

*"...long-term core value investment."*



**2010 was a year of increased earnings** for Community Trust Bancorp, Inc. We were pleased to report earnings for 2010 of \$33.0 million, an increase of 31.8% from the \$25.1 million earned in 2009. We have continued to remain profitable even while the U.S. economy slowly recovers from the worst period of economic downturn our country has experienced since the Great Depression.

The market price of our stock rose significantly during 2010, increasing 18.4%. By comparison, the price of the NASDAQ Bank Index of 441 bank stocks increased 11.9% during the year. The NASDAQ Composite Index rose 16.9% in 2010.

Our history of investment returns continues to demonstrate the viability of our stock as a long-term core value investment. Since our IPO in 1981, we have provided 12 stock splits, 9 stock dividends, and 30 years of consecutive increases in cash dividends. Shareholders' equity of \$338.6 million on December 31, 2010 was an increase of 5.3% from December 31, 2009. At December 31, 2010, our current cash dividend yield was 4.21%, and the five-year compound growth rate of cash dividends per share was 4.3%.

CTBI continues to maintain a significantly higher level of capital than required by regulators in order to be designated as well-capitalized. On December 31, 2010, our tangible common equity/tangible assets ratio remained strong at 8.27%, our Tier 1 leverage ratio of 10.15% was 515 basis points higher than the 5.00% required, our Tier 1 risk-based capital ratio of 12.90% was 690 basis points higher than the required 6.00%, and our total risk-based capital ratio of 14.10% was 410 basis points higher than the 10.00% regulatory requirement for this designation.

Our stock is included in the Russell 2000 Index of small cap companies, providing us with a good benchmark for comparing our stock's performance. Although stocks in the financial sector did well during 2010, an investment in CTBI would have produced even higher returns than the Russell 2000 Index, calculated on a 10-year basis. During the 10-year period ending December 31, 2010, CTBI produced an annualized return of 13.93% while the Russell 2000 Index produced an annualized return of 6.36%.

Our stock is traded on the prestigious NASDAQ Global Select Market (a founding stock selection) and is also one of 50 founding stocks of the NASDAQ's Dividend Achievers Index. An investment in CTBI stock on December 31, 2005 would have outperformed the NASDAQ Bank Stocks Index and the NASDAQ Composite at December 31, 2010.

**Book Value Per Share**

