14,612,000)	(16,471,000)
Other		1,894,000	—
Fair value of plan assets at end of year		293,799,000	268,361,000
Funded status and net amount recognized at December 31	$	(48,938,000)	(87,236,000)

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

	2021	2020
Prepaid pension asset	$ 43,349,000	31,511,000
Accrued benefit liability	(92,287,000)	(118,747,000)
Net amount recognized at December 31	$ (48,938,000)	(87,236,000)

Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive loss, on a pretax basis, at December 31, 2021 are as follows:

Accumulated other comprehensive loss, pretax	$ (71,997,000)
Cumulative employer contributions in excess of net periodic benefit cost	23,059,000
Net amount recognized on the December 31, 2021 balance sheet	$ (48,938,000)

The following weighted average assumptions have been used at December 31, 2021 and 2020:

	2021	2020
Determination of benefit obligation at year-end:		
Discount rate	3.05%	2.80%
Determination of net periodic benefit cost for the year ended:		
Discount rate	2.80%	3.45%
Expected long-term rate of return on Plan assets	5.00%	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, 2021 and 2020:

	2021	2020
Employer contributions	$ 13,672,000	1,680,000
Benefits paid	14,612,000	16,471,000

The weighted average asset allocations as of December 31, 2021 and 2020, by asset category, are as follows:

	Plan assets as of December 31,	
	2021	2020
Equity securities	74%	76 %
Fixed income	23	23
Cash and equivalents	3	1
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 5.0%. 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:	
2022	$ 15,022,000
2023	15,857,000
2024	16,116,000
2025	16,647,000
2026	17,043,000
2027 – 2031	87,771,000

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. Municipal and 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, 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 following table sets forth by level, within the fair value hierarchy, the pension plan's assets at fair value as of December 31, 2020:

		Fair value measurements at report date using		
	December 31, 2020	Quoted prices in active markets for identical assets (Level 1)	Significant other unobservable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash equivalents	$ 2,732,000	2,732,000	—	—
U.S. government and agency obligations	—	—	—	—
Common stocks	72,716,000	72,716,000	—	—
Mutual funds - fixed income	59,903,000	59,903,000		
Mutual funds - equities	133,010,000	133,010,000	—	—
Total	$ 268,361,000	268,361,000	—	—

The Company has established a Voluntary Employees Beneficiary Association Trust (VEBA) to fund an employee benefit plan covering medical and dental benefits. For the years ended December 31, 2021 and 2020, the Company contributed $17,738,000 and $16,590,000, 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, 2021 and 2020, the Company contributed $3,779,000 and $4,020,000, 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, 2021 and 2020, the Company contributed $7,335,000 and $6,909,000, 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, 2021 and 2020, the Company expensed $2,794,000 and $2,694,000, respectively, related to the 4% contribution for ten year plus employees.

The Company has established a deferred compensation plan. The liability for the plan, aggregating $41,689,000 and $39,028,000 at December 31, 2021 and 2020, respectively, is recorded in other liabilities in the accompanying consolidated balance sheets. Total expense under these arrangements included in salaries and employee benefits was $6,194,000 and $5,602,000 for the years ended December 31, 2021 and 2020, respectively.

(13) 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, 2021, 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 significant subsidiaries' (greater than $1.0 billion in assets) capital ratios at December 31, 2021 and 2020 is as follows:

(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

(in 000's)	Actual		Minimum capital adequacy requirement		Well-capitalized requirement	
	Amount	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
As of December 31, 2020:						
Total risk-based capital (to risk-weighted assets):						
Company	$ 2,178,266	19.73%	$ 883,086	8.00%	$ —	—%
Central Trust Bank	258,519	16.01	129,179	8.00	161,474	10.00
Tier 1 capital (to risk-weighted assets):						
Company	2,040,111	18.48	662,315	6.00	—	—
Central Trust Bank	239,208	14.81	96,884	6.00	129,179	8.00
Tier 1 common equity capital (to risk-weighted assets):						
Company	2,040,111	18.48	496,736	4.50	—	—
Central Trust Bank	239,208	14.81	72,663	4.50	104,958	6.50
Tier 1 capital (to average assets):						
Company	2,040,111	11.73	695,435	4.00	—	—
Central Trust Bank	239,208	7.11	134,559	4.00	168,199	5.00

(14) 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, 2021 and 2020, the Company's assets included right to use assets for operating leases that had a weighted average lease term remaining of 26.3 years and 27.6 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 2021 that had a weighted average lease term remaining of 5.1 years and a weighted average discount rate of 1.49%. The Company had no finance leases in 2020.

Operating lease cost recorded in net occupancy amounted to $3,489,000 and $3,370,000 in 2021 and 2020, respectively. Operating cash flows from operating leases were $3,375,000 and $3,171,000 in 2021 and 2020, respectively. As of December 31, 2021 and 2020, the right to use assets, reported within premises and equipment, net, totaled $34,468,000 and $34,159,000, respectively. The lease liability, reported within other liabilities, recognized on the Company's financial statements as of December 31, 2021 and 2020 totaled $35,264,000 and $34,837,000, respectively.

As of December 31, 2021, undiscounted operating lease liabilities are scheduled to mature as follows:

Year:	
2022	$ 3,328,000
2023	3,233,000
2024	3,103,000
2025	2,673,000
2026	2,419,000
Thereafter	42,127,000

Operating expense and short-term lease costs totaled $3,764,000 and $3,672,000 in 2021 and 2020, respectively. Amortization of right to use assets charged to operating expense was approximately $2,232,000 and $2,090,000 in 2021 and 2020, respectively, and is included in net occupancy and equipment expense on the consolidated statements of income.

(15) 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.

(16) 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 write-downs 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, 2021 and December 31, 2020.

			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	1,542,599,000	4,340,071,000	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.

		Fair value measurements at report date using		
	Fair Value December 31, 2020	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	$ 140,082,000	140,082,000	—	—
Available-for-sale investment securities:				
U.S. government obligations and government-sponsored enterprises	5,087,279,000	866,472,000	4,220,807,000	—
Obligations of states and political subdivisions	104,730,000	—	104,730,000	—
Other securities	133,792,000	2,784,000	131,008,000	—
Equity investments	58,368,000	4,500,000	53,868,000	—
Trading securities:				
Tax-exempt municipal bonds	216,000	—	216,000	—
Derivatives *	29,680,000	—	29,680,000	—
Total assets	$ 5,554,147,000	1,013,838,000	4,540,309,000	—
Liabilities:				
Derivatives *	$ 24,045,000	—	24,045,000	—
Total liabilities	$ 24,045,000	—	24,045,000	—

* 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:

Available-for-Sale Investment Securities

Available-for-sale securities are accounted for in accordance with ASC 320, with changes in fair value recorded in accumulated other comprehensive income (loss). This portfolio comprises the majority of the assets the Company records at fair value. Most of the portfolio, which includes federal agency, mortgage-backed, and asset-backed securities, 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.

Municipal and 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. Where quoted prices are available in an active market, the measurements are classified as Level 1.

The estimated fair value of the Company’s equity securities is based on bid prices published in financial newspapers or bid quotations received from security dealers. Stocks which trade infrequently are classified as Level 2.

Equity Securities

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 are classified as Level 2. The fair value of equity securities based on unobservable inputs and estimates are classified as Level 3.

Trading Securities

The majority of the securities in the Company's trading portfolios are priced by averaging several broker quotes for identical instruments, and are classified as Level 2 measurements.

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, 2021 and 2020.

Derivatives

The Company's derivative instruments include interest rate swaps, interest rate lock commitments (IRLC) and 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 value adjustment recorded on the mortgage servicing rights at December 31, 2021.

Collateral Dependent Impaired Loans

While the overall portfolio is not carried at fair value, adjustments are recorded on certain loans to reflect partial write-downs 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 $20.8 million and $.4 million at December 31, 2021 and $26.6 million and $.7 million at December 31, 2020, respectively. Impaired loans carried at fair value were $20.5 million at December 31, 2021 and $26.0 million at December 31, 2020.

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.

Investment Securities

The estimated fair value of the Company's debt and equity securities is based on bid prices published in financial newspapers or bid quotations received from security dealers. The fair value of certain state and municipal securities that are not available through market sources is based on quoted market prices of similar instruments.

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 Trust Preferred Securities of the Company is determined by discounting 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, 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 (1)					
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
Trading		—	—	—	—
Loans (2)					
Commercial		7,673,792,000	—	—	7,688,227,000
Residential real estate		1,203,675,000	—	—	1,224,904,000
Individual loans		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, 2020				
	Carrying amount		Estimated Fair Value		
			Level 1	Level 2	Level 3
Financial Assets					
Cash and due from banks and short-term interest bearing deposits	$	1,813,853,000	1,813,853,000	—	—
Time Deposits		28,679,000	—	—	28,763,000
Federal funds sold and securities purchased under agreements to resell		10,238,000	10,238,000	—	—
Investment securities (1)					
Available for sale		5,325,801,000	869,255,000	4,456,546,000	—
Held to maturity		29,569,000	—	28,892,000	677,000
Equity		58,368,000	4,500,000	40,958,000	12,910,000
Trading		216,000	—	216,000	—
Loans (2)					
Commercial		7,814,728,000	—	—	7,847,971,000
Residential real estate		1,025,642,000	—	—	1,047,472,000
Individual		1,249,191,000	—	—	1,237,138,000
Loans held for sale		140,082,000	—	140,082,000	—
Derivatives		29,680,000		29,680,000	

	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	—	—
Borrowed funds	—	—		
Accrued interest payable	1,101,000	1,101,000	—	—
Derivatives	9,970,000		9,970,000	

	December 31, 2020			
	Carrying amount	Estimated Fair Value Level 1	Level 2	Level 3
Financial Liabilities				
Noninterest-bearing demand	$ 5,345,070,000	5,345,070,000	—	—
Savings and interest-bearing demand	7,555,475,000	7,555,475,000	—	—
Time deposits	1,490,779,000	—	—	1,485,598,000
Total deposits	$ 14,391,324,000	12,900,545,000	—	1,485,598,000
Federal funds purchased and securities sold under agreements to repurchase	$ 1,315,747,000	1,315,747,000	—	—
Borrowed funds	5,000,000	5,000,000		
Accrued interest payable	2,337,000	2,337,000	—	—
Derivatives	24,045,000	—	24,045,000	—

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.

(17) 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, 2019	$	4,814,000	(63,976,000)	(59,162,000)
Other comprehensive income (loss) before reclassifications		24,534,000	(13,322,000)	11,212,000
Amounts reclassified from accumulated other comprehensive loss		(30,000)	0	(30,000)
Current period other comprehensive income (loss), before tax		24,504,000	(13,322,000)	11,182,000
Income tax (expense) benefit		(5,849,000)	3,176,000	(2,673,000)
Current period other comprehensive income (loss), net of tax		18,655,000	(10,146,000)	8,509,000
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		0	0	0
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)

(18) 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, 2021, 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 12/31/2021	Market Value 12/31/2021	Notional Value 12/31/2020	Market Value 12/31/2020
Interest Rate Loan Commitments	$ 180,794,000	2,553,000	395,841,000	11,764,000
Loans Closed - Market Value Loans Held for Sale	52,132,000	1,460,000	111,247,000	5,649,000
TBA Derivative Value	199,500,000	(184,000)	457,500,000	(4,227,000)

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. These Back-to-Back swap contracts comprised a portion of the Company's swap portfolio at December 31, 2021 and 2020 with total notional amounts of $417.6 million and $438.1 million, respectively. 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.

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 $18.6 million, with a fair value of $734,000 and a notional amount of $25.3 million, with a fair value of ($1,902,000) at December 31, 2021 and 2020, respectively.

	Derivative Assets 12/31/21	Derivative Liabilities 12/31/21	Derivative Assets 12/31/20	Derivative Liabilities 12/31/20
Back to back swaps	$ 9,052,000	9,052,000	17,916,000	(17,916,000)
Fair value hedges		(734,000)		(1,902,000)

(19) 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.

	2021	2020
Service charges and commissions		
Deposit account and other fees	$ 43,559,000	40,256,000
Other non-ASC 606 revenue	7,555,000	9,744,000
	$ 51,114,000	50,000,000
Bankcard and merchant service fees		
Bankcard transaction fees	$ 65,828,000	56,246,000
Brokerage services		
Consumer brokerage service fees	$ 20,660,000	16,253,000
Fees for fiduciary services		
Fiduciary service fees	$ 38,607,000	32,841,000
Other		
Gain on sale of bank premises and equipment	$ 1,593,000	469,000
Other non-ASC 606 revenue	7,276,000	6,551,000
	$ 8,869,000	7,020,000

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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

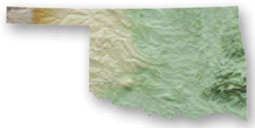
Added our **100th** location

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

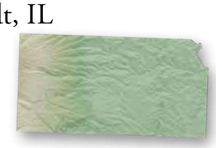
Acquired – ONB Bank, Tulsa, OK Community Bank and Trust collapses into ONB Bank

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."*

Reached **$20 Billion** in Total Assets

Central Bancompany Directors & Senior Leadership

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., *President*, The Insurance Group - Columbia

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*
Donald R. Perdue, *Senior Executive Vice President*
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*, Corporate Secretary & General Counsel
David W. Roehl, *Executive Vice President*, Chief Investment Officer
Daniel H. Westhues, *Executive Vice President*, Chief Marketing & Retail Banking Officer
Robert M. Carr, Jr., *Senior Vice President*, Managing Director, Central Investment Advisors
Christine K. Ellinger, *Senior Vice President*, Chief Human Resources Officer
W. Bradford Emmons, *Senior Vice President*, Treasurer
Paul J. Kleffner, *Senior Vice President*, Managing Director, Auditing
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*, Managing Director, Digital Banking
Shawn D. Von Talge, *Senior Vice President*, Mortgage Banking
Arlene R. Vogle, *Senior Vice President*, Commercial Banking Services
Cynthia A. Whaley, *Senior Vice President*, Commercial Banking Services

Shown here is the East Sunshine branch, opened in May 2021 in Springfield, Missouri. The state-of-the-art branch features lobby and drive-up Video Teller Machines with full-service retail, mortgage, and private banking services.

Central Bank – Jefferson City Market

Joined Central Bancompany in 1970

President & CEO: David P. Minton • Branches: 16 • Employees: 763

Central Bank had a remarkably strong 2021, despite the continuation of the pandemic, labor shortages and an economy trying to find its footing and path forward. Excluding the anticipated $67 million reduction of Paycheck Protection Program (PPP) loans, Central grew its loan portfolio by over $124 million or 10.0% and its deposits by $220 million or 8.9%. This growth came from the Central Missouri market (loans at $36 million and deposits at $162 million) as well as our newer markets of Colorado, North Carolina, and Online Central (loans at $88 million and deposits at $58 million). Total assets at year-end were $3.72 billion, up $168 million or nearly 5.0%.

Net income for 2021 was $57.7 million before taxes and after taxes, it was $45.5 million. In the very low interest rate environment, the Bank's net interest income (excluding PPP interest and fees) was down $3.2 million, but PPP income increased $3.4 million to offset that. Credit quality remains historically strong and Central's provision for loan loss improved by $3.4 million relative to 2020. Although mortgage volume and profitability slowed down from the prior year by $7 million, all other fee income was up $3.1 million. Finally, expenses were up by $6.3 million as we continue to invest in growth and expanded business lines, while also dealing with a very tight labor market.

Our branches in Colorado (Denver, Colorado Springs, and our new location in Durango) are performing well and are growing. In 2021, Central Bank received regulatory approval to open a full-service branch in Naples, Florida. The build out of the facility and its staffing are on pace for a mid - 2022 opening. Additionally, the Cary, NC loan production office also continues to thrive.

One particular project we were proud to be a part of in 2021 was the construction of a manufacturing plant in Miller county. Its impact to the community and local economy has been tremendous. 275+ jobs have been added to the area through February 2022, with an estimated 150+ more jobs to be added over the next two years.

Advisory Board

Kenneth W. Littlefield, *Chairman of the Board*
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
Donald E. Shinkle, *Retailer (Retired)*
Kirk Farmer, *Owner,* Farmer Holding Company
Joseph N. Scheppers, *Owner,* N.H. Scheppers Distributing Company

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

Jefferson Bank – Jefferson City Market

Joined Central Bancompany in 1970

President & CEO: L. Kenton Theroff • Branches: 4 • Employees: 90

In a small community like ours, it has been a priority at Jefferson Bank to represent stability and strength even when the country continued to struggle with an unrelenting pandemic, an unsteady economy, and consumer frustration. The talented and committed employees of Jefferson Bank have continued to take care of our customers, give back to our community, and support one another.

Despite challenges in the economy, Jefferson Bank had another banner year with a 2.25% return on assets and a 24% return on equity. Fueling the success was our Commercial Lending Team ending 2021 with 20% loan growth (excluding Paycheck Protection Program loans). An unprecedented used car shortage tested Consumer Lending. Even so, indirect loans for the first three quarters of the year remained steady with a modest 4.0% increase. Mortgage Lending had a solid year even with a low inventory of homes for sale. Our organization continues to run "lean" and maintains the best efficiency ratio in the Holding Company. In October, Jefferson Bank of Missouri realized a name change due to the consolidation of affiliate charters and became Jefferson Bank, a division of The Central Trust Bank.

Our bank has a great history of supporting the medical community. One highlight in this area for 2021, is that we were able to finance Jefferson City Medical Group's new Surgery Center. This facility will bring the latest technology in medical care to the community. Additionally, continuous investments in healthcare and these types of facilities helps to attract more of the best doctors to the area. We are pleased to play our role in making exciting new advancements like this happen for Jefferson City.

Advisory Board

Harold W. Westhues, *Chairman of the Board, Retired*, Jefferson Bank
Robert L. Bryant, *EVP, CFO and COO,* 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 the Jefferson City area

Central Bank – St. Louis Market

Joined Central Bancompany in 1972

President & COO: Daniel G. Stephen • Branches: 16 • Employees: 208

The commitment of the St. Louis market employees continued to be on display in 2021. As we navigated through the pandemic, an important priority was to provide support for our employees, customers, and community. Our dedicated Central Bank family was able to achieve strong results and growth; including deposit growth of more than 10%. We also continued to help the small businesses in our area through the Small Business Administration's Paycheck Protection Program.

Our commitment to the St. Louis community is proudly displayed through our employee's involvement in numerous charities and organizations. A good example is our partnership with the Gateway EITC Coalition. Gateway EITC provides free federal and state tax preparation services for low to moderate income individuals and families, seniors, persons with disabilities, and limited English speaking taxpayers who need assistance preparing their own tax returns. Two of our dedicated employees volunteered three days a week throughout the year and provided over 500 service hours.

2021 also brought a leadership change. Dan Stephen succeeded Rick Bagy as President and COO. Mr. Stephen had been serving as the Chief Credit Officer and Chief Risk Officer for Central Bancompany and previously spent over 30 years as the Senior Credit Officer for Central Bank of St. Louis. Mr. Bagy provided 29 years of outstanding leadership and success, he continues in the St. Louis Market as Vice Chairman.

The St. Louis market is proud of all the accomplishments by our employees this past year. We continue to provide legendary service to our customers and 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.
Howard L. Chilcutt, *Chairman,* Jones Company of Tennessee
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: 372

“Progress is impossible without change,” according to George Bernard Shaw. In the Boone County market, we embrace change and work to push the boundaries of what is possible for our shareholders, our customers, our employees, and our communities.

2021 was a successful year by every measure. It was a record earnings year with solid credit quality. And that success came from every business line of the organization. As margins were squeezed hair-thin, our fee income generating business lines such as commercial services, wealth management, and mortgage lending stepped up to fill a critical gap.

A big initiative was the opening of our Des Moines, Iowa, loan production office, which generated $55 million in loan volume its first year, far above our expected growth. We expect great things from Des Moines in the future and look forward to expanding our services there.

As an organization we also re-committed to our role as a community bank by embracing a new mission statement: "First in Community Banking." Our ProsperU program continues to be a successful way to reach out to all parts of our community and the establishment of a new SBA Lending division has already created new, exciting relationships with small business owners. These are just two examples of a year-long effort to be the very best community bank we can be.

We are also very proud of the contributions of many of our employees in the charter consolidation process. It takes real teamwork to tackle such a project and we did our part to support Central Bank’s exciting future.

In 2021, Love Columbia, an organization dedicated to assisting anyone struggling to obtain their basic needs or simply wanting to improve their lives, was looking for a permanent space for one of their most important programs, The Love Seat. The Love Seat provides free basic furniture and housewares to families in crisis or transition. More than 300 households are helped each year by this unique program. After finding the perfect location, Love Columbia asked Jamie Palmer, a Central Bank of Boone County commercial loan officer to assist them in the purchase of a permanent building. With a loan of $985,000, The Love Seat now has a resale shop to boost funds for the program and serves more than 300 families in need each year.

And, finally, we are so lucky to have amazing people working every day to serve our customers and each other. Between the pandemic and the tough hiring environment, we have asked a lot of our people and they have been fantastic. This will no doubt continue to be a challenge but with such great employees, we are sure to have another record year in 2022.

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
Charles W. Digges Jr., *President,* The Insurance Group
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
Dr. Ajay Vinze, *Dean,* MU Trulaske College of Business

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

Central Bank – Audrain County Market

Joined Central Bancompany in 1977

President & CEO: Michael A. Bunge • Branches: 2 • Employees: 20

2021 was a year of challenges as communities we serve continue to work through the changes of a pandemic and of a new decade. Agriculture had a strong year with combination of above average growing conditions, strong commodity prices, and steady input costs. Small Business Administration's Paycheck Protection Program funds and other government assistance helped many families and businesses deal with the financial stress the COVID-19 situation continued to create in 2021.

The bank is looking forward to 2022 and building on the positive opportunities that our merger with the rest of our family of banks creates. Customers will find new products and new opportunities that will benefit their business and personal finances thanks to our new banking structure.

Our bank has a long history of supporting the agriculture industry in Audrain and surrounding counties, through providing for family farmers' financing and banking needs, supporting youth programs like 4-H, FFA, and Young Farmers' organizations, and other local commodity and farm groups. We recognize the integral role of this industry in our market, as Audrain County consistently ranks in the Top Five of all MO counties in the value of overall agricultural production, especially row crop and swine enterprises. Over $250 million annually is contributed to our local economy directly from its agricultural production, in addition to the many other agribusinesses that serve and support this sector of our local economy.

Finally, agriculture loans continue to be strong for our market. Supporting farms, livestock, and other agriculture is the backbone of our country. We are proud to provide lending opportunities to these businesses, and help our community thrive.

Advisory Board

Sterling Oliver, *Retired, EVP,* Central Bank of Audrain County
Mike Miller, *Miller Tire Company*
Tony Robertson, *Senior Loan Officer*
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: 28

The Moberly market continued to face challenges in 2021 with the continuing COVID-19 pandemic, like so many institutions in the financial industry. Our dedicated and hard-working staff continued to adapt to those challenges to help our customers navigate the financial landscape, allowing us to achieve another successful and profitable year. The bank continued to grow as deposits increased 23% and the bank expanded its footings 15% over the previous year. Our commitment to delivering legendary service has allowed us to continue to be the leading financial institution in Moberly, a position we have held for over 30 years.

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

Randolph, Howard, Chariton, and Monroe Counties

Central Bank – Springfield Market

Joined Central Bancompany in 1980

President & CEO: Joselyn E. Baldner • Branches: 21 • Employees: 255

2021 was a very successful year with earnings up 24% and return on assets up 8% compared to 2020. Good loan and deposit growth, along with increased fee income from our Central Trust Company and Central Investment Advisors teams, has helped us remain as one of the top banks in our region. With the low rate environment, our Mortgage Loans continued to experience substantial growth in 2021 with volumes hitting $230 million and 1,225 loans serviced. We opened our East Sunshine branch location on May 10, further expanding our footprint in East Springfield. We continue to be a leader in the Southwest Missouri market through our dedication and involvement with the communities we serve.

We are very excited to announce Joselyn Baldner as the Springfield market's new President and CEO. Joselyn has served the bank in many capacities over the years and has become a very valuable executive to the Company. Joselyn succeeded Russ Marquart, and he will continue in the Springfield market as Chairman of the Board.

Central Bank is proudly partnered with Ozarks Technical Community College on their new Plaster Center for Advanced Manufacturing. The $40 million, 120,000 square-foot facility will serve as the regional hub for all advanced manufacturing and technology related training. This will help our community in many ways and we are excited for Springfield to start realizing the benefits.

Advisory Board

Russell R. Marquart, *Chairman,* Central Bank of the Ozarks
Michael J. Williamson, *Retired,* Central Bank of the Ozarks
Chris W. Nattinger, *President,* Skyline Investment Co., LLC
John R. Twitty, *General Manager & CEO,* Missouri Public Utility Alliance
Judi M. Samuel, *Broker*
J. Mark Cook, *CEO,* Central States Industrial Equipment
Mark M. McNay, *Sr. Vice President,* SMC Packaging Group
Thomas B. Rankin, *Sr. Advisor/Broker,* Sperry Van Ness/Rankin Company
Mark L. Walker, *Chairman & CEO,* Transland

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: 8 • Employees: 150

2021 was another great year for the Lake of the Ozarks market. Restaurants, lodging, and retail businesses flourished as second home owners and visitors continued to migrate to the Lake during the pandemic. The "second home" housing market continues to grow. Our business partners (Mortgage, Wealth Management, Commercial Services, and Retail) continue to work in unison as we focus on the road ahead. In addition, with our business line partners paving our way, we loaned money for the construction of our first condominium project in 11 years. Our employees continued commitment to our local businesses was evident with our participation in the second installment of the Paycheck Protection Program as we funded 530 loans for a total of $22,448,137, benefitting 3,071 jobs.

In 2021, Dr. Brandon Bennet, a former Air Force Veteran, moved from the St. Louis area and purchased the Eldon Family Dentistry in Eldon. His clientele quickly grew, so expansion became necessary. Central Bank was able to refinance his practice from another lender and provide construction financing that allowed him the ability to expand his building and add new dental equipment to benefit the Eldon community. At Central Bank, our employees care about their customers and the community, volunteering in more than 100 local organizations.

Advisory Board

James W. Mead, *Senior Vice President/Chairman*
Joe Jurgensmeyer, *Owner,* J & M Farms
Robert E. Mason, *D.O.,* Lake Regional Clinics
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: 66

Central Bank's Branson market ended 2021 stronger than ever. The Mortgage Department finished as number one in loans for Stone and Taney Counties, generating $70.5 million in loans compared to $69.6 million in 2020, a 1.29% increase. The bank grew 15.7% in assets, making 2021 the fourth consecutive record-breaking year. Even coming off a pandemic, businesses in Branson produced strong sales numbers and we were able to give our business community the financing they needed to grow and operate.

One highlight in 2021 is the banks expanding partnership with Gettin' Basted, a local barbecue establishmnet. Gettin' Basted came to the bank four years ago with a barbecue food truck and an idea for expansion to make a name for themselves in Branson. In 2021, Central Bank was able to help them open their fourth restaurant in neighboring cities. With Central Bank's help, Gettin' Basted was able to take its vision and has recently been voted as the top barbecue restaurant in Branson for four years straight and continues to be a sought out barbecue restaurant by tourists and locals alike.

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

Central Bank – Sedalia Market

Joined Central Bancompany in 1992

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

2021 was a successful year for the Sedalia Market. The year began with another round of Paycheck Protection Program loans as our team came together once again to serve the needs of our community. In April, the bank had a change in management, promoting Greg Eby to President & CEO. Mr. Eby has been in banking for 31 years and joined the Sedalia team in October of 2020. We look forward to continued success under his leadership.

The Sedalia market has always strongly supported the community and had some very memorable highlights for the year beginning with the inaugural Sedalia Community Challenge Blood Drive. The bank partnered with Community Blood Center in Kansas City to host an event in Sedalia. We challenged non-profits in the community to compete for blood donation numbers in the name of their organization. Winning groups received cash donations from the bank. Our goal was to collect 75 units and we collected 114! The bank donated $1,000 to State Fair Community College Foundation with the most donors and $500 to First United Methodist Church for second place. The bank plans to continue this blood drive annually with increased donations anticipated as the event grows.

In October, the bank provided Bothwell Regional Hospital $8 million in financing to purchase a new linear accelerator and a new HVAC system. Additionally, the bank donated $25,000 to the Olen Howard Workforce Innovation Center, a new facility on the State Fair Community College campus which will focus on expanding the trade school needs in Pettis County. The bank also started a banking education program with the schools in the community focusing on the importance of banking and savings for fourth grade students. In addition, the bank is teaching a Reality Check program for high school students to learn the importance of budgeting, spending, and saving.

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: 47 • Employees: 488

The Kansas City market is a proud partner in each of the 28 communities we serve, giving more than $400,000.00 in charitable donations and sponsorships in 2021. Our community impact efforts are guided by a focus on three support pillars: affordable housing, financial wellness, and thriving families. These pillars were established by our associates who live and work in their communities every day. In 2021, we expanded our long-standing partnership with Habitat for Humanity, supporting their growth efforts through a new ReStore and the remodel of their headquarters. In addition, to a strong financial commitment over the next five years, our associates volunteered more than 2,000 hours throughout the year with Habitat's Women Build program and a Central Bank funded home build. Habitat's mission to make home ownership a reality in Kansas City aligns perfectly with our commitment to affordable housing, making it a natural and strategic partnership. We were also able to recognize local heroes through campaigns like Celebrate Kindness, supporting individuals nominated by their peers who are working hard every day to make a difference. As the Official Community Banking Partner of Sporting Kansas City, we are proud to align with an organization that shares the same community values and spirit. In 2021, we became the third largest commercial lending bank located in Kansas City. Our commitment to delivering a legendary experience for our associates, customers, and communities remains paramount in our mission to be the bank of choice in every market we serve.

Advisory Board

Thomas B. Fitzsimmons, *Chairman of the Board*
John T. Carper, *Retired, Senior Advisor,* Husch Blackwell Sanders, LLP
James Person, *Retired,* Belton Police Department
James L. Hix, *Retired,* Bossler-Hix Personnel / *Retired,* Overland Park City Council
Robert Rogers, *President,* Mid-State Aerospace, Inc.
Kenneth P. Woodward, *Retired, Owner,* Woodward, Hunt & Associates, CPA's
Joseph A. Flannery, *President,* Weaver's, Inc.
Laura Crowley-Coy, *General Manager,* Crowley Furniture

Serving the Greater Kansas City and Lawrence areas.

Central Bank – Warrensburg Market

Joined Central Bancompany in 1997

President & CEO: Marshall S. Abney • Branches: 5 • Employees: 56

We set out in 2021 with significant goals for investment in and support of our local economies. We began the year fully renovating our entire branch network, providing a welcoming and modern space for an improved customer experience. Additionally, we invested significantly in new technology and equipment for a more efficient retail service delivery. We increased support of many of our existing community partnerships, as well as building several new ones, including sponsorships to help both the Warrensburg and Holden school districts invest in state-of-the-art scoreboards.

Recognizing that our people are what makes us great, we focused on several initiatives to foster a culture reflective of our new leadership, while celebrating our strong roots. By creating retail efficiencies, we were able to offer multiple internal promotional opportunities in our growing lending and business services departments. Finally, we created clear career paths and consistent job descriptions for all staff.

Even during a year of significant changes and investments, our team is extremely proud to report a record year, exceeding $4 million in net income and a 28.9% return on equity. We were ranked sixth in the Small Business Association's (SBA) Kansas City Region for number of SBA 7(a) loans originated, helping 24 customers start new or grow existing businesses in the communities we serve. Further, we were again the leader in both Johnson and Lafayette counties in SBA Paycheck Protection Program loans originated, ensuring our communities and customers had access to the second round of relief funds in 2021.

Advisory Board

Stephen L. Abney, *Chairman*
Richard Lloyd, *Retired, EVP, and C.O.O.*
Alan Cavaness, *Retired,* Insurance
Rick G. Sengstacken, *Grocer*
Densil E. Allen, *Rancher*
Daric E. Elwell, *Retired,* Banking

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: 8 • Employees: 83

During 2021, while operating out of the middle of a strip mall in a small location with a 200 square-foot lobby, the Edmond team closed more than $125 million in new loans. The Central Bank team in Edmond pride themselves on the impact their work has in the communities we serve. From new mixed use construction in the Edmond core with new apartment and retail space, to revitalizing Midtown Oklahoma City with new offices and restaurant spaces, we share in the excitement of watching our customers' visions come to life. In the Tulsa, Oklahoma City, and Edmond markets, the industrial properties we finance help drive manufacturing and the delivery of goods to those in our communities, while the new multi-family construction provides much needed housing to the area. More than one-third of the total new loans originated went towards revitalizing and improving our communities through renovating or constructing commercial real estate for various purposes, all of which make the communities we serve a better place to live and work.

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/Tulsa County, Owasso/Tulsa County,
Sapulpa/Creek County, Stillwater/Payne County,
Edmond/Oklahoma County

Central Bancompany Wealth Management

Central Trust Company

President & CEO: Scott M. Kellett • Locations: 7 • Employees: 139

Central Trust Company (CTC) ended the year 2021, with $8.8 billion in assets under management and approximately $39 million in gross revenue; with a profit margin exceeding 40%. CTC provides investment management, financial planning, estate planning, trust and estate administration, settlement services, and retirement plan services through its highly experienced and credentialed wealth management professionals. This includes 21 Certified Trust and Financial Advisors12 Attorneys, 13 CERTIFIED FINANCIAL PLANNER™ Professionals, and 5 Chartered Financial Analysts.

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

Central Investment Advisors

President & CEO: Scott M. Kellett • Locations: 44 • Employees: 57

Central Investment Advisors (CIA) enjoyed a good year in 2021, with income exceeding $18 million, and total assets under management of more than $3.4 billion.

With 37 financial advisors including 16 CERTIFIED FINANCIAL PLANNERS™ CIA offers its clients a full-suite of investment solutions, including managed accounts (advisory) for all levels of investors, as well as traditional brokerage accounts through our broker/dealer LPL Financial, LLC. To complement these investment offerings, we also offer insurance solutions to our clients through the Investor Services Insurance Agency including fixed annuities, term and whole life insurance, and long-term care insurance.

Locations: CIA has offices in all 13 markets including 44 registered locations.

4th Best Bank in America

Forbes 2021

BEST BANKS IN AMERICA

AS PART OF CENTRAL BANCOMPANY

Central Bancompany

Strong roots. Endless possibilities.

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