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South Central Bank

Press Release

PRESS RELEASE:

SOUTH CENTRAL BANCSHARES OF KENTUCKY, Inc. (the parent corporation of South Central Bank, INC.) and **KENTUCKY NATIONAL BANCORP** (the parent corporation of Kentucky Neighborhood Bank) jointly announced today they have executed a Definitive Agreement whereby KENTUCKY NATIONAL BANCORP will become a part of SOUTH CENTRAL BANCSHARES' BANKING ORGANIZATION.

SOUTH CENTRAL BANCSHARES OF KENTUCKY, INC. Chair Ruthie Bale said, "We are so very happy to acquire this high caliber institution with such a professional management team. Ronnie Pence and his board have operated a very good bank. KNB is a great addition allowing South Central to expand our Elizabethtown family of customers. The culture, the customers and the staff of KNB fit into the South Central culture perfectly."

Ronnie Pence, President/CEO of KNB said, "We are very excited about this new direction. As a smaller institution, it has been challenging and costly to meet the regulatory burden of product delivery to our customers on the technical side. The great thing about this move is our lenders and customer service staff will be here so our customers will see the same faces, but the bank will now have the strength and size of South Central. Our bankers look forward to being able to provide additional services and expanded product offerings. This economy of scale will help us all maintain a lower cost to the customers with service levels remaining at the high standard for which we are known. I personally take pride in this transaction as I believe it the best for our customers we work so hard for, and our staff."

Dorsey Hall, President/CEO of South Central commented, "We are excited to have a professional like Ronnie Pence added to our Management Team. Certainly his experience is important, but his personality, his business skills, leadership abilities and sincere concern for his customers make him a valuable asset. He has assembled a very professional staff we are looking forward to working with. Ronnie, like us at South Central, believes a customer banks with people they trust and have confidence in, not a bank name."

Chair Ruthie Bale further stated, "The Bale family sincerely cares about all our staff, and all our customers... Kentucky Neighborhood Bank is now part of our family. Their staff is now our staff, their customers are our customers, and we are proud and honored to have them be a part of South Central Bank."

The combined assets are estimated to be near 1.1 billion once the acquisition is completed. The agreement is pending shareholder vote and regulatory approval. It is anticipated to close before the end of the third quarter of 2016 once approvals are made. Details of the transaction have not been disclosed.

Wyatt, Tarrant & Combs, LLP served as legal counsel and Professional Bank Services, Inc. served as financial advisor to South Central. Kentucky National was advised by Frost Brown Todd LLC as legal counsel and Austin Associates, LLC as financial advisor.

1:15 P.M. Central Time on July 26, 2016