

2024

LET ME BEGIN BY WELCOMING EACH OF YOU TO OUR ANNUAL MEETING THIS AFTERNOON. WE APPRECIATE THE TIME YOU HAVE TAKEN TO BE WITH US TODAY, AND WE THANK YOU FOR YOUR CONTINUED INTEREST IN OUR COMPANY AND THE SUPPORT YOU HAVE GIVEN OUR MANAGEMENT TEAM.

EACH YEAR WHEN WE GATHER, WE ARE PLEASED TO TELL YOU WHAT HAPPENED LAST YEAR WITH THE TRUST AND THE CAPITAL YOU ALLOWED US TO SHEPHERD FOR YOU.

AND AS YOU ARE ABOUT TO HEAR, WE SET ANOTHER RECORD YEAR FOR PROFITS. IT'S NOW 39 YEARS IN WHICH OUR OPERATING PROFIT HAS INCREASED OVER THE PREVIOUS YEAR.

THINK OF ALL WE'VE BEEN THROUGH SINCE 1984.

- **THE PRIME INTEREST RATE HAS SWUNG, SOMETIMES WILDLY, BETWEEN 13% AND 3.25%**
- **WE'VE BEEN THROUGH:**

- **THE GREAT INFLATION OF THE 1980S**
- **THE GREAT MODERATION – A FANCY NAME FOR A RECESSION – FROM 1991-2001**
- **THE DOTCOM BOOM AND BUST 2001**
- **SEPTEMBER 11**
- **THE MORTGAGE MELTDOWN IN 2008**
- **THE GREAT RECESSION THAT FOLLOWED**
- **THEN AN UNPRECEDENTED GLOBAL PANDEMIC IN 2020**
- **AND NOW INFLATION THAT HAVING SOARED IN 2021 IS STILL THREATENING US.**

IT FEELS TO ME, AS I'M SURE IT MUST FEEL TO YOU, THAT WE HAVE BEEN ON A HORSE THAT JUST KEEPS BUCKING.

YOUR COMPANY'S PERFORMANCE ON THE BACK OF THAT HORSE IS A CREDIT TO THE CREATIVE, HARD-WORKING, EVER-DILIGENT PEOPLE WHO HAVE SERVED YOU AND OUR CUSTOMERS, THROUGH THESE DECADES OF TURMOIL.

BEFORE WE REVIEW THE FINANCIALS, ALLOW ME TO SHARE A FEW ACCOMPLISHMENTS THAT ILLUSTRATE YOUR COMPANY'S COMMITMENT TO EXCELLENCE, EVEN DURING A YEAR FULL OF DISTRACTIONS.

OVER THE LAST FEW YEARS, WE HAVE MADE A CONSCIOUS EFFORT TO INCREASE THE STRENGTH WITHIN OUR LEADERSHIP TEAM, PARTLY FOR SUCCESSION PLANNING, BUT ALSO ADDITIVE TO PREPARE US FOR FUTURE GROWTH. IN 2023, WE RECRUITED TWO NEW EXECUTIVES AT COMPANY LEVEL. JEREMY COLBERT JOINED US AS CHIEF LEGAL COUNSEL, AND ABBY SCHAFERS HAS TAKEN THE ROLE OF CHIEF HUMAN RESOURCES OFFICER. WE ALSO ASKED OUR ST. LOUIS MARKET PRESIDENT, DAN STEPHEN, TO COME BACK TO THE BANCOMPANY ONE MORE TIME. THIS TIME TO OVERSEE AND LEAD ALL OUR AFFILIATE MARKETS. THIS, IN TURN, ALLOWED US TO TAP INTO THE DEPTH OF TALENT WITHIN OUR ST. LOUIS TEAM AND ANNOUNCE DAN KLEFFNER AS THEIR NEW PRESIDENT.

WITHIN OUR TECHNOLOGY DIVISION, WE CREATED AND HIRED A CHIEF ENTERPRISE ARCHITECT. THIS IS IN PART PREPARATION FOR A FULL CORE BANKING SYSTEM MODERNIZATION.

YOU HAVE HEARD ME REFERENCE THE NEED TO MODERNIZE OUR CORE IN PRIOR MEETINGS. IN 2023, WE COMPLETED AN EXTENSIVE REVIEW OF OUR TECHNOLOGY INFRASTRUCTURE AND MADE THE DECISION TO EMBARK ON A MULTI-YEAR ENDEAVOR TO MODERNIZE. WHEN COMPLETE, OUR CORE WILL HELP TO PROPEL OUR BANKING SERVICES INTO THE FUTURE. OUR SYSTEM WILL BE FASTER, MORE NIMBLE, AND PROCESSING IN REAL TIME – PLAYING A MAJOR ROLE IN KEEPING US AS ONE OF THE BEST BANKS IN THE COUNTRY. WE ARE CALLING IT PROJECT KEYSTONE AS A SYMBOL TO SAY WE ARE COMMITTED TO REMAINING FIRST CLASS IN TECHNOLOGY, WE WILL CONTINUE GROW, AND WE ARE HERE FOR THE LONG RUN.

FINALLY, WE WERE JUST INFORMED THAT YOUR COMPANY WAS RECOGNIZED ONCE AGAIN AS A TOP 25 BEST BANK IN AMERICA BY FORBES AMONG BY ALL BANKS IN THE US OVER \$10 BILLION AND HIGHEST RANKED BANK IN THE STATE OF MISSOURI. THIS IS A BADGE WE WEAR WITH PRIDE AS IT IS A REMINDER THAT HARD WORK PAYS OFF.

GREAT PERFORMANCE, I RECENTLY READ IN ADAM GRANT'S NEW BOOK *HIDDEN POTENTIAL*, IS NOT ALWAYS ABOUT RAW TALENT. IT IS ABOUT

OPPORTUNITY AND ASPIRATION. DIFFICULT ECONOMIC CHALLENGES GIVE US OPPORTUNITY, BUT ASPIRATION IS THE IMPORTANT WORD. IT MEANS A MINDSET THAT IS ABOUT MORE THAN GOALS – THAT’S AMBITION. IT’S ABOUT A MINDSET THAT IS UNSATISFIED UNTIL IT REACHES ITS FULL POTENTIAL, UNTIL ON A CONTINUOUS BASIS, WE ARE BEING THE BEST WE CAN BE.

I THINK THAT’S WHAT WE’VE BEEN ABOUT THESE LAST MANY YEARS – AND I KNOW WE WILL CONTINUE TO GIVE YOU OUR BEST.

IT’S ALWAYS TEMPTING TO TRY AND PREDICT THE FUTURE AT THESE MEETINGS. IT SEEMS TO ME THAT WE ARE ENTERING A TIME OF UNUSUAL UNCERTAINTY. BUT I COULD HAVE SAID THAT SAME THING TO YOU FOR ANY OF THE LAST DECADE. SO HERE’S MY VIEW OF THE FUTURE.

A WISE PERSON ONCE TOLD ME, THE ONLY THING YOU CAN SAY WITH CERTAINTY ABOUT THE FUTURE IS THAT IT IS NOT HERE YET.

AND ABOUT YOUR COMPANY, I THINK I CAN SAY THIS MUCH AS WELL. WE ARE ASPIRATIONAL. WE

ARE TALENTED. WE ARE COMMITTED TO MEETING THE CHALLENGES THAT LIE AHEAD. IT IS IMPORTANT THAT WE TAKE A MOMENT TO REFLECT AND CELEBRATE OUR ACCOMPLISHMENTS, BUT WE DON'T TAKE IT FOR GRANTED AND NOW WE MUST GO TO WORK TO DO OUR BEST TO REPLICATE. AND OUR HISTORY SUGGESTS THAT THE COMBINATION OF PEOPLE AND MINDSET WE BRING TO TOMORROW WILL CONTINUE TO SERVE US WELL AS IT HAS NOW SINCE 1902.

LET'S MOVE TO THE NUMBERS.

DESPITE A NUMBER OF HEADWINDS, 2023 WAS A RECORD YEAR FOR OUR COMPANY AS NET INCOME INCREASED TO 273.7 MILLION DOLLARS, AN INCREASE OF 15.5 MILLION DOLLARS OR 6% COMPARED TO 2022. ADJUSTED FOR ONE-TIME LOSSES ON BOND SALES, OPERATING NET INCOME INCREASED TO 288.9 MILLION DOLLARS, AN INCREASE OF 30.7 MILLION DOLLARS OR 12% COMPARED TO 2022.

CHART NUMBER ONE SHOWS NET INCOME INCREASED 31 PERCENT FROM 209.6 MILLION DOLLARS IN 2019 TO 273.7 MILLION DOLLARS IN

2023. OUR COMPANY WAS ABLE TO INCREASE EARNINGS IN 2023 DESPITE THE HEADWINDS FACED BY THE SECTOR FOLLOWING THE FAILURE OF THREE LARGE BANKING INSTITUTIONS.

ASSETS ENDED 2023 AT 19.0 BILLION DOLLARS AS SHOWN ON CHART NUMBER TWO, A DECREASE FROM 2022 BUT A 4.1 BILLION DOLLAR INCREASE OVER THE PAST FOUR YEARS. AS A RESULT OF THE PANDEMIC IN 2020, FEDERAL STIMULUS AND QUANTITATIVE EASING FROM THE FEDERAL RESERVE INJECTED LIQUIDITY INTO THE FINANCIAL SYSTEM ARTIFICIALLY INCREASING BANK DEPOSITS AND ASSETS. WITH THE FEDERAL RESERVE CHANGING THEIR POLICY TO FIGHT RESULTING INFLATION, THEY STARTED ELIMINATING QUANTITATIVE EASING, WITHDRAWING LIQUIDITY FROM THE BANKING SYSTEM. AS A RESULT, THE INDUSTRY HAS SEEN THE EXCESS PANDEMIC DEPOSITS LEAVE OVER THE LAST TWO YEARS.

CHART NUMBER THREE SHOWS YOU THE GROWTH IN LOANS VERSUS THE GROWTH IN DEPOSITS. LOANS HAVE INCREASED BY 21 PERCENT OVER THE LAST FOUR YEARS COMPARED TO DEPOSITS WHICH HAVE INCREASED 28 PERCENT.

CHART NUMBER FOUR SHOWS THAT OUR RETURN ON AVERAGE ASSETS INCREASED TO 1.46 PERCENT IN 2023 WHICH IS ABOVE MISSOURI BANKS AND WELL AHEAD OF OUR NATIONAL PEER GROUP.

CHART NUMBER FIVE MEASURES OUR EFFICIENCY RATIO, THAT IS THE LEVEL OF OVERHEAD AS A PERCENTAGE OF REVENUE. OVER THE LAST FIVE YEARS, WE HAVE CONSISTENTLY OPERATED AT A LEVEL BETTER THAN OUR PEER GROUP MEDIAN.

CHART NUMBER SIX SHOWS OUR NET INTEREST MARGIN, WHICH IS THE DIFFERENCE IN THE RATE EARNED ON ASSETS LESS OUR COST TO FUND THOSE ASSETS. OUR MARGIN WAS 3.54 PERCENT IN 2023, NOTABLY HIGHER THAN OUR PEER GROUP AVERAGE. WITH LOW INTEREST RATES OVER THE LAST COUPLE YEARS LEADING UP TO 2023, WE MAINTAINED A CONSERVATIVE INVESTMENT POLICY AND DID NOT EXTEND OUR SECURITIES PORTFOLIO. WHILE THIS HURT OUR MARGIN IN 2021 AND 2022, IT HAS HELPED OUR MARGIN IN 2023. WE ENDEAVOR TO REMAIN LARGELY NEUTRAL ON INTEREST RATE RISK SO THAT

FLUCTUATIONS IN INTEREST RATES DO NOT HAVE A SUBSTANTIAL IMPACT ON US.

CHART NUMBER SEVEN DETAILS THE COMPONENTS OF REVENUE AND HOW THOSE COMPONENTS CHANGE FROM YEAR TO YEAR. ADJUSTED FOR ONE-TIME BOND LOSSES IN 2023, WE HAVE GENERATED A 31 PERCENT INCREASE IN TOTAL GROSS INCOME OVER THE PAST 4 YEARS (28 PERCENT UNADJUSTED). NET INTEREST INCOME WAS THE PRIMARY CONTRIBUTOR TO OUR GROWTH IN TOTAL INCOME FOR 2023. WE DO HAVE DIVERSIFIED AND COUNTERCYCLICAL SOURCES OF INCOME, SO, WHEN OUR NET INTEREST MARGIN IS SQUEEZED FROM LOW INTEREST RATES AS SEEN IN 2020 AND 2021, OUR MORTGAGE LOAN PRODUCTION AND REFINANCE ACTIVITY INCREASED. CONVERSELY, AS INTEREST RATES RISE, YIELDS ON OUR LOAN AND INVESTMENT PORTFOLIO INCREASE, AS THEY ARE DOING NOW, COUNTERING THE SLOWDOWN IN MORTGAGE LOAN GROWTH AND REFINANCING. THIS INCOME DIVERSIFICATION PRODUCES MORE STABLE EARNINGS GROWTH AND RESILIENCY TO ECONOMIC DOWNTURNS.

CHART NUMBER EIGHT DETAILS THE FOUR MAJOR AREAS OF NON-INTEREST FEE INCOME. 2020 AND

2021 WERE TREMENDOUS YEARS IN THE MORTGAGE BANKING AREA FOR OUR COMPANY DRIVEN BY HISTORICALLY LOW INTEREST RATES COUPLED WITH HIGH CONSUMER LOAN DEMAND. THIS CHART ALSO SHOWS NICE GROWTH IN WEALTH MANAGEMENT, BANK CARD, AND ACTIVITY FEES AND CHARGES OVER THE PAST FOUR YEARS. BANK CARD REVENUE IS UP 41 PERCENT, WHILE WEALTH MANAGEMENT AND ACTIVITY CHARGES ARE UP 32 AND 8 PERCENT, RESPECTIVELY, FROM 2019. WE HOPE TO CONTINUE AND IMPROVE THIS GROWTH IN NON-INTEREST INCOME AS THESE SOURCES OF REVENUE GENERALLY ARE MORE STABLE REGARDLESS OF THE INTEREST RATE ENVIRONMENT.

THE NEXT THREE CHARTS GIVE YOU SOME INFORMATION ABOUT OUR CREDIT QUALITY.

CHART NUMBER NINE SHOWS THAT OUR LOAN LOSSES WERE 12 BASIS POINTS IN 2023 AND HAVE BEEN CONSISTENTLY BELOW OUR PEERS FOR THE PAST FIVE YEARS.

CHART NUMBER TEN SHOWS THAT OUR NON-PERFORMING LOANS AT 20 BASIS POINTS OF OUR PORTFOLIO REMAINS FAR BELOW OUR PEERS.

AND CHART NUMBER ELEVEN, SHOWS THE LEVEL OF OUR RESERVE FOR LOAN LOSSES OVER THE PAST FIVE YEARS IN COMPARISON TO OUR NATIONAL AND MISSOURI BANK PEERS. AS HAS BEEN THE CASE FOR MANY YEARS, WE CONSERVATIVELY MAINTAIN A RESERVE THAT IS ABOVE OUR PEERS EVEN THOUGH OUR HISTORICAL LOAN LOSSES HAVE BEEN LESS.

THE CAPITAL RATIOS FOR OUR COMPANY ALSO REMAIN STRONG.

CHART NUMBER TWELVE HAS OUR LEVERAGE RATIO AT 14.4 PERCENT AT THE END OF 2023, WHICH IS WELL ABOVE OUR NATIONAL PEER GROUP LEVEL OF 9.5 PERCENT.

CHART NUMBER THIRTEEN WHICH RISK WEIGHTS ASSETS IN MEASURING CAPITAL, RESULTS IN A TOTAL RISK BASED CAPITAL RATIO OF 22.8 PERCENT COMPARED TO A PEER GROUP MEDIAN OF 14.8 PERCENT.

THE LAST THREE CHARTS MEASURE FINANCIAL INFORMATION ON A PER SHARE BASIS.

CHART NUMBER FOURTEEN SHOWS THAT SINCE 2019 EARNINGS PER SHARE HAVE INCREASED BY 31 PERCENT AND 6% OVER 2022.

CHART NUMBER FIFTEEN SHOWS DIVIDENDS PER SHARE HAVE INCREASED BY 38% IN THAT SAME TIME PERIOD AND 7% OVER 2022.

AND, I SHOULD MENTION THAT YOUR BOARD OF DIRECTORS APPROVED, AT OUR LAST BOARD MEETING, AN INCREASE IN THE QUARTERLY DIVIDEND FROM \$2.00 PER SHARE TO \$2.25 PER SHARE.

FINALLY, CHART NUMBER SIXTEEN PROVIDES YOU WITH THE BOOK VALUE PER SHARE OVER THE PAST FIVE YEARS WHEN ADJUSTING FOR UNREALIZED LOSSES ON AVAILABLE FOR SALE SECURITIES. THESE UNREALIZED LOSSES REVERSE AS THE INVESTMENT NEARS MATURITY. WE WILL RECEIVE THE PAR VALUE ON MATURITY OF THESE INVESTMENTS OVER THE NEXT COUPLE YEARS. SINCE 2019, THE BOOK VALUE PER SHARE, HAS INCREASED 38% TO 681 DOLLARS AND 45 CENTS PER SHARE ON DECEMBER 31, 2023.

YOU CAN SEE THAT DESPITE THE CHALLENGES OF 2023, OUR PERFORMANCE WAS STRONG. WE REMAINED FOCUSED ON OUR GOAL TO BUILD LONG-TERM FRANCHISE VALUE FOR OUR CUSTOMERS, COMMUNITIES, AND SHAREHOLDERS.

IN CONCLUSION, I AGAIN WOULD LIKE TO THANK THE EMPLOYEES OF CENTRAL BANCOMPANY FOR THEIR EFFORTS, INNOVATIVE SPIRIT, EXPERTISE, AND COMMITMENT TO EXCELLENCE. I WOULD LIKE TO THANK OUR CUSTOMERS FOR THEIR LOYALTY AND CONSIDERATION.

AND, I WOULD LIKE TO THANK YOU, OUR SHAREHOLDERS, FOR YOUR TRUST AND UNWAVERING CONFIDENCE IN THIS GREAT COMPANY.

THANK YOU.