CENTRAL BANCOMPANY

2017 ANNUAL REPORT

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About The Cover

This interpretation of the Dogwood tree was used in the first ever companywide brand campaign in 2017, "Take a New Look at Central Bank." As our beloved company logo, the Dogwood flower "orbs" in the commercial signify the endless possibilities that our family of banks can deliver its customers by combining leading-edge technology with local decision making. To view the television spot, visit YouTube and search Central Bank MO.

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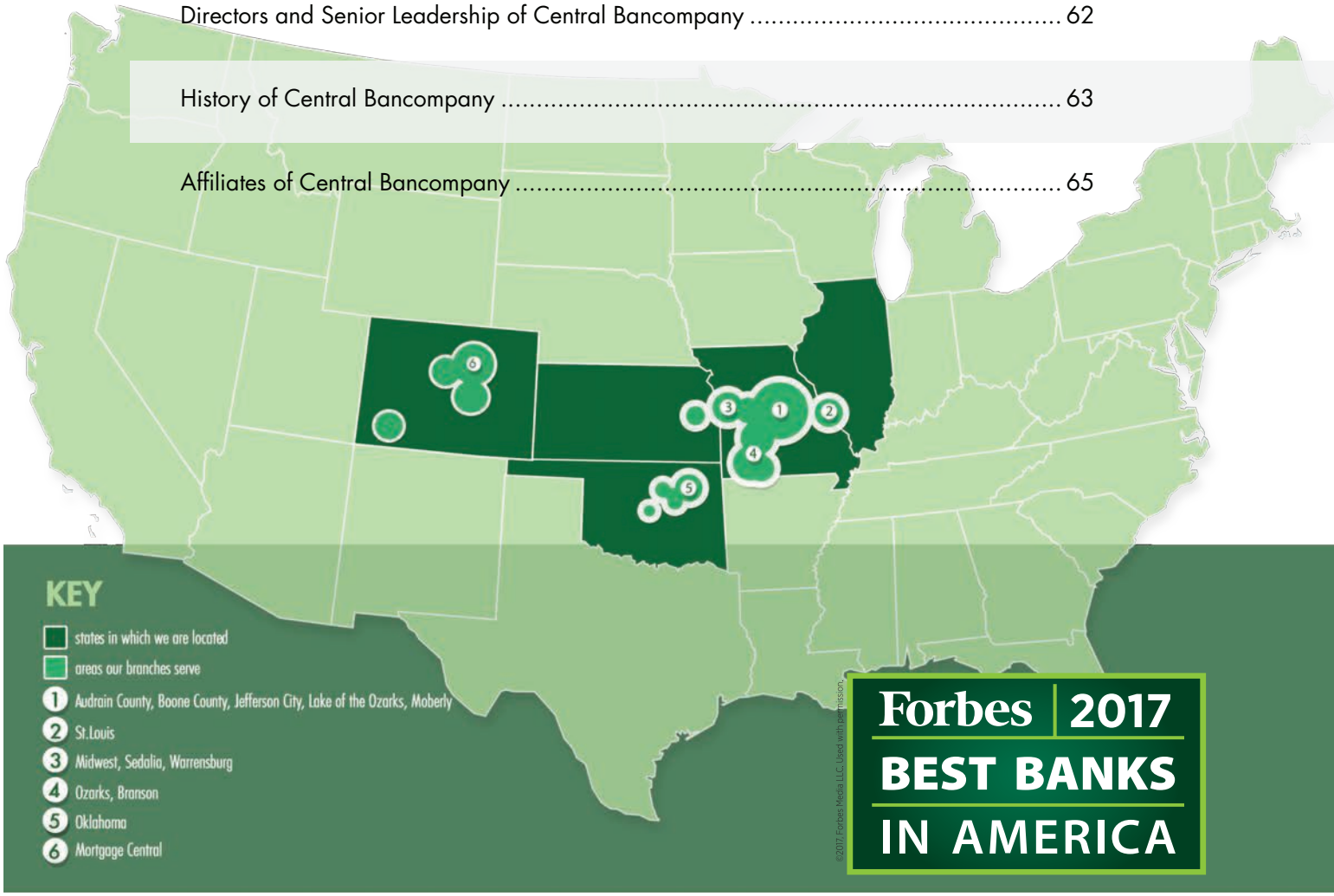
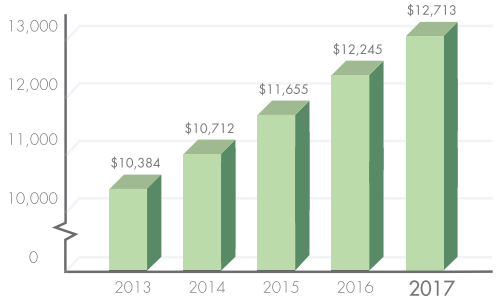


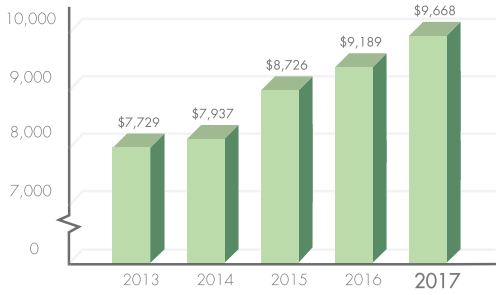
Financial Highlights

GROWTH

TOTAL AVERAGE ASSETS (in millions)

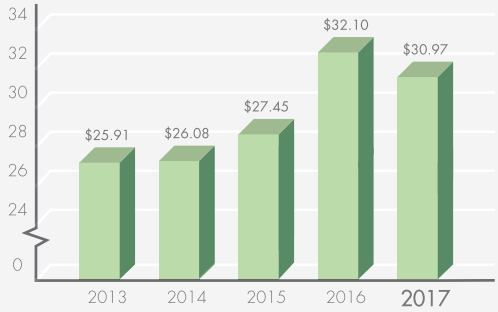


TOTAL AVERAGE DEPOSITS (in millions)

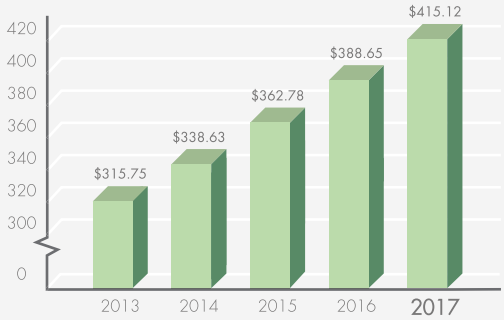


PERFORMANCE

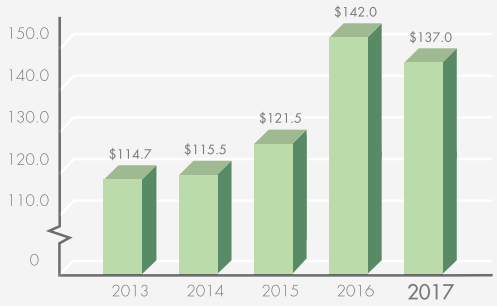
EARNINGS PER SHARE



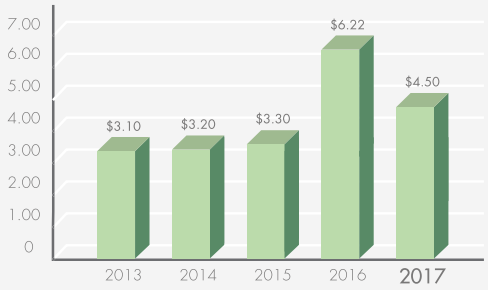
BOOK VALUE PER SHARE



NET INCOME (in millions)

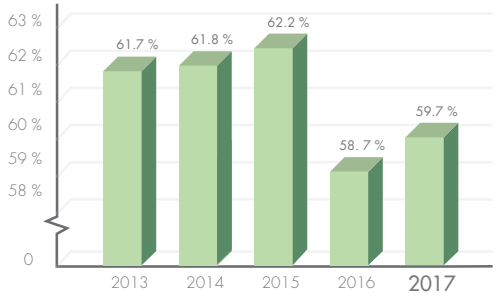


ANNUAL DIVIDENDS PER SHARE



EFFICIENCY

EFFICIENCY RATIO (%)



Year in Review

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

For the Year	2017	2016
Interest Income	$425,328,000	400,910,000
Interest Expense	33,378,000	22,862,000
Net Interest Income	391,950,000	378,048,000
Provision for Loan Losses	18,142,000	14,982,000
Non-Interest Income	161,012,000	167,972,000
Non-Interest Expense	335,288,000	329,572,000
Income Taxes	62,505,000	59,438,000
Net Income	137,027,000	142,028,000
Average Daily Assets	12,712,673,000	12,245,111,000
Average Daily Deposits	9,668,236,000	9,189,177,000
Average Daily Loans	7,977,585,000	7,593,567,000
At Year End		
Total Assets	$12,876,237,000	12,688,155,000
Investment Securities	3,257,664,000	3,359,174,000
Loans	8,146,437,000	7,878,803,000
Deposits	9,888,818,000	9,569,141,000
Stockholders' Equity	1,785,214,000	1,683,796,000
Number of Outstanding Shares	4,425,085	4,425,085
Per Share		
Net Income	$30.97	32.10
Dividends	4.50	6.22
Stockholders' Equity	415.12	388.65

To Our Shareholders

I am pleased to report that 2017 was another strong year for your company. Net income was $137.0 million which is up 5.8% over 2016, not including the extraordinary income in 2016 from a Key Man policy on the life of my father. More importantly, Central Bank delivered on its promise to the customer. With all of our banks operating under a single name, we embarked on our first companywide branding campaign, "Take a New Look at Central Bank." With this positioning, we ask and show our customers, and prospective customers, what is possible when you combine leading edge technology with a bank that can make important decisions locally. This campaign personifies the long standing mission of your company to deliver on Strong Roots Endless Possibilities.

We were rewarded for these efforts with higher customer satisfaction scores and for the 9th consecutive year, our company was named by *Forbes Magazine* as one of the top banking institutions among the largest one hundred banks in America.

S. Bryan Cook,
President and Chief Executive Officer

Before I address our 2017 results, I would like to recognize the great contribution our employees make to our company year after year and thank them for making our company successful. Our success is the result of their hard work and dedication. When the business tax cuts became final last December, we made the decision to share the financial benefit with our employees by awarding a one-time bonus. This is a time for everyone to celebrate.

In 2017, we operated in a growing economy and a rising interest rate environment. Short term interest rates increased three times in 2017, while longer term rates did not increase proportionately. This caused a challenging environment to grow loans and increase our net interest margin. However, we did manage to grow loans 3.4% in 2017 and 7.5% in 2016, providing us with a 4.9% increase in interest income from loans. One of the more positive pieces of this growth came in the form of a 9.3% increase in consumer loans.

We were able to fund our loan growth with an increase in core deposits. Total deposits grew $319.7 million, with the majority of the increase coming to us organically through our banks from lower cost savings and money market accounts. We were also able to complete the acquisition of Bank Star One in 2017. A small addition, but significant to our mid-Missouri region.

Our net interest margin continued to be under pressure with a slight decrease in 2017. While this seems counter intuitive given Federal Reserve rate hikes, there were three meaningful pressures, which led to a flat margin. First, with the fed continuing to tighten monetary policy with interest rate hikes in 2017, our company (and the industry) became tighter on liquidity resulting in pressure on deposit and funding cost. Interest on deposits and other funding costs were up $10.5 million over 2016. Second, given the rising rate environment and prospects of continuing rate increases, we moved to shorten the maturities of our investment portfolio, resulting in a slight decrease in securities yields. Finally, because of lower loan demand and strong competition for loans, it was difficult to increase loan yields even in a rising rate environment. Nonetheless, these negative rate pressures were offset by the increase in loan volume which improved the overall mix of earning assets and resulted in an increase in net interest income. The result of our strategic decision to shorten our investment maturities position us to take advantage of the anticipated higher rates in 2018 and beyond.

When you look at non-interest income, you will see a decline from 2016. This decline was due to the 2016 inclusion of the extraordinary income from the insurance policy. Excluding this gain, non-interest income increased approximately $5 million in 2017.

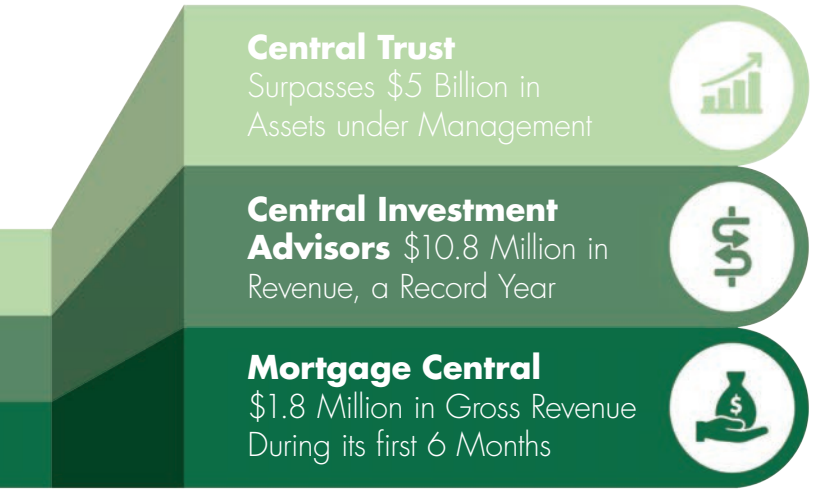
This is the first full year we experienced the effects of the Durbin Amendment, which consequently was one of the challenges to non-interest income in 2016. As previously reported, this amendment greatly reduced the income from our debit cards. However, I am pleased to report that with Durbin fully behind us, we are experiencing significant growth in card usage due to an increased customer base and our efforts to increase transaction volumes. Also, we experienced good growth in Commercial Payments. Over the last two years we have invested heavily in our payment systems and are now fully operational with a companywide salesforce.

Another challenge was our mortgage banking revenues. The $4.2 million decrease is due to home loan refinancing opportunities declining. As interest rates rise, the opportunity for homeowners to refinance their home loans at lower interest rates decline. Nationwide, home loan refinances declined approximately 30%. We see mortgage lending as one of our strongest divisions and an important piece of our strategic plan. Recognizing that

our existing markets provide challenges for significant growth, we made the decision to expand. In 2017, Central Bank launched Mortgage Central in Colorado, the second fastest growing state in the US. With just six months of operations, Mortgage Central grew to 25 employees and was able to close $76 million in loans and its gross income was approximately $1.8 million.

In 2017, we continued to build on our 2016 success by investing in new technology and adding additional leaders to our team. As a result, we saw significant growth in our wealth management services. Our assets under management exceeded $7 billion and our fee income increased 9.1% over 2016.

Central Bancompany Non-Bank Affiliates



Financial Highlights

Central Bancompany, Inc. has a long history of solid financial performance and 2017 was no exception. The following is a summary of key 2017 financial results:

Balance Sheet

- Total assets were $12.9 billion at the end of 2017 compared to $12.7 billion at the end of 2016, primarily due to growth in our loan portfolio. Average assets for the year increased by 4.0% from $12.2 billion to $12.7 billion.
- Year-end loans grew $268 million from $7.9 billion at December 31, 2016 to $8.2 billion at December 31, 2017, a 3.4% increase.
- Investment securities decreased slightly from $3.4 billion at December 31, 2016 to $3.3 billion at December 31, 2017.
- Total average earning assets for the year increased from $11.4 billion in 2016 to $11.9 billion in 2017, a 4.4% increase.
- Average deposits year over year grew $479 million or 5.2%, primarily in savings and interest-bearing demand deposits.
- Stockholders' equity increased from $1.684 billion to $1.785 billion at the end of 2016 and 2017, respectively.
- Book value per share increased from $388.65 at December 31, 2016 to $415.12 at December 31, 2017, an increase of 6.8%.
- At year-end, both our leverage ratio of 12.79% and total risk-based capital ratio of 17.47% exceeded the regulatory well capitalized guidelines.

Income Statement

- Net income was $137.0 million in 2017, a 5.5% increase compared to net income of $129.8 million in 2016 prior to consideration of a one-time net gain of $12.2 million in 2016 from the receipt of life insurance proceeds.
- Net interest income increased by $13.9 million in 2017, a 3.7% increase as average earning assets increased by 4.4%.
- Our net interest margin was 3.34% in 2017, down slightly from 3.38% in 2016.
- Other income decreased by $7.0 million to $161 million primarily due to the aforementioned one-time net gain of $12.2 million in 2016 from proceeds received from a life insurance policy. In addition, mortgage banking revenues decreased by 14.8% to $25.2 million. We also had to endure a full 12 months impact of the Durbin Amendment compared to only 6 months in 2016. The Durbin Amendment reduced our interchange income by over $5 million from 2016 to 2017. Partially offsetting the above decreases in other income was about a $3 million increase in income from our wealth management activities, as well as other miscellaneous one-time gains in 2017.
- Overhead increased by about 1.7% from $329.6 million in 2016 to $335.3 million in 2017. This includes the

one-time staff bonuses of about $2.5 million in total that we awarded near the end of 2017 after passage of the federal tax reform bill.

- Overall, our efficiency ratio remained at just under 60% in 2017.

Credit Quality

- The allowance for loan loss was $128.2 million at December 31, 2017 – 1.57% of loans versus $126.9 million at December 31, 2016 – 1.61% of loans.
- Our provision for loan loss was $18.1 million in 2017 compared to $15.0 million in 2016.
- Losses, net of recoveries, were $16.8 million in 2017 or 0.21% of loans and $13.7 million in 2016 or 0.18% of loans.

Looking Ahead

Perhaps nothing will impact our performance in 2018 as much as the corporate tax cuts passed into law in December, 2017. We estimate the tax savings in our projected 2018 budget could exceed $20 million. The tax cuts have implications beyond the mere calculated tax savings. Many of our commercial customers will benefit from the lower tax rates and we believe it will stimulate investment, profits, and cash flow for their companies. In addition, lower tax rates will allow future investments to be more closely aligned to the economic benefits of capital investments and more quickly recovered through future earnings.

With the anticipated growth of our commercial customers, we are strengthening our position as their financial partner. Last year, we had double-digit growth in our commercial payments and cardholder services area and are setting goals that are even more aggressive for 2018. We are also launching a new account relationship system to help better serve our commercial customers. Value added services like these, along with our expertise in lending, allow us to give meaningful advice to our commercial customers and solidify our partnerships.

Our industry has become "digital first" in the eyes of the consumer. We recognized this shift in the early 1990s with internet acceptance. As a result, we were the first Missouri based bank to launch a full internet banking solution. Again in the mid-2000s, we started to anticipate the shift to mobile and once again were early to market with a solution. Today, we have more than 184,000 customers using our digital channels. In an average day, these customers use our mobile banking app 62,400 times. We continue to invest in technology designed to improve the customer experience.

I am proud once again to say we will be early to market by launching an entirely new mobile banking app in summer 2018. Built by our own team, this app will drastically change and improve how customers interact with us. We have added more money management tools, card management capabilities, and an overall enhanced experience that can be customized at the customer level; this app will greatly enhance our customers' financial lives.

The consumer of today selects online channels first to shop and compare. As a result, we continue to see an increase in account openings for all products and services via our digital channels. This has driven us to invest heavily in digital as an acquisition strategy. We will be upgrading our online account opening system for deposit accounts, credit cards, and consumer loans this year. Our goal is to be faster, easier, and more beneficial to the customer.

We are also excited about the development of better online mortgage lending capabilities. In 2017, we formed Online Central, a new internet lending division for mortgage loans, to improve customer service for loans originated on the internet. Online Central is now fully operational and growing, and we believe it provides us a strong foundation for thriving in the future. We

know many of our customers prefer to obtain mortgages through our full service branch network and we will continue to provide excellent service and support to them. Ultimately, we want our customers to have a choice in the way they are served.

These investments in online services, along with new branch technology, like the deployment of Video Teller/ customer service machines and an enhanced CRM, will significantly improve our customers' experience. We are continuing our commitment to retail banking. But the real value in these investments is that we are able to think beyond our existing footprint as we strategically look for opportunities to grow.

"...we are able to think beyond our existing footprint as we strategically look for opportunities to grow."

We anticipate the Federal Reserve will carry through with the three one-quarter percent rate hikes currently forecasted for 2018. We believe these rate hikes will enable us to improve our net interest margin. We are also beginning to see some relief from regulations—at least not as many new rules are being promulgated and we are hopeful that 2018 will see additional meaningful regulatory reform.

In summary, this is what we see for 2018:

- With an improving economy, loan growth should increase some but competition will keep pricing tight.
- Deposit costs will increase.
- We expect an increase in our net interest margin.
- Growth in other income should continue in card services and wealth management.
- Growth in mortgage banking will be challenging. Rising interest rates will reduce the opportunity to refinance home loans. Our expansions into Colorado will help to offset this decline.
- Operating expenses will continue to come under pressure to increase, particularly as the cost of recruiting talent continues to rise. Our goal is to keep operating efficiency below 60%.
- The tax rate cuts will reduce our income taxes and improve our profitability.

In closing, 2018 will not be without its challenges, however, I am optimistic about our future. There are indications of a stronger economy and hope in our industry for regulatory relief. But most of all, it is the winning spirit of your Central Bank team that will ensure our success. Your management team is strong. We are focused on new and innovative strategies that will bring about growth, while holding true to our legacy of superior community banking. Finally, I want to personally thank our shareholders, directors, customers, and employees for your continued support, with it there are truly endless possibilities.

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

Financial Review

Results of Operations

Central Bancompany, Inc., recorded net income of $137,027,000 in 2017, a $5,001,000 decrease compared to 2016 net income of $142,028,000. The company's return on average assets was 1.08% in 2017 compared to 1.16% in 2016, and the return on equity was 7.97% in 2017 and 8.85% in 2016.

Average daily assets for the company were $12.713 billion in 2017 compared to $12.245 billion in 2016, a 3.84% increase. Consolidated assets of the Company on December 31, 2017 were $12.876 billion. Deposits increased by 3.3% to $9.889 billion on December 31, 2017 and loans increased by 3.4% to $8.146 billion.

Total stockholders' equity increased by 6.0% to $1,785,214,000 as of December 31, 2017. The Company's 2017 year-end tangible equity to asset ratio was 12.79% compared to 12.17% in 2016; total dividends in 2017 amounted to $19,913,000 or $4.50 per share compared to $27,524,000 in 2016 or $6.22 per share.

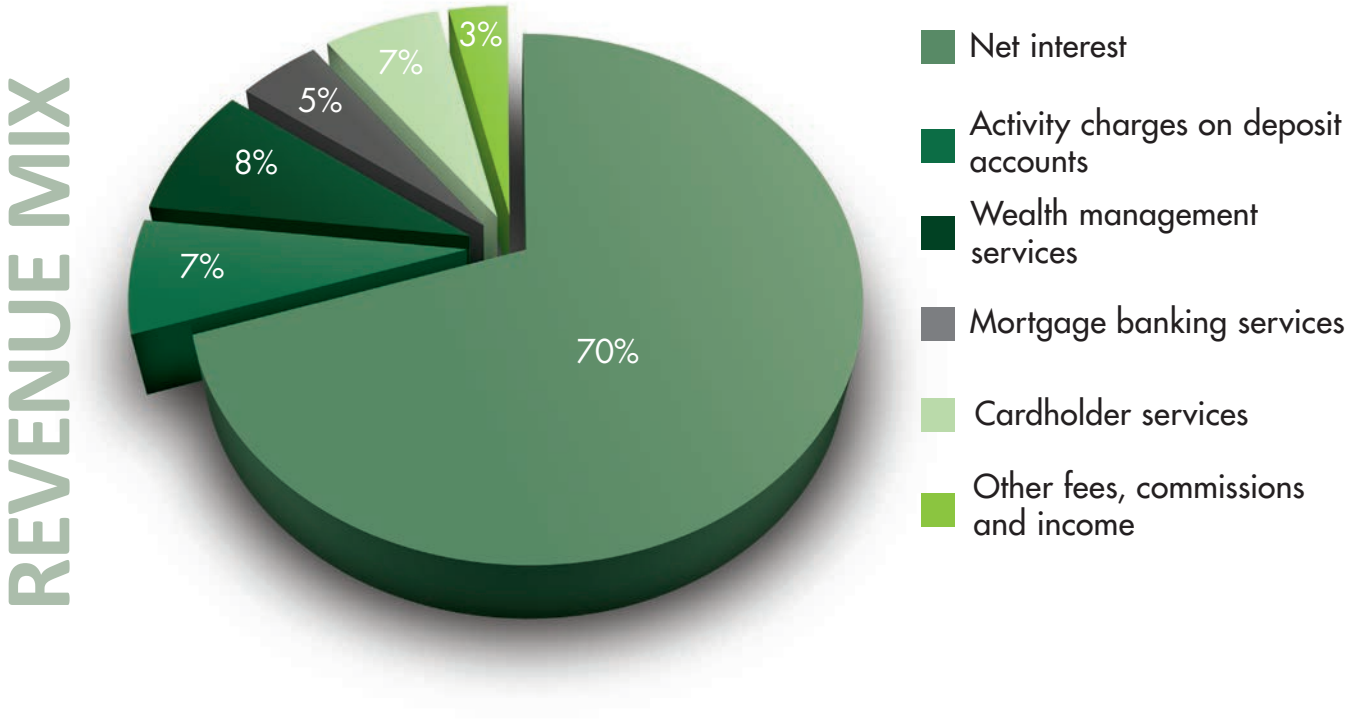
Net Interest Income

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

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

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

In 2017, net interest income was $402.8 million on a taxable equivalent basis, up $14.0 million or 3.7% from 2016. The volume of average earning assets grew



by 4.4% to $12.013 billion in 2017. Average loans increased by 5.1% to $7.978 billion while average deposits increased by 5.2% to $9.668 billion. The Company's level of investment securities and short-term investments averaged $4.036 billion in 2017, a 3.0% increase.

The Company's net interest margin decreased from 3.38% in 2016 to 3.34% in 2017.

The loan portfolio yielded 4.44% in 2017 and 4.47% in 2016 while the yield on the investment portfolio was 2.11% in 2017 and 2.20% in 2016. The Company's cost to fund the earning assets was 0.27% in 2017 and 0.20% in 2016.

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 $18.1 million in 2017 compared to $15.0 million in 2016. Net loan charge-offs were $16.8 million in 2017 and $13.7 million in 2016. Net loan charge-offs as a percentage of average loans were 0.21% in 2017 and 0.18% in 2016. The reserve for possible loan losses was $128.2 million on December 31, 2017 or 1.57% of outstanding loans; this compares to a reserve of $126.9 million on December 31, 2016 or 1.61% of loans.

Non-interest Income

Non-interest income is comprised of fees and commissions that are received for various services. Included in this category is income from the service charges on deposit accounts, safe deposit box rental fees, investment management and brokerage fees, fees associated with our credit card processing, fees for servicing loans, and gains on securities and loans sold.

Non-interest income was $161.0 million in 2017, a $7.0 million or 4.2% decrease compared to 2016. Service charges, commissions and fees, the largest component of non-interest income, increased by $0.9 million in 2017 to $98.6 million. Fiduciary fee income amounted to $28.7 million in 2017 and $26.3 million in 2016, a 9.1% increase. Mortgage banking revenue in 2017 was $25.2 million compared to $29.6 million in 2016. All other income decreased by $5.9 million to $8.5 million in 2017. 2016 other income was unusually high due to the $12.2 million income received from a life insurance policy.

Non-interest Expense

Non-interest expense includes all expenses other than interest expense and the provision for loan losses.

Non-interest expense increased by $5.7 million to $335.3 million in 2017.

Salaries and employee benefits were $197.1 million in 2017 compared to $189.1 million in 2016, a 4.2% increase. This includes the one-time bonuses of $2.5 million awarded to staff near the end of 2017 after passage of the federal tax reform bill, salaries and commissions for our mortgage banking unit in Colorado, and additional health insurance payments that will reduce expenses in 2018. After adjusting for these items, salaries and employee benefits increased about 1.5%.

Net occupancy expense increased by $0.6 million to $23.4 million in 2017. Equipment cost decreased from $13.9 million in 2016 to $13.8 million in 2017.

All other expenses decreased by $2.7 million to $101 million in 2017.

Income Taxes

For 2017, the Company recorded an expense for income taxes of $62.5 million compared to $59.4 million in 2016.

The Company's effective tax rate (Federal and State) amounted to 31.3% in 2017 and 29.5% in 2016.

5 YEAR Consolidated Average Balance Sheet

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Assets	2017	2016	2015	2014	2013
Cash and Due From Banks	$178,101,000	189,278,000	168,238,000	168,416,000	169,897,000
Investment Securities	3,386,506,000	3,197,151,000	3,066,014,000	2,519,443,000	2,428,454,000
Money Market Obligations	649,626,000	721,983,000	855,128,000	1,080,233,000	980,131,000
Loans Less Unearned Income	7,977,585,000	7,593,567,000	6,992,203,000	6,427,466,000	6,259,278,000
Allowance for Loan Loss	(126,816,000)	(126,391,000)	(127,123,000)	(129,815,000)	(130,931,000)
Net Loans	7,850,769,000	7,467,176,000	6,865,080,000	6,297,651,000	6,128,347,000
Other Assets	647,671,000	669,523,000	700,854,000	646,452,000	678,065,000
Total Assets	$12,712,673,000	12,245,111,000	11,655,314,000	10,712,195,000	10,384,894,000

Liabilities and Stockholders' Equity

Non-Interest Bearing Demand Deposits	$3,175,488,000	3,041,476,000	2,831,531,000	2,347,126,000	2,120,682,000
Savings & Interest Bearing Demand Deposits	4,946,129,000	4,574,425,000	4,234,473,000	3,846,370,000	3,672,593,000
Time Deposits	1,546,619,000	1,573,276,000	1,659,896,000	1,743,534,000	1,935,614,000
Total Deposits	9,668,236,000	9,189,177,000	8,725,900,000	7,937,030,000	7,728,889,000
Federal Funds Purchased & Repurchase Agreements	1,129,666,000	1,240,600,000	1,186,022,000	1,156,240,000	1,122,656,000
Borrowed Funds	0	1,175,000	12,986,000	13,379,000	14,167,000
Other Liabilities	193,746,000	183,422,000	194,505,000	128,643,000	153,593,000
Total Liabilities	10,991,648,000	10,614,374,000	10,119,413,000	9,235,292,000	9,019,305,000
Stockholders' Equity	1,721,025,000	1,630,737,000	1,535,901,000	1,476,903,000	1,365,589,000
Total Liabilities and Stockholders' Equity	$12,712,673,000	12,245,111,000	11,655,314,000	10,712,195,000	10,384,894,000

5 YEAR Consolidated Summary of Operations

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

	2017	2016	2015	2014	2013
Interest Income	$425,328,000	400,910,000	375,825,000	352,786,000	357,052,000
Interest Expense	33,378,000	22,862,000	20,000,000	19,650,000	24,763,000
Net Interest Income	391,950,000	378,048,000	355,825,000	333,136,000	332,289,000
Provision for Loan Losses	18,142,000	14,982,000	8,588,000	6,823,000	16,884,000
Non-Interest Income	161,012,000	167,972,000	154,091,000	144,983,000	164,144,000
Non-Interest Expense	335,288,000	329,572,000	326,333,000	303,506,000	311,051,000
Income Before Taxes	199,532,000	201,466,000	174,995,000	167,790,000	168,498,000
Income Taxes	62,505,000	59,438,000	53,503,000	52,319,000	53,793,000
Net Income	$137,027,000	142,028,000	121,492,000	115,471,000	114,705,000

Financial Data of Affiliate Banks

As of December 31, 2017

Bank	Total Assets	Loans	Investment Securities	Deposits	Stockholders' Equity
Central Trust Bank, Jefferson City	$2,488,762,000	1,018,922,000	1,123,459,000	1,751,346,000	210,698,000
Central Bank of Boone County, Columbia	1,860,364,000	1,162,416,000	538,324,000	1,542,893,000	150,276,000
Central Bank of St. Louis, Clayton	1,835,324,000	1,484,351,000	191,968,000	1,375,614,000	221,999,000
Central Bank of the Midwest, Lee's Summit	1,751,013,000	1,150,320,000	260,872,000	1,465,839,000	246,121,000
Central Bank of the Ozarks, Springfield	1,297,742,000	985,477,000	182,054,000	1,120,364,000	127,705,000
Central Bank of Lake of the Ozarks, Osage Beach	732,026,000	399,328,000	231,008,000	658,600,000	63,406,000
Central Bank of Oklahoma, Tulsa	672,495,000	583,691,000	14,786,000	525,698,000	133,698,000
Jefferson Bank of Missouri, Jefferson City	566,039,000	432,477,000	67,409,000	488,069,000	55,091,000
Central Bank of Sedalia, Sedalia	417,155,000	300,423,000	81,347,000	371,839,000	37,729,000
Central Bank of Branson, Branson	335,064,000	233,959,000	53,144,000	286,235,000	32,738,000
Central Bank of Warrensburg, Warrensburg	243,851,000	136,466,000	53,148,000	207,672,000	35,591,000
Central Bank of Audrain County, Mexico	181,011,000	93,514,000	54,609,000	162,645,000	13,795,000
Central Bank of Moberly, Moberly	180,178,000	101,162,000	56,832,000	159,918,000	14,995,000

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1000 Walnut Street
Kansas City, MO 64106-2162

Independent Auditors' Report

The Board of Directors
Central Bancompany, Inc.:

Report on Internal Control over Financial Reporting

We have audited Central Bancompany, Inc.'s (the Company) internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management's Responsibility for Internal Control over Financial Reporting

The Company's management is responsible for designing, implementing, and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management Financial Assertion.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditors' judgment, including the assessment of the risks that a material weakness exists. An audit includes obtaining an understanding of internal control over financial reporting and testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with U.S. generally accepted accounting principles. Because management's assessment and our audit were conducted to meet the reporting requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act (FDICIA), our audit of the Company's internal control over financial reporting included controls over the preparation of financial statements in accordance with U.S. generally accepted accounting principles and with the instructions to the Consolidated Financial Statements for Bank Holding Companies (Form FR Y-9C). An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized

acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Report on Financial Statements

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheets of the Company and its subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and our report dated March 23, 2018 expressed an unmodified opinion on those consolidated financial statements.

Report on Other Legal and Regulatory Requirements

We do not express an opinion or any other form of assurance on management's statement referring to compliance with laws and regulations.

KPMG LLP

Kansas City, Missouri
March 23, 2018

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2017 and 2016

Assets		2017	2016
Cash and due from banks	$	191,068,000	191,934,000
Short-term interest-bearing deposits		713,622,000	614,550,000
Interest-bearing deposits		74,086,000	109,059,000
Federal funds sold and securities purchased under agreements to resell		1,431,000	6,936,000
Investment securities (note 2):			
Available for sale (AFS)		3,167,748,000	3,242,859,000
Held to maturity (fair value of $92,093,000 and $119,031,000, in 2017 and 2016, respectively)		89,617,000	116,173,000
Trading		299,000	142,000
Total investment securities		3,257,664,000	3,359,174,000
Loans (note 3)		8,146,437,000	7,878,803,000
Less allowance for loan losses (note 4)		128,242,000	126,902,000
Net loans		8,018,195,000	7,751,901,000
Land, buildings, and equipment, net (note 6)		172,072,000	177,576,000
Deferred tax assets, net (note 8)		20,254,000	35,203,000
Foreclosed assets held for sale		16,020,000	19,764,000
Goodwill (note 7)		258,381,000	255,618,000
Core deposit and other intangibles (note 7)		7,789,000	7,263,000
Mortgage servicing rights (note 5)		19,659,000	19,123,000
Other assets		125,996,000	140,054,000
Total assets	$	12,876,237,000	12,688,155,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2017 and 2016

Liabilities and Stockholders' Equity		2017	2016
Deposits:			
Noninterest-bearing demand	$	3,147,903,000	3,206,470,000
Savings and interest-bearing demand		5,287,653,000	4,885,601,000
Time (note 9)		1,453,262,000	1,477,070,000
Total deposits		9,888,818,000	9,569,141,000
Federal funds purchased and securities sold under agreements to repurchase (note 10)		1,009,400,000	1,221,800,000
Other liabilities (note 11)		192,805,000	213,418,000
Total liabilities		11,091,023,000	11,004,359,000
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		5,250,000	5,250,000
Retained earnings		1,905,144,000	1,788,030,000
Accumulated other comprehensive loss		(51,717,000)	(36,021,000)
		1,864,633,000	1,763,215,000
Less treasury stock of 447,682 and 447,682 shares of Class A voting common stock in 2017 and 2016, respectively; 1,083,290 and 1,083,290 shares of Class B nonvoting common stock in 2017 and 2016, respectively		79,419,000	79,419,000
Total stockholders' equity		1,785,214,000	1,683,796,000
Total liabilities and stockholders' equity	$	12,876,237,000	12,688,155,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statements of Income

December 31, 2017 and 2016

		2017	2016
Interest income:			
Loans	$	354,086,000	337,504,000
Investment securities		64,022,000	59,003,000
Federal funds sold and securities purchased under agreements to resell		7,220,000	4,403,000
Total interest income		425,328,000	400,910,000
Interest expense:			
Deposits		24,926,000	16,921,000
Federal funds purchased, securities sold under agreements to repurchase, and borrowed funds		8,452,000	5,941,000
Total interest expense		33,378,000	22,862,000
Net interest income		391,950,000	378,048,000
Provision for loan losses (note 4)		18,142,000	14,982,000
Net interest income after provision for loan losses		373,808,000	363,066,000
Other income:			
Service charges and commissions		98,562,000	97,705,000
Fees for fiduciary services		28,730,000	26,341,000
Mortgage banking revenues (note 5)		25,205,000	29,589,000
Other		8,810,000	14,486,000
Investment securities loss, net		(295,000)	(149,000)
Total other income		161,012,000	167,972,000
Other expense:			
Salaries and employee benefits (note 11)		197,065,000	189,135,000
Net occupancy (notes 6 and 13)		23,353,000	22,791,000
Equipment (notes 6 and 13)		13,843,000	13,930,000
Computer software and maintenance		11,436,000	11,288,000
Marketing and business development		9,001,000	9,511,000
FDIC insurance		4,583,000	5,834,000
Management and consulting fees		5,135,000	5,597,000
Other		70,872,000	71,486,000
Total other expense		335,288,000	329,572,000
Income before income taxes		199,532,000	201,466,000
Income taxes (note 8)		62,505,000	59,438,000
Net income	$	137,027,000	142,028,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

December 31, 2017 and 2016

		2017	2016
Net income	$	137,027,000	142,028,000
Change in unrealized gain (loss) on AFS securities, net of income taxes		2,243,000	(6,486,000)
Change in pension loss, net of income taxes		(18,152,000)	(3,769,000)
Reclassification adjustment for losses included in net income, net of income taxes		213,000	85,000
Total comprehensive income	$	121,331,000	131,858,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statement of Stockholders' Equity

December 31, 2017 and 2016

		2017	2016
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 and end of year		5,250,000	5,250,000
Retained earnings:			
Balance at beginning of year		1,788,030,000	1,673,526,000
Net income		137,027,000	142,028,000
Cash dividends ($4.50 per common share in 2017 and $6.22 per common share in 2016)		(19,913,000)	(27,524,000)
Balance at end of year		1,905,144,000	1,788,030,000
Accumulated other comprehensive loss			
Balance at beginning of year		(36,021,000)	(25,851,000)
Other comprehensive loss		(15,696,000)	(10,170,000)
Balance at end of year		(51,717,000)	(36,021,000)
Treasury stock:			
Balance at beginning of year		(79,419,000)	(79,012,000)
Purchase of 0 and 1,085 shares of Class B nonvoting common stock in 2017 and 2016, respectively		—	(407,000)
Balance at end of year		(79,419,000)	(79,419,000)
Total stockholders' equity	$	1,785,214,000	1,683,796,000

See accompanying notes to consolidated financial statements.

CENTRAL BANCOMPANY, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

December 31, 2017 and 2016

		2017	2016
Cash flows from operating activities:			
Net income	$	137,027,000	142,028,000
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		22,132,000	24,219,000
Accretion of discounts and amortization of premiums, net		19,905,000	18,758,000
Deferred income taxes		10,160,000	12,612,000
Provision for loan losses		18,142,000	14,982,000
Gain on sale of loans		(17,108,000)	(21,728,000)
Purchase of trading securities		(2,305,000)	(5,633,000)
Sales of trading securities		2,148,000	5,927,000
Originations of mortgage loans held for sale		(654,590,000)	(822,640,000)
Proceeds from sales of mortgage loans held for sale		667,380,000	839,075,000
Decrease (increase) in other assets		13,171,000	32,451,000
Decrease in other liabilities		(14,608,000)	(5,525,000)
Net cash provided by operating activities		201,454,000	234,526,000
Cash flows from investing activities:			
Purchase of available-for-sale securities		(1,333,341,000)	(1,283,634,000)
Purchase of held-to-maturity securities		(166,000)	(752,000)
Proceeds from sales of available-for-sale securities		285,455,000	73,971,000
Proceeds from maturities of available-for-sale securities		1,104,534,000	813,852,000
Proceeds from maturities of held-to-maturity securities		26,450,000	43,457,000
Net change in interest bearing deposits		34,973,000	110,713,000
Purchase of bank, net of cash acquired		11,567,000	—
Net increase in loans		(225,418,000)	(558,525,000)
Additions to land, buildings, and equipment		(13,891,000)	(17,053,000)
Disposals of land, buildings, and equipment		5,328,000	4,165,000
Net cash used in investing activities		(104,509,000)	(813,806,000)
Cash flows from financing activities:			
Increase in deposits		243,517,000	536,567,000
Decrease in federal funds purchased and securities sold under agreements to repurchase		(212,400,000)	(12,105,000)
Repayment of borrowed funds		—	(1,755,000)
Dividends paid		(35,361,000)	(12,036,000)
Purchase of treasury stock		—	(407,000)
Net cash (used in) provided by financing activities		(4,244,000)	510,264,000
Net increase (decrease) in cash and cash equivalents		92,701,000	(69,016,000)
Cash and cash equivalents at beginning of year		813,420,000	882,436,000
Cash and cash equivalents at end of year	$	906,121,000	813,420,000
Cash and due from banks	$	191,068,000	191,934,000
Short-term interest bearing deposits		713,622,000	614,550,000
Federal funds sold and securities purchased under agreements to resell		1,431,000	6,936,000
Total cash and cash equivalents	$	906,121,000	813,420,000
Supplemental disclosure of cash flow information:			
Interest paid	$	33,867,000	22,939,000
Income taxes paid		52,684,000	40,867,000
Loans transferred to foreclosed assets held for sale		9,348,000	8,110,000
Supplemental disclosure of non-cash flow information:			
Dividend declared	$	—	15,488,000

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 subsidiary banks and companies (the Company). All intercompany accounts and transactions have been eliminated. The Company evaluated subsequent events for recognition or disclosure through March 23, 2018, the date on which the consolidated financial statements were issued.

(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

The Company classifies investment securities in one of three categories: trading, available-for-sale, or held-to-maturity. Trading securities are bought and held principally for the purpose of selling them in the near term. Held-to-maturity securities are those that the Company has the positive intent and ability to hold to maturity. All other securities are classified as available-for-sale.

Held-to-maturity securities are recorded at amortized cost. Trading and available-for-sale securities are recorded at fair value. Unrealized holding gains and losses on trading securities 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 and Equity 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

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.

(f) 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 and lease 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. Impaired loans that are collateral dependent are charged down to the fair value of collateral less selling costs.

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 and then adjusted by an appropriate loss emergence period. 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 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.

(g) 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.

(h) Goodwill and Other Intangible Assets

Goodwill represents the excess of cost over equity in net assets of subsidiaries 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.

(i) 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. Future operating results, including unrealized losses and realized gains and losses on sale, are recorded in other expense.

(j) Income Taxes

The Company and its subsidiaries file a consolidated federal income tax return. 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.

(k) 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 income when they are subsequently recognized as components of net periodic benefit cost.

(l) 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.

(m) 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.

(n) Recent Accounting Pronouncements

Revenue Recognition – In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which supersedes nearly all existing revenue recognition guidance under generally accepted accounting principles in the United States ("U.S. GAAP"). Subsequently in August 2015, the FASB issued ASU 2015-14, *Deferral of the Effective Date"* which deferred the effective date of ASU 2014-09 to annual reporting periods that begin after December 15, 2017. The ASU's core principle is that an entity will recognize revenue to depict the transfer of promised goods and 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. The adoption of this pronouncement is not expected to have a material impact on the financial position, results of operations, or cash flows of the Company.

Financial Instruments –In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, which require all equity investments to be measured at fair value with changes in the fair value recognized through net income, other than those accounted for under the equity method of accounting or those that result in the consolidation of the investee. Additionally, these amendments require presentation in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk for those liabilities measured at fair value. The amendments also require use of the exit price notion when measuring the fair value of financial instruments for disclosure purposes. The ASU is effective for annual periods beginning January 1, 2018. The adoption of this pronouncement on January 1, 2018 resulted in an increase in tangible equity of approximately $25 million with the unrealized gain, net of taxes, moved from accumulated other comprehensive income to retained earnings.

Leases –In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to present right-of-use assets and lease liabilities on the balance sheet, as well as disclose key information regarding leasing arrangements. The guidance in this standard is effective for interim and annual periods beginning after December 15, 2018. The Company is currently evaluating the effects of this pronouncement on its consolidated financial statements.

Derivatives – In March 2016, the FASB issued ASU 2016-05, *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships*. The ASU provides guidance relating to derivative instruments where one party to the derivative instrument has been replaced with a new party. The amendments are effective for financial statements issued for annual periods beginning January 1, 2017. The adoption of this pronouncement is not expected to have a material impact on the financial position, results of operations, or cash flows of the Company.

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 loss 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, 2021 but may be adopted for annual periods beginning January 1, 2019. The Company is currently evaluating the effects of this pronouncement on its consolidated financial statements.

Cash Flows – In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments.* The amendments provide guidance on eight specific cash flow issues. The ASU is effective for annual periods beginning January 1, 2018 and early adoption is permitted. The Company does not believe the change will have a significant effect 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 Company does not believe the adoption will have a significant effect on its consolidated financial statements.

Retirement Benefits – In March 2017, the FASB issued ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.* The ASU amends the requirements in ASC 715 related to the income statement presentation of the components of net periodic benefit cost for an entity's sponsored defined benefit pension and other postretirement plans. The ASU is effective for annual periods beginning after December 15, 2017 and the Company does not believe the adoption will have a significant effect on its consolidated financial statements.

Derivatives – In August 2017, the FASB issued ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities*, which amends the hedge accounting recognition and presentation requirements in ASC815. The ASU is effective for annual periods beginning after December 15, 2018. The Company does not believe the adoption will have a significant effect on its consolidated financial statements.

Comprehensive Income – In February 2018, the FASB issued ASU-2018-02, *"Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income"*. The ASU addresses industry concerns related to the application of ASC 740 to certain provisions of the new tax reform legislation commonly known as the Tax Cuts and Jobs Act. The ASU is effective for fiscal years beginning after December 15, 2018 but may be adopted early and the Company does not believe the adoption will have a significant effect on its consolidated financial statements.

(2) Investment Securities

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, 2017 and 2016.

2017	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair values
Available for sale:				
United States government obligations and government-sponsored enterprises	$ 2,141,845,000	5,407,000	(14,866,000)	2,132,386,000
Obligations of states and political subdivisions	439,522,000	6,264,000	(987,000)	444,799,000
Other securities	553,461,000	41,461,000	(4,359,000)	590,563,000
	$ 3,134,828,000	53,132,000	(20,212,000)	3,167,748,000
Held to maturity:				
United States government obligations and government-sponsored enterprises	$ 146,000	7,000	—	153,000
Obligations of states and political subdivisions	89,471,000	2,528,000	(59,000)	91,940,000
Other securities	—	—	—	—
	$ 89,617,000	2,535,000	(59,000)	92,093,000

2016	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair values
Available for sale:				
United States government obligations and government-sponsored enterprises	$ 2,264,507,000	9,305,000	(12,033,000)	2,261,779,000
Obligations of states and political subdivisions	554,927,000	9,332,000	(1,721,000)	562,538,000
Other securities	387,524,000	35,653,000	(4,635,000)	418,542,000
	$ 3,206,958,000	54,290,000	(18,389,000)	3,242,859,000
Held to maturity:				
United States government obligations and government-sponsored enterprises	$ 197,000	10,000	—	207,000
Obligations of states and political subdivisions	115,976,000	3,113,000	(265,000)	118,824,000
Other securities	—	—	—	—
	$ 116,173,000	3,123,000	(265,000)	119,031,000

The amortized cost and fair value of available-for-sale and held-to-maturity securities at December 31, 2017, by contractual maturity, are shown below:

	United States government obligations and government-sponsored enterprises		Obligations of states and political subdivisions		Obligations of other securities	
	Amortized cost	Fair value	Amortized cost	Fair value	Amortized cost	Fair value
Available for sale:						
Within 1 year	$ 627,406,000	626,190,000	71,240,000	71,246,000	250,880,000	250,658,000
After 1 but within 5 years	155,581,000	154,329,000	243,618,000	244,577,000	107,569,000	106,600,000
After 5 but within 10 years	—	—	120,418,000	124,616,000	47,607,000	45,088,000
After 10 years	—	—	4,246,000	4,360,000	—	—
Mortgage – and asset-backed securities	1,358,858,000	1,351,867,000	—	—	48,493,000	49,273,000
Other securities with no contractual maturity	—	—	—	—	98,912,000	138,944,000
	$ 2,141,845,000	2,132,386,000	439,522,000	444,799,000	553,461,000	590,563,000
Held to maturity:						
Within 1 year	$ —	—	3,763,000	3,768,000	—	—
After 1 but within 5 years	—	—	28,843,000	29,384,000	—	—
After 5 but within 10 years	—	—	2,319,000	2,413,000	—	—
After 10 years	—	—	54,546,000	56,375,000	—	—
Mortgage – and asset-backed securities	146,000	153,000	—	—	—	—
	$ 146,000	153,000	89,471,000	91,940,000	—	—

The Company's trading securities consist of a segregated portfolio of debt securities purchased with the intent to actively manage and trade such securities frequently. Realized gains (losses) on the trading portfolio, in 2017 and 2016, aggregated $9,000 and $12,000, respectively.

Proceeds from sales of available-for-sale securities in 2017 and 2016 were $285,455,000 and $73,971,000, respectively. Gross gains of $758,000 and $44,000 were realized on those sales in 2017 and 2016, respectively. Gross losses of $1,219,000 and $47,000 were realized on those sales in 2017 and 2016, respectively.

Other securities consist primarily of various common stock investments, preferred stock investments, corporate bonds, Federal Home Loan Bank (FHLB) stock, and Federal Reserve Bank stock. Investment securities and money market obligations with a carrying value of approximately $2,327,611,000 and $2,269,180,000 were pledged to secure public deposits, repurchase agreements, borrowed funds, and trust deposits at December 31, 2017 and 2016, 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, 2017 and 2016 were as follows:

	Less than 12 months		12 months or more		Total	
2017	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available for sale:						
United States government obligations and government-sponsored enterprises	$ 1,219,007,000	(8,538,000)	545,082,000	(6,327,000)	1,764,089,000	(14,865,000)
Obligations of states and political subdivisions and other securities	349,339,000	(798,000)	141,704,000	(4,549,000)	491,043,000	(5,347,000)
	$ 1,568,346,000	(9,336,000)	686,786,000	(10,876,000)	2,255,132,000	(20,212,000)

	Less than 12 months		12 months or more		Total	
2016	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available for sale:						
United States government obligations and government-sponsored enterprises	$ 1,183,001,000	(8,807,000)	197,525,000	(3,226,000)	1,380,526,000	(12,033,000)
Obligations of states and political subdivisions and other securities	321,312,000	(2,060,000)	101,652,000	(4,296,000)	422,964,000	(6,356,000)
	$ 1,504,313,000	(10,867,000)	299,177,000	(7,522,000)	1,803,490,000	(18,389,000)

Gross unrealized losses on held-to-maturity investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2017 and 2016 were as follows:

	Less than 12 months		12 months or more		Total	
2017	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Held to maturity:						
Obligations of states and political subdivisions and other securities	$ —	—	2,439,000	(59,000)	2,439,000	(59,000)
	$ —	—	2,439,000	(59,000)	2,439,000	(59,000)

	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
2016						
Held to maturity:						
Obligations of states and political subdivisions and other securities	$ 7,324,000	(66,000)	893,000	(199,000)	8,217,000	(265,000)
	$ 7,324,000	(66,000)	893,000	(199,000)	8,217,000	(265,000)

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 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, 2017 and 1 security on the watch list as of December 31, 2016 that was considered other than temporarily impaired.

As of December 31, 2017 and 2016, the Company had recorded other than temporary impairment of $0 and $166,000, respectively. Securities that were temporarily impaired at December 31, 2017 and 2016 are shown above, along with the length of the impairment period. Out of the total available-for-sale securities portfolio, consisting of over 4,068 individual securities at December 31, 2017, 1,919 securities were temporarily impaired. Of these securities, 467 securities, amounting to 18.1 % of the portfolio value, were temporarily impaired for 12 months or longer.

With respect to United States government and federal agency obligations, the unrealized losses on investments in securities of U.S. government and federal agency obligations were caused by interest rate changes and other market conditions. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than par. Because the Company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

With respect to obligations of states and political subdivisions, the unrealized losses on investments in obligations of states and political subdivisions were caused by interest rate changes and other market conditions. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than par.

The unrealized losses related to other securities are to a large extent related to the recent spread widening experienced in corporate bonds. Market rates moved higher year over year, while sector spreads accounted for the remainder of the decline in value. Historical spreads for corporate bonds tend to widen in times of financial distress (resulting in lower market values) and will narrow as markets calm down (market values will recover). The individual bond investments remain investment grade and within policy limits. Because the Company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

(3) Loans

Loans consisted of the following at December 31, 2017 and 2016:

	2017	2016
Commercial	$ 5,883,377,000	5,742,098,000
Real estate	993,371,000	976,623,000
Individual	1,301,265,000	1,190,969,000
	8,178,013,000	7,909,690,000
Less unearned income	18,925,000	15,339,000
Less fair value adjustment	12,651,000	15,548,000
Total loans	$ 8,146,437,000	7,878,803,000

Loans acquired by the company were $54,700,000 and $0 in 2017 and 2016, respectively.

Loans made to officers and directors of the Company, including subsidiary banks and their related businesses are summarized below. They were made in the ordinary course of business at market rates.

	2017
Balance at beginning of year	$ 335,883,000
New loans	114,735,000
Repayments	(69,294,000)
Other changes	(29,626,000)
Balance at end of year	$ 351,698,000

Mortgage loans held-for-sale at December 31, 2017 and 2016 totaled approximately $42,324,000 and $46,450,000, 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 at the lower of aggregate cost or estimated fair value. The loans held for sale are included in loans on the balance sheet of the accompanying consolidated financial statements.

Nonaccruing loans at December 31, 2017 and 2016 totaled approximately $48,257,000 and $40,707,000, respectively. The interest income recorded on nonaccrual loans was approximately $739,000 and $1,581,000 in 2017 and 2016, respectively.

Restructured loans at December 31, 2017 and 2016 totaled $37,017,000 and $47,887,000, respectively. The interest income recognized on restructured loans at December 31, 2017 and 2016 was approximately $978,000 and $1,812,000, respectively. The Company has entered into commitments to lend additional funds to the borrowers whose loans have been restructured and included in the totals disclosed above of approximately $285,000 at December 31, 2017. The table below shows the outstanding balance of loans classified as troubled debt restructurings (TDR) at December 31, 2017 and 2016. Nonperforming TDRs include all past-due and nonaccrual TDR loans. As of December 31, 2017, the company had 28 TDRs totaling $13,035,000 that were past-due.

	2017			2016		
	Performing TDRs	Nonperforming TDRs	Total TDRs	Performing TDRs	Nonperforming TDRs	Total TDRs
Commercial	$ 13,479,000	12,437,000	25,916,000	27,074,000	3,958,000	31,032,000
Real estate	7,191,000	3,855,000	11,046,000	8,572,000	6,942,000	15,514,000
Individual	55,000	—	55,000	1,336,000	5,000	1,341,000
Total loans	$ 20,725,000	16,292,000	37,017,000	36,982,000	10,905,000	47,887,000

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, 2017 and 2016, the company had unfunded loan commitments of $2,233,159,000 and $2,196,536,000, respectively. Outstanding letters of credit as of December 31, 2017 and 2016 amounted to $69,324,000 and $67,578,000, 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, and Oklahoma, 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 and commercial real estate	Residential real estate	Individual	Total
At December 31, 2017:				
Balance at beginning of year	$ 83,676,000	25,846,000	17,380,000	126,902,000
Provision for loan losses	11,036,000	(2,636,000)	9,742,000	18,142,000
Loans charged off	(13,045,000)	(955,000)	(11,733,000)	(25,733,000)
Recoveries on loans previously charged off	4,542,000	766,000	3,623,000	8,931,000
Balance at end of year	$ 86,209,000	23,021,000	19,012,000	128,242,000

	Commercial and commercial real estate	Residential real estate	Individual	Total
At December 31, 2016:				
Balance at beginning of year	$ 86,354,000	24,368,000	14,890,000	125,612,000
Provision for loan losses	3,955,000	1,509,000	9,518,000	14,982,000
Loans charged off	(8,580,000)	(1,088,000)	(9,875,000)	(19,543,000)
Recoveries on loans previously charged off	1,947,000	1,057,000	2,847,000	5,851,000
Balance at end of year	$ 83,676,000	25,846,000	17,380,000	126,902,000

The following table provides the balance in the allowance for loan losses at December 31, 2017, 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, 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 and commercial real estate	Residential real estate	Individual	Total
At December 31, 2017:				
Allowance for loan losses:				
Individually evaluated for impairment	$ 3,491,000	99,000	—	3,590,000
Collectively evaluated for impairment	82,718,000	22,922,000	19,012,000	124,652,000
Total	$ 86,209,000	23,021,000	19,012,000	128,242,000
Loans outstanding:				
Individually evaluated for impairment	$ 41,810,000	4,727,000	—	46,537,000
Collectively evaluated for impairment	5,810,393,000	988,391,000	1,301,116,000	8,099,900,000
Total	$ 5,852,203,000	993,118,000	1,301,116,000	8,146,437,000

	Commercial and commercial real estate	Residential real estate	Individual	Total
At December 31, 2016:				
Allowance for loan losses:				
Individually evaluated for impairment	$ 673,000	108,000	—	781,000
Collectively evaluated for impairment	83,003,000	25,738,000	17,380,000	126,121,000
Total	$ 83,676,000	25,846,000	17,380,000	126,902,000
Loans outstanding:				
Individually evaluated for impairment	$ 53,469,000	4,763,000	—	58,232,000
Collectively evaluated for impairment	5,658,264,000	971,511,000	1,190,796,000	7,820,571,000
Total	$ 5,711,733,000	976,274,000	1,190,796,000	7,878,803,000

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

		2017	2016
Impaired loans with a specific allowance provided			
Commercial and commercial real estate	$	17,007,000	11,547,000
Residential real estate		1,633,000	1,422,000
Individual		—	—
		18,640,000	12,969,000
Impaired loans with no specific allowance provided			
Commercial and commercial real estate		24,803,000	41,922,000
Residential real estate		3,094,000	3,341,000
Individual		—	—
		27,897,000	45,263,000
Total impaired loans	$	46,537,000	58,232,000
Allowance related to impaired loans			
Commercial and commercial real estate	$	3,491,000	673,000
Residential real estate		99,000	108,000
Individual		—	—
Total allowance related to impaired loans	$	3,590,000	781,000

Total average impaired loans during 2017 and 2016 are shown in the table below.

	2017			2016		
	Nonaccrual	Restructured and still accruing	Total	Nonaccrual	Restructured and still accruing	Total
Average Impaired Loans:						
Commercial and commercial real estate	$ 28,806,000	20,304,000	49,110,000	30,998,000	30,312,000	61,310,000
Residential real estate	12,722,000	7,882,000	20,604,000	14,425,000	9,364,000	23,789,000
Individual	2,955,000	696,000	3,651,000	2,528,000	740,000	3,268,000
Total	$ 44,483,000	28,882,000	73,365,000	47,951,000	40,416,000	88,367,000

Age Analysis of Past Due and Nonaccrual Loans

	Current or less than 30 days past due	30 – 89 Days past due	90 Days past due and still accruing	Nonaccrual	Total
At December 31, 2017:					
Commercial and commercial real estate	$ 5,812,490,000	7,314,000	27,000	32,372,000	5,852,203,000
Residential real estate	973,349,000	5,674,000	986,000	13,109,000	993,118,000
Individual	1,285,674,000	12,200,000	466,000	2,776,000	1,301,116,000
Total	$ 8,071,513,000	25,188,000	1,479,000	48,257,000	8,146,437,000

	Current or less than 30 days past due	30 – 89 Days past due	90 Days past due and still accruing	Nonaccrual	Total
At December 31, 2016:					
Commercial and commercial real estate	$ 5,676,433,000	9,904,000	157,000	25,239,000	5,711,733,000
Residential real estate	958,486,000	5,229,000	224,000	12,335,000	976,274,000
Individual	1,176,744,000	10,309,000	610,000	3,133,000	1,190,796,000
Total	$ 7,811,663,000	25,442,000	991,000	40,707,000	7,878,803,000

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 and commercial real estate	Residential real estate	Individual	Total
At December 31, 2017:				
Watch	$ 74,293,000	13,149,000	689,000	88,131,000
Substandard	74,519,000	18,364,000	2,263,000	95,146,000
Nonaccrual	32,372,000	13,109,000	2,776,000	48,257,000
Total	$ 181,184,000	44,622,000	5,728,000	231,534,000

	Commercial and commercial real estate	Residential real estate	Individual	Total
At December 31, 2016:				
Watch	$ 66,943,000	10,215,000	694,000	77,852,000
Substandard	95,096,000	22,857,000	2,039,000	119,992,000
Nonaccrual	25,239,000	12,335,000	3,133,000	40,707,000
Total	$ 187,278,000	45,407,000	5,866,000	238,551,000

(5) Mortgage Banking Activities

Certain subsidiary banks of the Company originate 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 subsidiary banks. Loans sold with servicing retained in 2017 and 2016 aggregated $529,840,000 and $637,407,000, respectively. Loans serviced for investors aggregated $3,276,608,000 and $3,245,872,000 at December 31, 2017 and 2016, respectively. Included in mortgage banking revenues in the accompanying consolidated statements of income are gains on the sale of mortgage loans totaling $17,083,000 and $21,589,000 in 2017 and 2016, respectively. Servicing fees recorded by the banks, which are also recorded in mortgage banking revenues and recorded when collected, aggregated $8,094,000 and $8,000,000 in 2017 and 2016, respectively.

Included in gain on sales of mortgage loans during 2017 and 2016 are capitalized mortgage servicing rights aggregating $5,434,000 and $6,176,000, respectively.

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

Discount Rate	10.02%
Prepayment Speed	9.94%
Delinquency Rate	0.80%

A summary of the mortgage servicing rights is as follows:

	2017	2016
Balance at beginning of year	$ 19,123,000	19,102,000
Capitalized mortgage servicing rights	5,434,000	6,176,000
Amortization	(4,895,000)	(6,178,000)
Change in valuation allowance	(3,000)	23,000
Balance at end of year	$ 19,659,000	19,123,000

The valuation allowance at December 31, 2017 and 2016 was $3,000 and $0, respectively.

The following table shows the estimated future amortization expense based on existing asset balances and the interest rate environment as of December 31, 2017. 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 rates, and other market conditions.

Year:	
2018	$ 3,126,000
2019	2,590,000
2020	2,263,000
2021	1,957,000
2022 and after	9,723,000

(6) Land, Buildings, and Equipment

A summary of land, buildings, and equipment at December 31, 2017 and 2016 is as follows:

	2017	2016
Land	$ 56,591,000	58,094,000
Buildings and improvements	241,868,000	235,550,000
Equipment	74,615,000	71,162,000
	373,074,000	364,806,000
Less accumulated depreciation	201,002,000	187,230,000
	$ 172,072,000	177,576,000

The following table shows the estimated future depreciation expense based on existing asset balances as of December 31, 2017.

Year:	
2018	$ 14,294,000
2019	11,840,000
2020	9,666,000
2021	8,510,000
2022	7,166,000
Thereafter	64,005,000

Depreciation of buildings and equipment charged to operating expense was approximately $16,047,000 and $16,558,000 in 2017 and 2016, respectively, and is included in net occupancy and equipment expense on the consolidated statements of income.

(7) Goodwill and Core Deposit Intangible Assets

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

	2017			2016		
	Gross carrying amount	Accumulated amortization	Net amount	Gross carrying amount	Accumulated amortization	Net amount
Amortizable intangible assets:						
Core deposit intangible assets	$ 22,248,000	(18,354,000)	3,894,000	20,588,000	(17,565,000)	3,023,000
Trust customer intangible asset	6,100,000	(2,205,000)	3,895,000	6,100,000	(1,860,000)	4,240,000
Unamortizable intangible assets:						
Goodwill	$ 258,381,000	—	258,381,000	255,618,000	—	255,618,000

Aggregate amortization expense on core deposit and other intangible assets for the years ended December 31, 2017 and 2016 was $1,134,000 and $1,332,000, 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, 2017. 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:	
2018	$ 1,107,000
2019	927,000
2020	892,000
2021	830,000
2022	365,000
Thereafter	3,668,000

(8) Income Taxes

The components of income tax expense on operations for the years ended December 31, 2017 and 2016 are as follows:

	2017	2016
Current income tax expense:		
Federal	$ 49,586,000	43,399,000
State	2,759,000	3,427,000
Total current income tax expense	52,345,000	46,826,000
Deferred income tax expense:		
Federal	8,939,000	11,075,000
State	1,221,000	1,537,000
Total deferred income tax expense	10,160,000	12,612,000
Total income tax expense on operations	$ 62,505,000	59,438,000

In December 2017, the Tax Cuts and Jobs Act ("the Tax Act") was enacted by the U.S. Government. The Tax Act reduced the federal corporate income tax rate from 35% to 21%, effective January 1, 2018. The Company recognized the effects of the Tax Act in its 2017 financial statements. The Tax Act includes numerous other changes to the existing tax law and we will continue to assess our provision for taxes but don't currently anticipate significant future revisions will be necessary.

The reasons for the difference between the effective tax rates of 31.3% and 29.5% and the current federal statutory income tax rate of 35% are as follows:

	2017		2016	
	Amount	**Percentage**	**Amount**	**Percentage**
Income tax expense at federal statutory rate	$ 69,836,000	35.0	$ 70,513,000	35.0
Increase (reduction) in income taxes resulting from:				
Tax-exempt interest	(6,528,000)	(3.3)	(6,916,000)	(3.4)
Tax-exempt gain on life insurance contract	—	0.0	(3,993,000)	(2.0)
Dividend exclusion	(1,131,000)	(0.6)	(1,115,000)	(0.6)
State income taxes, net of federal income tax	2,588,000	1.3	3,226,000	1.6
2017 Tax Act rate change	1,321,000	0.7	—	0.0
Nondeductible expenses	468,000	0.2	504,000	0.2
Federal tax credits, net of low income housing tax credit partnership amortization	(1,705,000)	(0.9)	(2,877,000)	(1.4)
Other, net	(2,345,000)	(1.1)	96,000	0.1
	$ 62,504,000	31.3	$ 59,438,000	29.5

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2017 and 2016 are presented below:

	2017	2016
Deferred tax assets:		
Loans, principally due to allowance for loan losses	$ 33,299,000	50,195,000
Accrued expenses	24,573,000	35,376,000
Buildings and equipment	2,670,000	2,114,000
Defined benefit plan	26,076,000	36,285,000
Total gross deferred tax assets	86,618,000	123,970,000
Deferred tax liabilities:		
Prepaid pension expense	11,454,000	14,933,000
Mortgage servicing rights	5,003,000	7,343,000
Goodwill	24,084,000	33,444,000
Lease financing	16,111,000	17,629,000
Unrealized gain on available-for-sale securities	8,421,000	13,840,000
Other	1,291,000	1,578,000
Total gross deferred tax liabilities	66,364,000	88,767,000
Net deferred tax assets	$ 20,254,000	35,203,000

The Company has not recorded a valuation allowance related to the net deferred tax assets at December 31, 2017 or 2016 due to historical and expected future earnings of the bank subsidiaries.

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 fell by $0.4 million during 2017, totaling $3.5 million at December 31, 2017.

The Company's U.S. federal and state income tax returns for years prior to 2013 are no longer subject to examination by the tax authorities.

(9) Deposits

Maturities of time deposits are as follows at December 31, 2017:

Year:	
2018	$ 1,069,970,000
2019	238,659,000
2020	84,642,000
2021	38,950,000
2022	20,107,000
Thereafter	934,000
	$ 1,453,262,000

Time deposits include certificates of deposit of $250,000 and over, totaling approximately $203,834,000 and

$202,947,000 at December 31, 2017 and 2016, respectively. Interest expense on such deposits amounted to $1,549,000 and $1,357,000 in 2017 and 2016, respectively.

(10) Securities Sold under Agreements to Repurchase

The Company's obligation to repurchase securities sold at December 31, 2017 and 2016 totaled $847,326,000 and $1,085,827,000, 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:

	2017	2016
Average monthly balance during the year	$ 961,342,000	1,056,252,000
Maximum month-end balance during the year	1,072,829,000	1,110,880,000
Average interest rate during the year	0.70%	0.46%

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, 2017, 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, 2017				
Repurchase agreements, secured by:				
U.S. government and federal agency obligations	$ 126,437,000	$ 44,129,000	$ 23,717,000	$ 194,283,000
Government-sponsored enterprise obligations	81,668,000	—	15,787,000	97,455,000
Obligations of states and political subdivisions and other securities	—	—	—	—
Mortgage-backed securities	466,147,000	—	89,441,000	555,588,000
Other	—	—	—	—
Total Repurchase agreements, gross amount recognized	$ 674,252,000	$ 44,129,000	$ 128,945,000	$ 847,326,000

(11) Employee Benefit Plans

The Company has a noncontributory defined benefit pension plan, the Central Bancompany, Inc. Retirement Plan (the Plan), available to qualified employees, as defined under the Plan. The benefits are based on employees' years of service and highest average salary during a consecutive 5-year period within the last 10 years of service. 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. 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.

	2017	2016
Projected benefit obligation	$ 25,319,000	22,943,000
Accumulated benefit obligation	21,412,000	20,783,000

The following items are components of net pension cost for the years ended December 31, 2017 and 2016:

	2017	2016
Service cost benefits earned during the year	$ 9,218,000	8,670,000
Interest cost on projected benefit obligation	12,662,000	12,497,000
Expected return on plan assets	(15,429,000)	(14,867,000)
Amortization of prior service cost	(829,000)	(669,000)
Amortization of net loss	6,037,000	5,381,000
Net periodic pension cost	$ 11,659,000	11,012,000

The following table sets forth the pension plans' funded status, using valuation dates of December 31, 2017 and 2016:

	2017	2016
Change in projected benefit obligation:		
Projected benefit obligation at prior valuation date	$ 285,039,000	267,652,000
Service cost	9,218,000	8,670,000
Interest cost	12,661,000	12,497,000
Plan amendments	10,000	331,000
Benefits paid	(10,840,000)	(11,285,000)
Actuarial loss	30,573,000	7,174,000
Projected benefit obligation at valuation date	326,661,000	285,039,000
Change in plan assets:		
Fair value of plan assets at beginning of year	208,824,000	188,815,000
Actual return on plan assets	32,860,000	11,542,000
Employer contributions	952,000	19,752,000
Benefits paid	(10,840,000)	(11,285,000)
Fair value of plan assets at end of year	231,796,000	208,824,000
Funded status and net amount recognized at December 31	$ (94,865,000)	(76,215,000)

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

	2017	2016
Prepaid pension cost (asset)	$ 29,007,000	39,085,000
Accrued benefit liability (liability)	(123,872,000)	(115,300,000)
Net amount recognized at December 31	$ (94,865,000)	(76,215,000)

The accumulated benefit obligation for both plans was $299,969,000 and $262,685,000 on December 31, 2017 and 2016, respectively.

The estimated net loss expected to be amortized from accumulated other comprehensive income into net periodic pension cost in 2018 will be $7,406,000.

Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive loss, on a pretax basis, at December 31, 2017 are as follows:

Prior service asset	$ 3,146,000
Accumulated loss	(105,606,000)
Accumulated other comprehensive loss, pretax	(102,460,000)
Cumulative employer contributions in excess of net periodic benefit cost	7,595,000
Net amount recognized on the December 31, 2017 balance sheet	$ (94,865,000)

The following weighted average assumptions have been used at December 31, 2017 and 2016:

	2017	2016
Determination of benefit obligation at year-end:		
Discount rate	3.85%	4.50%
Rate of compensation increase	3.12	3.12
Determination of net periodic benefit cost for the year ended:		
Discount rate	4.50%	4.75%
Expected long-term rate of return on Plan assets	7.00	7.00
Rate of compensation increase	3.12	3.12

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 benefit cost, employer contributions, and benefits paid for the years ended December 31, 2017 and 2016:

	2017	2016
Benefit cost	$ 9,218,000	8,670,000
Employer contribution	952,000	19,752,000
Benefits paid	10,840,000	11,285,000

The weighted average asset allocations as of December 31, 2017 and 2016, by asset category, are as follows:

	Plan assets as of December 31	
	2017	**2016**
Equity securities	73%	63%
Fixed income	21%	27%
Real assets	—%	1%
Cash and equivalents	6%	9%
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 7.0%. 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 Company contributed $16,000,000 to its funded pension plan in February 2018.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

2018	$ 11,742,000
2019	12,674,000
2020	13,531,000
2021	14,242,000
2022	15,587,000
2023 – 2027	87,070,000

Following is a description of the valuation methodologies used for assets measured at fair value in the pension 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 stock – 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, 2017:

		Fair value measurements at report date using		
	December 31, 2017	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other unobservable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Cash equivalents	$ 16,880,000	16,880,000		
U.S. government and agency obligations	5,766,000		5,766,000	
Common stocks	45,630,000	45,630,000		
Mutual funds	163,520,000	163,520,000		
Total	$ 231,796,000	226,030,000	5,766,000	—

The following table sets forth by level, within the fair value hierarchy, the pension plan's assets at fair value as of December 31, 2016:

		Fair value measurements at report date using		
	December 31, 2016	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other unobservable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Cash equivalents	$ 19,783,000	19,783,000	—	—
U.S. government and agency obligations	8,799,000	—	8,799,000	—
Common stocks	34,876,000	34,876,000	—	—
Mutual funds	145,366,000	145,366,000	—	—
Total	$ 208,824,000	200,025,000	8,799,000	—

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, 2017 and 2016, the Company contributed $13,970,000 and $12,946,000, 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, 2017 and 2016, the Company contributed $2,916,000 and $2,885,000, respectively, to the 401(k) plan.

The Company has established a deferred compensation plan. The liability for the plan, aggregating $41,414,000 and $41,813,000 at December 31, 2017 and 2016, respectively, is recorded in other liabilities in the accompanying consolidated balance sheets. Total expense under these arrangements included in salaries and employee benefits was $3,216,000 and $3,736,000 for the years ended December 31, 2017 and 2016, respectively.

The Company entered into a life insurance arrangement in 1999 with its Chairman of the Board – Sam B. Cook. Under the terms of the arrangement, the Company made annual premium payments on an insurance policy owned by a trust. In 2016, the $34.7 million death benefit was paid to the trust with the passing of Mr. Cook. The Company received from the insurance carrier the advances it made during the term of the policy that amounted to $46.6 million. $35.2 million reduced the asset carried by the Company and $11.4 million was recorded as income.

(12) Capital Adequacy

Quantitative measures established by regulation to ensure capital adequacy require the 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, 2017, the Company met all capital requirements to which it is subject, and the Bank's capital position exceeded the regulatory definition of well-capitalized.

In 2013 and 2014, the U.S. bank regulators approved the final rules implementing the Basel Committee on Banking Supervision's capital adequacy guidelines, which were effective January 1, 2015. Under the final rules, known as Basel III, minimum requirements increased for both the quantity and quality of capital held by the Company. The rules included a new common equity Tier I capital to risk-weighted assets minimum ratio of 4.5%, raised the minimum ratio of Tier I capital to risk-weighted assets from 4.0% to 6.0%, require a minimum ratio of Total capital to risk-weighted assets of 8.0%, and require a minimum Tier 1 leverage ratio of 4.0%. A new capital conservation buffer, comprised of common equity Tier I capital, was also established above the regulatory minimum capital requirements. This capital conservation buffer was phased in beginning January 1, 2016 at .625% of risk-weighted assets and increases each subsequent year by an additional .625% until reaching its final level of 2.5% on January 1, 2019. Strict eligibility criteria for regulatory capital instruments were also implemented under the final rules. The phase-in period for the final rules began for the Company on January 1, 2015, with full compliance with all of the final rule's requirements phased in over a multi-year schedule ending January 1, 2019.

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, 2017 and 2016 is as follows:

	Actual		Minimum capital adequacy requirement		Well-capitalized requirement	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2017:						
Total risk-based capital (to risk-weighted assets):						
Company	$ 1,737,346	17.47%	$ 795,708	8.00%	$ —	—%
Central Trust Bank	220,063	15.19	115,887	8.00	144,859	10.00
Central Bank of St. Louis	214,594	12.83	133,808	8.00	167,260	10.00
Central Bank of Boone County	174,740	12.22	114,418	8.00	143,023	10.00
Central Bank of the Midwest	165,476	11.98	110,503	8.00	138,128	10.00
Central Bank of the Ozarks	137,205	12.33	89,027	8.00	111,284	10.00
Tier 1 capital (to risk-weighted assets):						
Company	1,594,936	16.04	596,781	6.00	—	—
Central Trust Bank	188,523	13.01	86,915	6.00	115,887	8.00
Central Bank of St. Louis	193,662	11.58	100,356	6.00	133,808	8.00
Central Bank of Boone County	157,103	10.98	85,814	6.00	114,418	8.00
Central Bank of the Midwest	148,205	10.73	82,877	6.00	110,503	8.00
Central Bank of the Ozarks	123,273	11.08	66,771	6.00	89,027	8.00
Tier 1 common equity capital (to risk-weighted assets):						
Company	1,594,936	16.04	447,586	4.50	—	—
Central Trust Bank	188,523	13.01	65,187	4.50	94,158	6.50
Central Bank of St. Louis	193,662	11.58	75,267	4.50	108,719	6.50
Central Bank of Boone County	157,103	10.98	64,360	4.50	92,965	6.50
Central Bank of the Midwest	148,205	10.73	62,158	4.50	11,783	6.50
Central Bank of the Ozarks	123,273	11.08	50,078	4.50	72,335	6.50
Tier 1 capital (to average assets):						
Company	1,594,936	12.79	508,074	4.00	—	—
Central Trust Bank	188,523	7.68	98,839	4.00	123,548	5.00
Central Bank of St. Louis	193,662	10.90	72,153	4.00	90,191	5.00
Central Bank of Boone County	157,103	8.96	70,641	4.00	88,302	5.00
Central Bank of the Midwest	148,205	8.84	70,981	4.00	88,727	5.00
Central Bank of the Ozarks	123,273	9.58	51,655	4.00	64,568	5.00

	Actual		Minimum capital adequacy requirement		Well-capitalized requirement	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2016:						
Total risk-based capital (to risk-weighted assets):						
Company	$ 1,636,775	16.85%	$ 777,210	8.00%	$ —	—%
Central Trust Bank	220,301	15.31	115,147	8.00	143,934	10.00
Central Bank of St. Louis	187,659	11.62	129,234	8.00	161,543	10.00
Central Bank of Boone County	153,925	11.15	110,488	8.00	138,110	10.00
Central Bank of the Midwest	158,621	11.64	109,028	8.00	136,285	10.00
Central Bank of the Ozarks	123,811	11.12	89,034	8.00	111,292	10.00
Tier 1 capital (to risk-weighted assets):						
Company	1,499,450	15.43	582,908	6.00	—	—
Central Trust Bank	189,799	13.19	86,360	6.00	115,147	8.00
Central Bank of St. Louis	167,425	10.36	96,926	6.00	129,234	8.00
Central Bank of Boone County	136,824	9.91	82,866	6.00	110,488	8.00
Central Bank of the Midwest	142,527	10.46	81,771	6.00	109,028	8.00
Central Bank of the Ozarks	109,878	9.87	66,775	6.00	89,034	8.00
Tier 1 common equity capital (to risk-weighted assets):						
Company	1,499,450	15.43	437,181	4.50	—	—
Central Trust Bank	189,799	13.19	64,770	4.50	93,557	6.50
Central Bank of St. Louis	167,425	10.36	72,694	4.50	105,003	6.50
Central Bank of Boone County	136,824	9.91	62,150	4.50	89,772	6.50
Central Bank of the Midwest	142,527	10.46	61,328	4.50	88,585	6.50
Central Bank of the Ozarks	109,878	9.87	50,081	4.50	72,340	6.50
Tier 1 capital (to average assets):						
Company	1,499,450	12.17	501,457	4.00	—	—
Central Trust Bank	189,799	7.27	104,958	4.00	131,197	5.00
Central Bank of St. Louis	167,425	9.16	74,053	4.00	92,567	5.00
Central Bank of Boone County	136,824	8.10	68,045	4.00	85,057	5.00
Central Bank of the Midwest	142,527	8.90	67,813	4.00	84,767	5.00
Central Bank of the Ozarks	109,878	8.75	50,384	4.00	62,980	5.00

(13) Commitments

The Company leases certain premises and equipment under operating leases extending to various dates through 2043. Rent expense, including equipment rental under short-term cancelable leases, amounted to approximately $2,961,000 and $2,454,000 for 2017 and 2016, respectively, and is included in net occupancy and equipment expense in the consolidated statements of income. Future payments under existing operating lease commitments are as follows:

Year:	
2018	$ 2,586,000
2019	2,341,000
2020	1,726,000
2021	1,543,000
2022	1,300,000
Thereafter	6,058,000
	$ 15,554,000

It is expected that, in the normal course of business, leases that expire will be renewed or replaced by leases on other premises and equipment. It is anticipated that the future minimum lease commitments will not be less than the amounts expensed in 2017.

The company has outstanding commitments to provide loans to customers and also has issued letters of credit. These commitments are discussed in the Loan Footnote (3).

(14) Litigation

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

(15) Fair Value Disclosures

Fair Value Hierarchy

The Company uses fair value measurements to record fair value adjustments to certain financial and nonfinancial assets and liabilities and to determine fair value disclosures. Various financial instruments such as available-for-sale and trading securities are recorded at fair value on a recurring basis. Additionally, from time to time, the Company may be required to record at fair value other assets and liabilities on a nonrecurring basis, such as loans, loans held for sale, mortgage servicing rights, and certain other investment securities. These nonrecurring fair value adjustments typically involve lower of cost or market accounting, or 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, 2017 and December 31, 2016.

		Fair value measurements at report date using		
	Fair Value December 31, 2017	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets:				
Available-for-sale investment securities:				
Money markets	$ 1,840,000	1,840,000	—	—
US treasuries	37,323,000	37,323,000	—	—
Agencies	735,000,000	—	735,000,000	—
US agency index amortizing notes	8,195,000	—	8,195,000	—
Fixed rate MBS pools	341,177,000	—	341,177,000	—
Floating rate MBS pools	299,981,000	—	299,981,000	—
Hybrid floating rate MBS pools	189,274,000	—	189,274,000	—
SBA pools	318,394,000	—	318,394,000	—
Fixed rate CMOs	186,198,000	—	186,198,000	—
Floating rate CMOs	16,844,000	—	16,844,000	—
20% TEFRA municipals	344,261,000	—	344,261,000	—
Taxable municipals	46,337,000	—	46,337,000	—
100% TEFRA municipals	54,201,000	—	54,201,000	—
Corporates	451,619,000	—	451,619,000	—
Equity investments	137,104,000	101,268,000	35,836,000	—
Trading securities:				—
100% TEFRA municipals	299,000	—	299,000	—
Total	$ 3,168,047,000	140,431,000	3,027,616,000	—

	Fair Value December 31, 2016	Fair value measurements at report date using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Available-for-sale investment securities:				
Money markets	$ 597,000	597,000	—	—
US treasuries	29,442,000	29,442,000	—	—
Agencies	898,049,000	—	898,049,000	—
US agency index amortizing notes	7,461,000	—	7,461,000	—
Fixed rate MBS pools	166,576,000	—	166,576,000	—
Floating rate MBS pools	335,386,000	—	335,386,000	—
Hybrid floating rate MBS pools	249,853,000	—	249,853,000	—
SBA pools	313,978,000	—	313,978,000	—
Fixed rate CMOs	182,417,000	—	182,417,000	—
Floating rate CMOs	21,661,000	—	21,661,000	—
20% TEFRA municipals	429,442,000	—	429,442,000	—
Taxable municipals	63,183,000	—	63,183,000	—
100% TEFRA municipals	69,913,000	—	69,913,000	—
Corporates	343,786,000	—	343,786,000	—
Equity investments	131,115,000	96,287,000	34,828,000	—
Trading securities:				
20% TEFRA municipals	142,000	—	142,000	—
Total	$ 3,243,001,000	126,326,000	3,116,675,000	—

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. Most of the Level 1 measurements apply to exchange-traded equities.

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 the lower of cost or market 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, 2017.

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. A fair value adjustment of $3,000 was recorded on the mortgage servicing rights at December 31, 2017.

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 these impaired loans and the allowance related to these loans was $46.5 million and $3.6 million at December 31, 2017, respectively. Impaired loans carried at fair value were $42.9 million at December 31, 2017.

Goodwill and Core Deposit Premium

Valuation of goodwill to determine impairment is performed on an annual basis, or more frequently if there is an event or circumstance that would indicate impairment may have occurred. The process involves calculations to determine the fair value of a reporting unit. That fair value is compared to the carrying amount of the reporting unit, including its recorded goodwill. Impairment is considered to have occurred if the fair value of the reporting unit is lower than the carrying amount of the reporting unit. These measurements are classified as Level 3.

Core deposit premiums are recognized at the time a portfolio of deposits is acquired, using valuation techniques which calculate the present value of the estimated net cost savings attributable to the core deposit base, relative to alternative costs of funds and tax benefits, if applicable, over the expected remaining economic life of the depositors. Subsequent evaluations are made when facts or circumstances indicate potential impairment may have occurred. If the calculated fair value is less than the carrying value, impairment is considered to have occurred. This measurement is classified as Level 3.

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, 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. This method of estimating fair value does not incorporate the exit-price concept of fair value prescribed by ASC 820, *Fair Value Measurements and Disclosures.*

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. This method of estimating fair value does not incorporate the exit-price concept of fair value prescribed by ASC 820.

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 each of the Company's subsidiary banks. 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. Estimated credit losses affecting the scheduled cash flows have been reflected as a reduction in the scheduled cash flows in the discounting model. Discount rates used for each loan category of fixed rate loans are the effective rates that each of the Company's subsidiary banks would charge under current conditions to originate a similar loan based on credit risk and the maturity of the loan being originated. The rates vary by subsidiary bank based on each bank's market conditions and operating and overhead factors, and its assessment of the loan's credit quality. This method of estimating fair value does not incorporate the exit-price concept of fair value prescribed by ASC 820.

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 time nature of these borrowings.

Borrowed Funds and Accrued Interest Payable

The estimated fair value of other borrowed funds of the Company is determined by discounting the contractual cash flows using discount rates for similar instruments currently being offered. 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, 2017			
	Carrying amount	Estimated Fair Value Level 1	Level 2	Level 3
Financial Assets				
Cash and due from banks	$ 904,690,000	904,690,000	—	—
Time deposits	1,453,262,000	—	—	1,439,662,000
Federal funds sold and securities purchased under agreements to resell	1,431,000	1,431,000	—	—
Investment securities (1)				
Available for sale	3,167,748,000	140,431,000	3,027,317,000	—
Held to maturity	89,617,000	—	91,470,000	623,000
Trading	299,000	—	299,000	—
Loans (2)				
Commercial loans	5,765,592,000	—	—	5,692,978,000
Real estate loans	970,350,000	—	—	968,953,000
Individual loans	1,282,253,000	—	—	1,273,834,000
Loans held for sale	42,324,000	—	42,324,000	—
Accrued interest receivable	38,282,000	38,282,000	—	—
Mortgage servicing rights	19,659,000	—	—	29,506,000

	December 31, 2016			
	Carrying amount	Estimated Fair Value Level 1	Level 2	Level 3
Financial Assets				
Cash and due from banks	$ 806,484,000	806,484,000	—	—
Time deposits	109,059,000	—	—	108,921,000
Federal funds sold and securities purchased under agreements to resell	6,936,000	6,936,000	—	—
Investment securities (1)				
Available for sale	3,242,859,000	126,326,000	3,116,533,000	—
Held to maturity	116,173,000	—	118,388,000	643,000
Trading	142,000	—	142,000	—
Loans (2)				
Commercial loans	5,627,535,000	—	—	5,576,020,000
Real estate loans	950,777,000	—	—	949,729,000
Individual loans	1,173,589,000	—	—	1,149,984,000
Loans held for sale	46,450,000	—	46,450,000	—
Accrued interest receivable	36,178,000	36,178,000	—	—
Mortgage servicing rights	19,123,000	—	—	28,257,000

	December 31, 2017			
	Carrying amount	Estimated Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities				
Noninterest-bearing demand	$ 581,502,000	581,502,000		
Savings and interest-bearing demand	7,854,054,000	7,854,054,000		
Time deposits	1,453,262,000			1,439,662,000
Total deposits	$ 9,888,818,000	8,435,556,000	—	1,439,662,000
Federal funds purchased and securities sold under agreements to repurchase	$ 1,009,400,000	1,009,400,000		
Accrued interest payable	2,024,000	2,024,000	—	—

	December 31, 2016			
	Carrying amount	Estimated Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities				
Noninterest-bearing demand	$ 563,053,000	563,053,000	—	—
Savings and interest-bearing demand	7,529,018,000	7,529,018,000	—	—
Time deposits	1,477,070,000	—	—	1,477,113,000
Total deposits	$ 9,569,141,000	8,092,071,000	—	1,477,113,000
Federal funds purchased and securities sold under agreements to repurchase	$ 1,221,800,000	1,221,800,000	—	—
Accrued interest payable	1,534,000	1,534,000	—	—

Limitations

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

(16) Accumulated Other Comprehensive Loss

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

	Unrealized Gains/Losses on AFS Securities	Pension Plan	Total
Balance December 31, 2015	$ 28,612,000	(54,463,000)	(25,851,000)
Other comprehensive loss before reclassifications	(10,540,000)	(10,829,000)	(21,369,000)
Amounts reclassified from accumulated other comprehensive income	137,000	4,712,000	4,849,000
Current period other comprehensive loss, before tax	(10,403,000)	(6,117,000)	(16,520,000)
Income tax benefit	4,002,000	2,348,000	6,350,000
Current period other comprehensive loss, net of tax	(6,401,000)	(3,769,000)	(10,170,000)
Balance December 31, 2016	22,211,000	(58,232,000)	(36,021,000)
Other comprehensive loss before reclassifications	(2,981,000)	(13,151,000)	(16,132,000)
Amounts reclassified from accumulated other comprehensive income	(286,000)	5,208,000	4,922,000
Current period other comprehensive loss, before tax	(3,267,000)	(7,943,000)	(11,210,000)
Income tax benefit (expense)	5,723,000	(10,209,000)	(4,486,000)
Current period other comprehensive income (loss), net of tax	2,456,000	(18,152,000)	(15,696,000)
Balance December 31, 2017	$ 24,667,000	(76,384,000)	(51,717,000)

(17) Acquisitions

On February 23, 2017, Central Bancompany, Inc. completed its acquisition of the assets and liabilities of four branches of Bank Star One, a Missouri-chartered bank headquartered in Fulton, MO from BancStar, Inc for $13,700,000. Based upon the preliminary purchase price allocation, the Company has recorded $1,700,000 of core deposit intangible assets to be amortized over 7 years and $2,800,000 of goodwill. Total loans of $54,700,000, investment securities of $4,200,000, and deposits of $76,200,000 were recorded as part of the acquisition of Bank Star One.

(18) Derivative Instruments

The Company's mortgage banking operation makes commitments to extend fixed rate loans secured by 1-4 family residential properties, which are considered to be derivative instruments. These commitments have an average term of 60 to 90 days. The Company's general practice is to sell such loans in the secondary market. During the term of the loan commitment, the value of the loan commitment changes in inverse proportion to changes in market interest rates. The Company obtains forward sale contracts with investors in the secondary market in order to manage these risk positions. Most of the contracts are matched to a specific loan on a ''best efforts'' basis, in which the Company is obligated to deliver the loan only if the loan closes. Hedge accounting has not been applied to these activities. The unrealized gain on the forward sales contracts, which has not been recognized in the Company's consolidated statements of income given its

insignificance, amounted to $213,000 and $179,000 for the years ended December 31, 2017 and 2016, respectively.

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, 2017 and 2016 with total notional amounts of $155.5 million and 69.6 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 banks, they are used to swap 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 $11.4 million, with a fair value of $597,000 and $9.6 million, with a fair value of $577,000 at December 31, 2017 and 2016, respectively.

The third interest rate swap structure the Company uses is "Cash Flow" hedging whereby the Company is converting floating rate liabilities tied to a specific index to a fixed rate liability. For derivatives designated and that qualify as cash flow hedges, the effective portion of changes in fair value is recorded in AOCI and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. Any ineffective portion of the change in fair value of the derivatives would be recognized directly into earnings 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. Total notional value was $9.5 million, with a fair value of $54,000 and $19.0 million, with a fair value of $151,000 at December 31, 2017 and 2016, respectively.

Many of the Company's interest rate swap arrangements with large financial institutions contain contingent features relating to debt ratings or capitalization levels. Under these provisions, if the Company ceases to be "well-capitalized" under risk-based capital guidelines, certain counterparties can require instant settlement of the contracts. The Company maintains capital well above these minimum requirements. All agreements are also bi-lateral agreements with no initial margin requirement.

	Derivative Assets **12/31/17**	Derivative Liabilities **12/31/17**	Derivative Assets **12/31/16**	Derivative Liabilities **12/31/16**
Back to back swap $	2,619,000	(2,619,000)	2,417,000	(2,417,000)
Fair value hedges	597,000	—	577,000	—
Cash flow hedges	54,000	—	151,000	—

Central Bancompany Directors & Senior Leadership

Board of Directors

S. Bryan Cook, *President & Chief Executive Officer*
Robert M. Robuck, *Chairman of the Board*
Thomas A. Vetter, *Attorney*, Cook, Vetter, Doerhoff and Landwehr
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, *President (Retired)*, UniGroup, Inc.
Michael K. Farmer, *President*, Farmer Companies
Edward D. "Chip" Robertson, Jr., *Attorney*, Bartimus, Frickelton, Robertson & Goza
Charles Digges, Jr., *President*, The Insurance Group - Columbia

Senior Leadership

S. Bryan Cook, *President & Chief Executive Officer*
Robert M. Robuck, *Chairman of the Board*
Kenneth W. Littlefield, *Vice Chairman*, Chief Administrative Officer
Stephen E. Erdel, *Vice Chairman*, Chief Operating Officer
Donald R. Perdue, *Senior Executive Vice President*, Investments
Russell L. Goldammer, *Executive Vice President*, Chief Information Officer
Ronald K. Medin, *Executive Vice President*, Corporate Secretary & General Counsel
Richard R. Popp, *Executive Vice President*, Chief Risk Officer
Christine K. Ellinger, *Senior Vice President*, Chief Human Resources Officer
John D. Gamble, *Senior Vice President*, Chief Financial Officer
David W. Roehl, *Senior Vice President*, Chief Investment Officer
Daniel H. Westhues, *Senior Vice President*, Chief Marketing Officer & Retail Banking
Robert M. Carr Jr., *Senior Vice President*, Managing Director, Central Investment Advisors
Rick W. Hollenberg, *Senior Vice President*, Mortgage Banking
Scott M. Kellett, *Senior Vice President*, Trust and Asset Management
Paul J. Kleffner, *Senior Vice President*, Managing Director, Auditing
Alan F. Stonum, *Senior Vice President*, Managing Director, Bankcard Services
Shannon M. Thomason, *Senior Vice President*, Compliance
T. Ryan Walsh, *Senior Vice President*, Internet Lending
Brad T. Wastler, *Senior Vice President*, Central Investment Advisors

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

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

1980 Acquired – Empire Bank, Springfield, MO

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

1985 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. 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

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

The Central Trust Bank

Joined Central Bancompany in 1970

President & CEO: David P. Minton • Branches: 12 • Employees: 453

As the market leader in the Jefferson City area, Central Bank continues to place a strong emphasis on customer service coupled with the latest in financial technology. 2017 was a year of strong growth and solid profitability. Mortgage Central, a subsidiary of Central Bank, was created with mortgage loan production offices opened in Colorado. We expanded our service in Callaway County by increasing our market share in Fulton and adding a branch in New Bloomfield through the acquisition of Bank Star One. Central Bank also grew its loan portfolio by 7% and deposits by 5% and continued to grow and diversify revenue from non-interest income sources including trust services, investment advisory and mortgage. As always, volunteerism plays an extremely important role in who we are, as evidenced by our over 450 employees giving countless hours of their time to make the communities we serve even stronger.

Board of Directors

Callaway, Cole, Miller, and Moniteau Counties

Kenneth W. Littlefield, *Chairman of the Board*
Robert M. Robuck, *Board of Directors,* Central Bancompany
Michael L. Kehoe, *Senator,* State of Missouri
Clyde G. Lear, *Owner (Retired),* Learfield Communications
Jacob L. Vogel, *President,* Jefferson City Coca-Cola Bottling Company
E. Gene Rooney, PhD, *Pastor, (Retired)*
Donald E. Shinkle, *Retailer, (Retired)*
Jack S. Sanders, MD, *Physician, (Retired)*
Kirk Farmer, *Owner,* Farmer Holding Company
Joseph N. Scheppers, *Owner,* N.H. Scheppers Distributing Company

Jefferson Bank of Missouri

Joined Central Bancompany in 1970

President & CEO: L. Kenton Theroff • Branches: 4 • Employees: 111

2017 was a special year for Jefferson Bank as we celebrated 50 years of serving our community. Highlights included the opening of the time capsule which was placed in the cornerstone of our building in 1967. We also hosted several social events in gratitude to our customers, friends, and former employees. However, the year wasn't all about looking back in the past. Once again, we delivered stellar financial results with exceptional earnings, strong asset quality, and steady growth. Our team of amazing employees came through with a record United Way campaign, and they provided unbelievable support to hundreds of local charities and organizations. As we look to the future we are optimistic that we have the right team in place to continue the tradition of excellence that has become the Jefferson Bank experience.

Board of Directors

Harold W. Westhues, *Chairman of the Board, Retired,* Jefferson Bank
Robert L. Bryant, *EVP, CFO and COO,* Jefferson Bank
James R. Baumgartner, *Retired,* McDonald's
Robert P. Wankum, MD, *Retired,* JCMG Opthalmology
Bernard J. Fechtel, *Owner,* Fechtel Beverage & Sales
C. Roger Schrimpf, *Owner,* Schrimpf Management

Serving the Jefferson City area

Central Bank of St. Louis

Joined Central Bancompany in 1972

Chairman & CEO: S. Bryan Cook • Branches: 15 • Employees: 261

Central Bank of St. Louis celebrated another successful year serving the St. Louis metropolitan area. Our earnings increased for the eleventh consecutive year. Our commercial loan portfolio grew by 3% and our personal loan portfolio grew by 30%, which helped increase our interest income by $4 million for the year. We also experienced significant growth in trust revenue of 24%. We continue to be a Top Mortgage Lender serving the metro area with an advanced product platform and community outreach programs. We provided more than $585,000 in down payment assistance to homebuyers in 2017. Our retail banking team continues to provide customers with the legendary service of a family owned bank, while providing the leading edge products that our customers desire. We remain committed to proactively identifying and satisfying the evolving personal and business financial needs of our customers.

Board of Directors

Richard J. Bagy, Jr., *President,* Chief Operating Officer
Daniel G. Stephen, *EVP,* Senior Credit Officer
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, *President (Retired),* UniGroup, Inc.

St. Louis City (MO), St. Louis County (MO),St. Charles County (MO)
St. Clair County (IL), Madison County (IL)

Central Bank of Boone County

Joined Central Bancompany in 1974

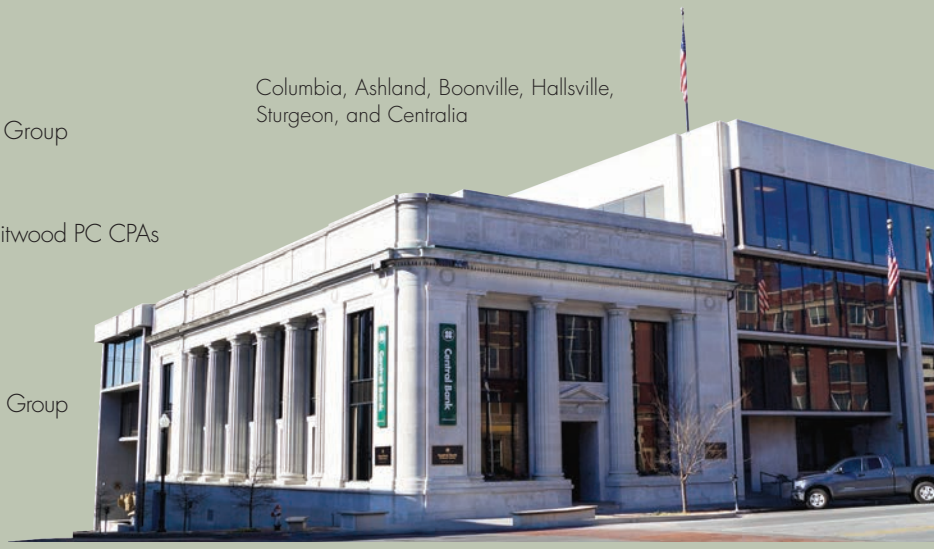
Chairman & CEO: Stephen E. Erdel • Branches: 15 • Employees: 330

Central Bank of Boone County had an exciting and productive year in 2017, with excellent asset growth and profitability. This success is due, in no small part, to our commitment to community banking. Our employees, our customers and our communities provide the strong foundation that allows us to thrive in a highly competitive market. This dynamic environment combined with the strong support of Central Bancompany makes us a market leader.

Board of Directors

Joe T. Henderson, *President,* Central Bank of Boone County
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
Jacquelyn K. Jones, *(Retired)*
Paul T. Land, *Owner,* Plaza Commercial Realty
Rick L. Means, *President/CEO,* Shelter Insurance
Jerry K. Price, *Office Manager,* Suzi Davis Travel
Gary W. Thompson, *President/CEO,* Columbia Insurance Group
Michael T. Vangel, *President,* VANGEL
Dr. Ajay Vinze, *Dean,* MU Trulaske College of Business

Columbia, Ashland, Boonville, Hallsville,
Sturgeon, and Centralia



Central Bank of Audrain County

Joined Central Bancompany in 1977

President & CEO: Michael A. Bunge • Branches: 2 • Employees: 25

Our community bank model continues to place the emphasis on the customer. We are committed to creating a positive banking experience for our customers and community. The personal touch of our local staff combined with the high tech commitment of our holding company resources provides our customers with a high quality, high value banking experience.

Board of Directors

Sterling Oliver, *EVP,* Central Bank of Audrain County
Bill Williams, *(Retired),* Crown Linen
Jim Hickman, *(Retired),* Hickman Foods
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

Central Bank of Moberly

Joined Central Bancompany in 1979

CEO: W. Michael Riffel • Branches: 3 • Employees: 30

Our reputation as a trusted financial service provider has allowed us to remain the largest financial institution in our markets, for over three decades. With three full-service banking centers and three ATM's, our focus is to continue to provide strong customer service and expand our sales efforts, while providing legendary service to our clients. We experienced solid loan growth in 2017 with small business, agribusiness and retail relationships at the core of our customer base.

Randolph, Howard, Chariton, and Monroe Counties

Board of Directors

John S. Meystrik, *Senior Vice President,* Central Bank of Moberly

K. Mack Hils, *(Retired),* Mack Hils Inc.

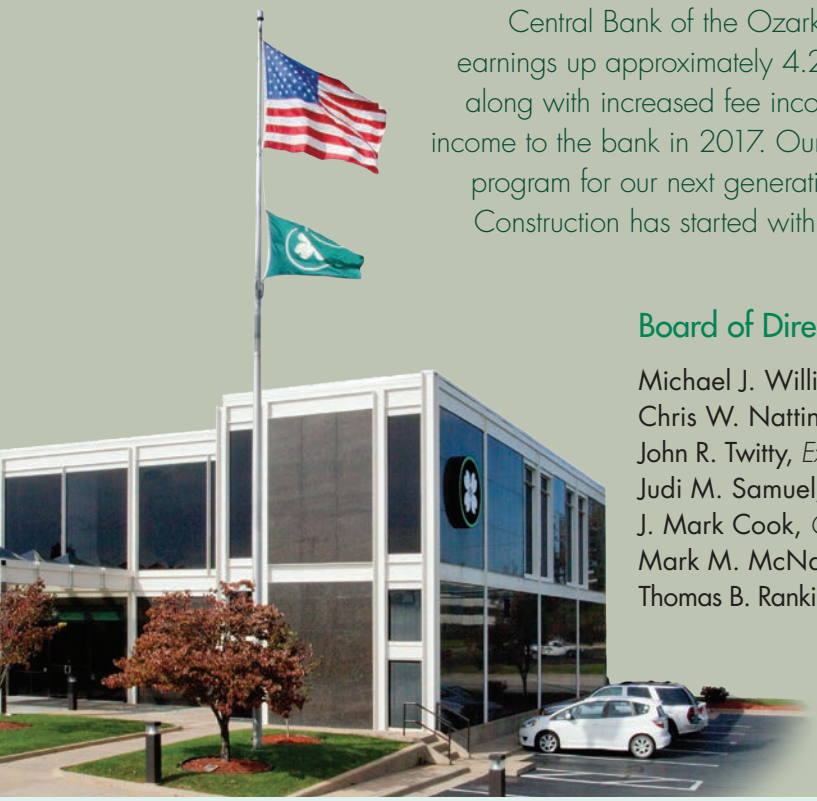
J. Richard Truesdell, *(Retired),* Truesdell Brothers Grain, Inc.

Ronald R. Arnold, *(Retired),* Central Bank of Moberly

Barbara A. Westhues, *Chief Operating Officer,* Orscheln Industries

Central Bank of the Ozarks

Joined Central Bancompany in 1980
President & CEO: Russell R. Marquart • Branches: 21 • Employees: 260



Central Bank of the Ozarks celebrated one of our best years to date in 2017, with earnings up approximately 4.2% over 2016, reflecting good loan and deposit growth, along with increased fee income from our Central Trust team, nearly doubling their net income to the bank in 2017. Our Central Connect group, where we focus on a yearlong program for our next generation of bankers, is now in its third year, and going strong. Construction has started with our Springfield Plaza Branch, which will greatly expand our services to West Springfield.

Board of Directors

Michael J. Williamson, *Chairman of the Board*
Chris W. Nattinger, *President,* Skyline Investment Co, LLC
John R. Twitty, *Executive Director,* Transmission Access Policy Study Group
Judi M. Samuel, *Broker,* DEBCO Management, Inc.
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

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

Central Bank of Lake of the Ozarks

Joined Central Bancompany in 1986
CEO: James D. Judas, Jr. • Branches: 8 • Employees: 152

Our ongoing commitment to our employees, customers, and the communities we serve is one of our main objectives and major strengths. With the average tenure of our Officers being 15.34 years, we are very much a family-oriented place of employment that produces knowledgeable, informed community bankers. We actively support a variety of more than 75 school, community, civic and charitable organizations and contribute countless hours of time to ensure these organizations thrive. We are honored to have been voted "Best Bank at the Lake" for seventeen years in a row by *The Lake Sun* Reader's Choice Awards.

Board of Directors

James W. Mead, *Senior Vice President/Chairman*
Joe Jurgensmeyer, *Owner,* J & M Farms
Joyce Mace, *Owner,* Ozark Opry
Robert E. Mason, *D.O.,* Lake Regional Clinics
Danny D. Opie, *Owner,* Opie's Transport
Belinda K. Phillips, *Owner,* Carls Market
George Stanton, *Owner,* Stanton Manufacturing

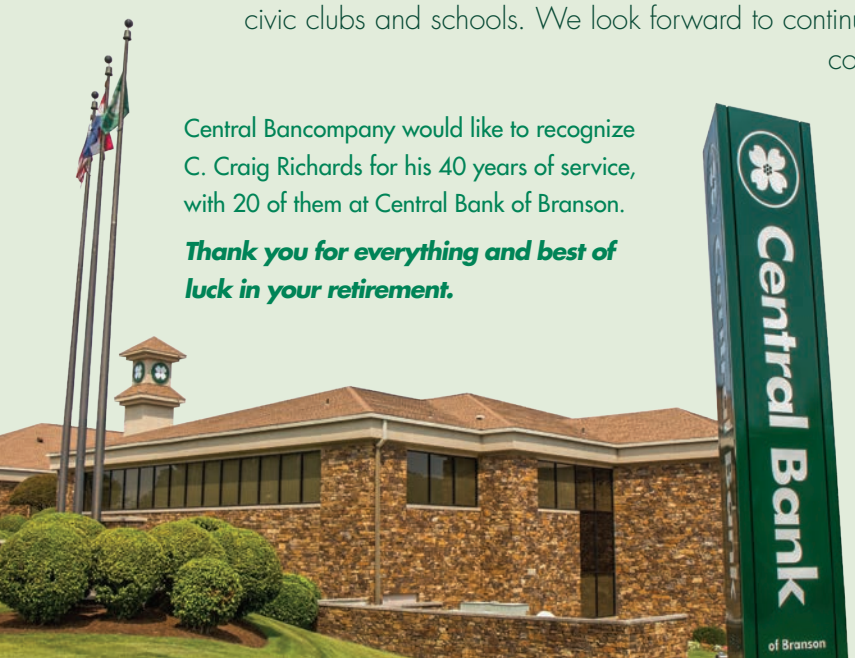
Miller, Camden & Morgan Counties.
Osage Beach, Lake Ozark, Camdenton, Eldon, and Laurie Communities

Central Bank of Branson

Joined Central Bancompany in 1988

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

Since 1950, Central Bank of Branson has been serving the needs of the people and businesses throughout Taney & Stone counties. In addition to numerous financial donations by the bank, employees served the area with more than 3,000 volunteer hours in 2017 to a variety of non-profit organizations, civic clubs and schools. We look forward to continue meeting the financial needs of the area as well as continuing to exceed the expectations of our customers.



Central Bancompany would like to recognize C. Craig Richards for his 40 years of service, with 20 of them at Central Bank of Branson.

Thank you for everything and best of luck in your retirement.

Board of Directors

C. Craig Richards, *Chairman (Retired)*, Central Bank of Branson
Brian Burney, *Assistant Director*, Convenient Care Pharmacy
Michael Combs, *President/Owner*, KC Hospitality
Patrick Cox, *Co-Owner*, Starboard Marinas, Inc.
Ann M. McDowell, *Owner*, McDowell Consulting
Daniel Ruda, *President*, Thousand Hills Golf Resort
Larry Schmitt, *(Retired)*, The Track Family Fun Parks
Rick Todd, *(Retired)*, Herschend Family Entertainment

Taney & Stone Counties including the cities of Branson, Hollister, and Branson West

Central Bank of Warrensburg

Joined Central Bancompany in 1997

Chairman, President, & CEO: Stephen L. Abney • Branches: 5 • Employees: 56

The Warrensburg economy continues to grow with the announcement and construction of a new Dollar Tree distribution center set to open in 2018. This 1.2 million square foot facility, located on the east side of the community, will anchor our new industrial park. We continue to benefit from residential growth, helping new home construction and land development remain strong. Strategic partnerships within our business services department have sustained growth as we continue to provide business clients with top-tier financial solutions. We were proudly honored as the "Best Bank in Warrensburg" for the second year in a row, and have a strong history of providing our agriculture customers the service and local decision making they desire in our Holden, Odessa and Higginsville markets. Through the dedication of our valued employees, we remain committed to demonstrating our strong roots while providing endless possibilities to our customers.

Johnson and Lafayette Counties including the Warrensburg, Higginsville, Odessa, and Holden communities.

Board of Directors

Ron V. Sanders, *Retired,* Construction
Alan Cavaness, *Retired,* Insurance
Rick G. Sengstacken, *Grocer*
Densil E. Allen, *Rancher*
Daric E. Elwell, *Retired,* Banking

Central Bank of Oklahoma

Joined Central Bancompany in 2004

Chairman, President, & CEO: John B. Allan • Branches: 8 • Employees: 112

Central Bank of Oklahoma's ongoing commitment to improving the communities we serve has enhanced our retail and commercial relationships and strengthened our presence in the greater Tulsa metropolitan area, as well as the Central Oklahoma markets of Stillwater and Edmond. Once again, we achieved record growth due to the hard work of our valuable team. Our employees continue to contribute their talents and compassion to helping the community through various volunteer avenues including Junior Achievement, collecting books, coats and supplies for students in low-income areas, and serving as members and leaders in local organizations, charities, and chambers of commerce. As a team, we surpassed our United Way fundraising goal earning the Gold Award again this year. As we begin 2018, Central Bank of Oklahoma will continue our commitment to growing our Oklahoma footprint through our expert staff and commitment to a culture of Legendary Service.

Board of Directors

S. Doug Terry, *Executive Vice President and CLO,* CBOK
David Blankenship, *President and CEO,* Tulsa Development, Inc.
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, *President,* McGraw Realtors

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

Central Bank of Sedalia

Joined Central Bancompany in 1992

Chairman, President, & CEO: Larry D. Bahr • Branches: 5 • Employees: 81

Central Bank of Sedalia experienced growth in market share by 1% last year. Our commercial and installment loans continue to grow which contributed to our best year on record. In addition, we have innovative and useful products on the commercial retail side including Accounts Payable and MultiCard. We are proud to be the number one bank in Sedalia! Our team continues to show our customers the legendary service needed to build successful relationships for the future.

Board of Directors

Charles G. Kempton, *Owner,* 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

Sedalia, Pettis County, and surrounding counties

Central Bank of the Midwest

Joined Central Bancompany in 1993

CEO: Bill Ferguson • Branches: 32 • Employees: 336

Central Bank of the Midwest is built on a strong heritage of community banks with a team that is committed to the customers and communities we serve. Our team is focused on delivering a Legendary Experience to our customers and associates who helped grow deposits by 3.3% over the prior year. Our assets grew 4.2% to a new high of $1.75B and we are ranked the 4th largest commercial lender in the Kansas City area. At Central Bank of the Midwest, our associates pride themselves on living our Core Values and helping each other succeed. Throughout 2017, our team shared the Central Bank Spirit, investing in the growth and success of our communities with their time, talent, and dollars. In 2018, our focus on building relationships with our associates, communities and customers will strengthen our mission to be the Bank of Choice in the markets we serve.

Jackson and Cass Counties in Missouri and Johnson and Douglas Counties in Kansas.

Board of Directors

Thomas B. Fitzsimmons, *Chairman of the Board*

John T. Carper, *Senior Advisor,* Husch Blackwell Sanders, LLP

James Person, *Chief,* Belton Police Department

James L. Hix, *CEO (Retired),* Bossler-Hix Personnel, Overland Park City Council

Robert Rogers, *President,* Mid-State Aerospace, Inc.

Kenneth P. Woodward, *Owner,* Woodward CPA

Joseph A. Flannery, *President,* Weaver's, Inc.

Central Trust Company

President & CEO: Scott Kellett
Locations: 8 • Employees: 110

Central Trust Company is one of the leading trust and wealth management providers in the Midwest, surpassing $5 billion in client assets under management in 2017. Central Trust Company adheres to the "fiduciary standard" for our clients in all instances and for all accounts, providing investment advice and solutions free from conflicts of interest. Central Trust Company continues its long-standing commitment to deliver integrated wealth management through comprehensive financial planning, estate planning and world class investment solutions.

Locations:Jefferson City, Columbia, Springfield, St. Louis, Lake Ozark, Blue Springs, MO, Overland Park, KS. Lawrence, KS.

Central Investment Advisors

CEO: Don Perdue • Locations: 25 • Employees: 62

Central Investment Advisors had a record year in 2017, with revenues exceeding $10.8 million dollars and total assets under management of 2.3 billion dollars. Our group focuses on the continual professional development of our advisors. Our ranks currently include 14 Certified Financial Planner™ professionals, a Certified Public Accountant®, an Accredited Investment Fiduciary®, and an Accredited Wealth Management Advisor®. Financial planning is the cornerstone of our organization. The planning process helps individuals develop an investment strategy to pursue their goals in life: retirement planning, quality healthcare in retirement, or saving for a college education, among others. Additionally, advisors work closely with their retail banking partners, making sure our banks' best clients have access to all Central Bank has to offer.