FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1999-03-26** | Period of Report: **1998-12-31**
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FILER

COMMUNITY TRUST BANCORP INC /KY/

CIK:**350852**| IRS No.: **610979818** | State of Incorp.:**KY** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **000-11129** | Film No.: **99574647**
SIC: **6021** National commercial banks

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
----- EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the fiscal year ended December 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
----- EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the transition period from to

Commission file number 0-11129

COMMUNITY TRUST BANCORP, INC.
(Exact name of registrant as specified in its charter)

KENTUCKY	61-0979818
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
208 NORTH MAYO TRAIL PIKEVILLE, KENTUCKY	41501
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (606) 432-1414

Securities registered pursuant to Section 12 (b) of the Act:
NONE

Securities registered pursuant to Section 12 (g) of the Act:
COMMON STOCK, $5.00 PAR VALUE
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes X No __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.[ ]

The aggregate market value of voting stock held by non-affiliates of the registrant as of February 28, 1999 was $235,581,000. The number of shares outstanding of the Registrant's Common Stock as of February 28, 1999 was 10,064,968. For the purpose of the foregoing calculation only, all directors and executive officers of the Registrant have been deemed affiliates.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated by reference into the Form 10-K part indicated

Document	Form 10-K
(1) Proxy statement for the annual meeting of shareholders to be held April 27, 1999	Part III

PART I

ITEM 1. BUSINESS

Community Trust Bancorp, Inc. (the "Corporation") is a bank holding company registered with the Board of Governors of the Federal Reserve System pursuant to section 5 (a) of the Bank Holding Company Act of 1956, as amended.

The Corporation was incorporated August 12, 1980, under the laws of the Commonwealth of Kentucky for the purpose of becoming a bank holding company. On July 1, 1981, pursuant to a Merger Agreement dated May 30, 1981, the merger of Pikeville National Bank and Trust Company ("PNB") as a subsidiary of the Corporation was consummated, whereby PNB became a wholly-owned subsidiary of the Corporation through an exchange of one share of common stock of PNB for two shares of common stock of the Corporation. Prior to the date the merger became effective, the Corporation conducted no active business operations. Since the merger, the business of the Corporation has been to act as a holding company for affiliate financial institutions. The Corporation currently owns all the capital stock of one commercial bank, one thrift and one trust company, serving small and mid-sized communities in eastern, central, south central Kentucky, and West Virginia. The commercial bank is Community Trust Bank, NA, Pikeville. The Corporation's thrift is Community Trust Bank, FSB, Campbellsville. The trust company, Trust Company of Kentucky, NA, Lexington, purchased the trust operations of its subsidiary banks and has additional offices in Pikeville, Ashland, Middlesboro and Louisville, Kentucky. The trust subsidiary commenced business operations on January 1, 1994. At December 31, 1998, the Corporation had total consolidated assets of $2.2 billion and total consolidated deposits of $1.9 billion, making it one of the larger bank holding companies headquartered in the Commonwealth of Kentucky.

Effective January 1, 1997, the Corporation changed its name from Pikeville National Corporation to Community Trust Bancorp, Inc., changed the name of its lead bank from Pikeville National Bank and Trust Company to Community Trust Bank, National Association (the "Bank") and merged seven of its other commercial bank subsidiaries into the Bank. The Corporation's thrift and trust subsidiaries, Community Trust Bank, FSB and Trust Company of Kentucky, NA, remain subsidiaries of the Corporation and will continue to operate as independent entities.

On June 26, 1998 the Corporation's wholly owned subsidiary, Community Trust Bank of West Virginia, NA, purchased seven Banc One Corporation branches with deposits totalling $216 million. On December 31, 1998 Community Trust Bank of West Virginia, NA merged into Community Trust Bank, NA. Also in 1998, Community Trust Bank, NA purchased five branch offices from PNC Bank, NA with deposits totalling $195 million.

The Corporation sold its subsidiary Commercial Bank, West Liberty, Kentucky ("West Liberty") on July 1, 1997 for $10.2 million creating a gain on sale of $3 million. West Liberty had $76 million in assets, constituting 4% of the Corporation's total consolidated assets. Consistent with the Corporation's strategic plan, the funds generated by the sale of West Liberty provided the Corporation with the opportunity to expand existing markets and enter into new markets through internal expansion and acquisitions.

Through its subsidiaries, the Corporation engages in a wide range of commercial and personal banking activities, which include accepting time and demand deposits; making secured and unsecured loans to corporations, individuals and others; providing cash management services to corporate and individual customers; issuing letters of credit; renting safe deposit boxes and providing funds transfer services. The lending activities of the Corporation's subsidiaries include making commercial, construction, mortgage and personal loans. Also available are lease financing, lines of credit, revolving credits, term loans and other specialized loans including asset-based financing. Various corporate subsidiaries act as trustees of personal trusts, as executors of estates, as trustees for employee benefit trusts, as registrars, transfer agents and paying agents for bond and stock issues and as depositories for securities.

COMPETITION

The Corporation's subsidiaries face substantial competition for deposit, credit and trust relationships, as well as other sources of funding in the communities they serve. Competing providers include other national and state banks, thrifts and trust companies, insurance companies, mortgage banking operations, credit unions, finance companies,

money market funds and other financial and non-financial companies which may offer products functionally equivalent to those offered by the Corporation's subsidiaries. Many of these providers offer services within and outside the market areas served by the Corporation's subsidiaries. The Corporation's subsidiaries strive to offer competitively priced products along with quality customer service to build banking relationships in the communities they serve.

Since July 1989, banking legislation in Kentucky places no limits on the number of banks or bank holding companies which a bank holding company may acquire. Interstate acquisitions are allowed where reciprocity exists between the laws of Kentucky and the home state of the acquiring bank holding company. Bank holding companies continue to be limited to control of less than 15% of deposits held by banks in the state (exclusive of inter-bank and foreign deposits).

Laws and regulations are considered from time to time that could significantly impact the Corporation's business, including proposals which, if adopted, would result in fundamental changes in the financial services industry. Recently, the Financial Services Act of 1999 was introduced in Congress. The Financial Services Act of 1999 would, among other things, repeal the bank holding company prohibitions on insurance underwriting, expand permissible nonbanking activities for bank holding companies from those "closely related to banking" to those that are "financial in nature" and repeal the prohibitions on banks affiliating with securities firms. While the Corporation is unable to predict whether any such laws or regulations will be adopted, the Corporation believes that any such new laws or regulations are likely to lead to increased consolidation and competition within the financial services industry.

No material portion of the business of the Corporation is seasonal. The business of the Corporation is not dependent upon any one customer or a few customers, and the loss of any one or a few customers would not have a materially adverse effect on the Corporation.

No operations in foreign countries are engaged in by the Corporation.

EMPLOYEES

As of December 31, 1998, the Corporation and its subsidiaries had 818 full-time equivalent employees. Employees are provided with a variety of employee benefits. A retirement plan, employee stock ownership plan, group life, hospitalization, major medical insurance and an annual management incentive compensation plan are available to eligible personnel.

SUPERVISION AND REGULATION

The Corporation, as a registered bank holding company, is restricted to those activities permissible under the Bank Holding Company Act of 1956, as amended, and is subject to actions of the Board of Governors of the Federal Reserve System thereunder. It is required to file an annual report with the Federal Reserve Board and is subject to an annual examination by the Board.

The Bank is a national bank subsidiary subject to federal banking law and to regulation and periodic examinations by the Comptroller of the Currency under the National Bank Act and to the restrictions, including dividend restrictions, thereunder. The Bank is also a member of the Federal Reserve System and is subject to certain restrictions imposed by and to examination and supervision under, the Federal Reserve Act. The Corporation's thrift subsidiary, Community Trust Bank, FSB, is regulated and examined by the Office of Thrift Supervision. The trust company subsidiary, Trust Company of Kentucky, NA, is regulated by the Federal Reserve Board and the Office of the Comptroller of the Currency.

Deposits of the Corporation's subsidiary bank are insured by the Federal Deposit Insurance Corporation Bank Insurance Fund, which subjects the banks to regulation and examination under the provisions of the Federal Deposit Insurance Act. Insofar as the Corporation's thrift subsidiary is concerned, its deposits are insured by the Federal Deposit Insurance Corporation Savings Association Insurance Fund.

The operations of the Corporation and its subsidiaries also are affected by other banking legislation and policies and practices of various regulatory authorities. Such legislation and policies include statutory maximum rates on some loans, reserve requirements, domestic monetary and fiscal policy and limitations on the kinds of services which may be offered.

CAUTIONARY STATEMENT

Information provided herein by the Corporation contains, and from time to time the Corporation may disseminate materials and make statements which may contain "forward-looking" information, as that term is defined by the Private Securities Litigation Reform Act of 1995 (the "Act"). These cautionary statements are being made pursuant to the provisions of the Act and with the intention of obtaining the benefits of the "safe harbor" provisions of the Act. The Corporation cautions investors that any forward-looking statements made by the Corporation are not guarantees of future performance and that actual results may differ materially from those in the forward-looking statements as a result of various factors, including but not limited to, the following: (1) the increase or decrease of interest rates as a whole (2) the condition of the national and local economies of the communities served, including unemployment rates (3) the ability of the company to improve operating efficiency through consolidation of service and economies of scale and (4) any regulatory or law changes which may affect the operating environment of the Corporation or any of its affiliates.

SELECTED STATISTICAL INFORMATION

The following tables set forth certain statistical information relating to the Corporation and its subsidiaries on a consolidated basis and should be read together with the consolidated financial statements of the Corporation.

CONSOLIDATED AVERAGE BALANCE SHEETS AND TAXABLE EQUIVALENT INCOME/EXPENSE AND YIELDS/RATES

<TABLE>
<CAPTION>

	1998			1997		
(in thousands)	Average Balances	Interest	Average Rate	Average Balances	Interest	Average Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
EARNING ASSETS						
Loans, net of unearned (1) (2) (3)	$ 1,468,777	$ 138,286	9.42%	$ 1,350,471	$ 130,805	9.69%
Securities						
U. S. Treasuries and agencies	201,267	11,883	5.90	211,706	13,372	6.32
State & political subdivisions (3)	51,452	3,894	7.57	52,653	4,082	7.75
Other securities	52,854	3,337	6.31	50,704	3,284	6.48
Federal funds sold	97,272	5,111	5.25	18,035	993	5.51
Interest bearing deposits	277	8	2.89	609	28	4.60
Total earning assets	$ 1,871,899	$ 162,519	8.68%	$ 1,684,178	$ 152,564	9.06%
Less:						
ALLOWANCE FOR LOAN LOSSES	(23,075)			(19,338)		
	1,848,824			1,664,840		
NON-EARNING ASSETS						
Cash and due from banks	67,758			53,772		
Premises and equipment, net	50,922			45,868		
Other assets	71,176			50,728		
Total assets	$ 2,038,680			$ 1,815,208		
INTEREST BEARING LIABILITIES						
Deposits						
Savings and demand deposits	$ 465,773	$ 15,369	3.30%	$ 396,362	$ 12,557	3.17%
Time deposits	969,354	55,220	5.70	874,818	49,633	5.67
Federal funds purchased and securities sold under repurchase agreements	42,180	2,132	5.05	35,029	1,818	5.19
Other short-term borrowings	0	0	0.00	0	0	0.00
Advances from Federal Home Loan Bank	113,559	6,500	5.72	106,572	6,224	5.84
Long-term debt	53,395	4,765	8.92	43,482	3,844	8.84
Total interest bearing liabilities	$ 1,644,261	$ 83,986	5.11%	$ 1,456,263	$ 74,076	5.09%
NONINTEREST BEARING LIABILITIES						
Demand deposits	$ 215,674			$ 186,521		
Other liabilities	16,056			17,571		
Total liabilities	1,875,991			1,660,355		
Shareholders' equity	162,689			154,853		
Total liabilities and shareholders' equity	$ 2,038,680			$ 1,815,208		
Net interest income		$ 78,533			$ 78,488	
Net interest spread			3.57%			3.97%
Benefit of interest free funding			0.64%			0.69%
Net interest margin			4.21%			4.66%

<CAPTION>

(in thousands)	1996 Average Balances	Interest	Average Rate
<S>	<C>	<C>	<C>
EARNING ASSETS			
Loans, net of unearned (1) (2) (3)	$ 1,215,243	$ 119,370	9.82%
Securities			
U. S. Treasuries and agencies	277,641	17,641	6.35
State & political subdivisions (3)	57,652	4,568	7.92
Other securities	72,610	4,655	6.41
Federal funds sold	8,490	483	5.69
Interest bearing deposits	896	56	6.25
Total earning assets	$ 1,632,532	$ 146,773	8.99%
Less:			
ALLOWANCE FOR LOAN LOSSES	(17,637)		
	1,614,895		
NON-EARNING ASSETS			
Cash and due from banks	54,120		
Premises and equipment, net	46,460		
Other assets	46,534		
Total assets	$ 1,762,009		
INTEREST BEARING LIABILITIES			
Deposits			
Savings and demand deposits	$ 422,158	$ 12,722	3.01%
Time deposits	861,566	47,854	5.55
Federal funds purchased and securities sold under repurchase agreements	25,363	1,258	4.96
Other short-term borrowings	17	1	5.88
Advances from Federal Home Loan Bank	90,666	5,356	5.91
Long-term debt	22,795	1,901	8.34
Total interest bearing liabilities	$ 1,422,565	$ 69,092	4.86%
NONINTEREST BEARING LIABILITIES			
Demand deposits	$ 184,071		
Other liabilities	16,448		
Total liabilities	1,623,084		
Shareholders' equity	138,925		
Total liabilities and shareholders' equity	$ 1,762,009		
Net interest income		$ 77,681	
Net interest spread			4.13%
Benefit of interest free funding			0.63%
Net interest margin			4.76%

</TABLE>

(1) Interest includes fees on loans of $3,685, $3,945 and $4,289 in 1998, 1997 and 1996, respectively.
(2) Loan balances include principal balances on nonaccrual loans.
(3) Tax exempt income on securities and loans is reported on a fully taxable equivalent basis using a 35% rate.

NET INTEREST DIFFERENTIAL

The following table illustrates the approximate effect on net interest differentials of volume and rate changes between 1998 and 1997 and also between 1997 and 1996.

<TABLE>
<CAPTION>

(in thousands)	Total Change 1998/1997	Change Due to Volume	Rate	Total Change 1997/1996	Change Due To Volume	Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INTEREST INCOME						
Loans	$ 7,481	$ 11,216	$ (3,734)	$ 11,435	$ 13,119	$ (1,684)
U. S. Treasury and federal agencies	(1,489)	(641)	(849)	(4,269)	(4,166)	(103)
Tax exempt state and political subdivisions	(188)	(93)	(96)	(486)	(390)	(96)
Other securities	53	136	(85)	(1,371)	(1,419)	48
Federal funds sold	4,118	4,166	(47)	510	526	(16)
Interest bearing deposits	(20)	(12)	(7)	(28)	(15)	(13)
Total interest income	9,955	14,772	(4,818)	5,791	7,655	(1,864)
INTEREST EXPENSE						
Savings and demand deposits	2,812	2,273	539	(165)	(799)	634
Time deposits	5,587	5,385	203	1,778	743	1,035
Federal funds purchased and securities sold under repurchase agreements	314	362	(48)	562	499	63
Other short-term borrowings	0	0	0	(2)	(1)	(1)
Advances from Federal Home Loan Bank	276	402	(126)	868	930	(62)
Long-term debt	921	884	36	1,943	1,822	121
Total interest expense	9,910	9,306	604	4,984	3,194	1,790
Net interest income	$ 45	$ 5,466	$ (5,422)	$ 807	$ 4,461	$ (3,654)

</TABLE>

For purposes of the above table, changes which are not solely due to rate or volume are allocated based on a percentage basis, using the absolute values of rate and volume variance as a basis for percentages. Income is stated at a fully taxable equivalent basis, assuming a 35% tax rate.

INVESTMENT PORTFOLIO

The maturity distribution and weighted average interest rates of securities at December 31, 1998 is as follows:

<TABLE>
<CAPTION>

Estimated Maturity at December 31, 1998

(in thousands)	Within 1 year Amount	Yield	1-5 years Amount	Yield	5-10 years Amount	Yield	After 10 years Amount	Yield	Total Fair Value Amount	Yield	Amortized Cost Amount
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Available-for-sale											
U. S. Treasury	$ 22,038	5.53%	$ 16,523	5.98%	$ 0	0.00%	$ 0	0.00%	$ 38,561	5.68%	$ 38,051
U. S. government agencies and corporations	22,984	6.04	146,262	6.18	15,208	5.96	243	9.12	184,698	6.15	183,595
State and municipal obligations	0	0.00	722	6.74	9,024	6.74	8,030	6.62	17,776	0.00	17,517
Other securities	8,411	24.01	33,641	5.98	431	6.51	17,535	7.01	60,017	6.39	59,735
Total	$ 53,433	8.66%	$ 197,148	6.12%	$ 24,663	6.26%	$ 25,808	6.91%	$301,052	5.77%	$298,898

</TABLE>

<TABLE>
<CAPTION>

(in thousands)	Within 1 year Amount	Yield	1-5 years Amount	Yield	5-10 years Amount	Yield	After 10 years Amount	Yield	Total Amortized Cost Amount	Yield	Fair Value Amount
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Held-to-maturity											
U. S. government agencies and corporations	$ 15,007	0.00%	$ 21,365	4.74%	$ 499	4.25%	$ 0	0.00%	$ 36,867	2.81%	$ 35,269
State and municipal obligations	7,174	7.09	18,027	6.91	10,287	8.11	5,907	8.84	41,442	7.52	42,878
Other securities	894	5.97	4,151	6.03	0	0.00	0	0.00	5,050	6.02	5,037
Total	$ 23,075	2.44%	$ 43,543	5.76%	$ 10,786	7.93%	$ 5,907	8.84%	$ 83,359	5.34%	$ 83,184
Total Securities	$ 76,508	6.78%	$ 240,691	6.06%	$35,449	6.77%	$ 31,715	7.27%	$384,411	5.68%	

</TABLE>

The calculations of the weighted average interest rates for each maturity category are based on yield weighted by the respective costs of the securities. The weighted average rates on state and political subdivisions are computed on a taxable equivalent basis using a 35% tax rate. For purposes of the above presentation, maturities of mortgage-backed pass through certificates and collateralized mortgage obligations are based on estimated maturities.

Excluding those holdings of the investment portfolio in U.S. Treasury securities and other agencies of the U.S. Government, there were no securities of any one issuer which exceeded 10% of the shareholders' equity of the Corporation at December 31, 1998.

SECURITIES

The book value of securities available-for-sale and securities held-to-maturity as of December 31, 1998 and 1997 are presented in footnote 4.

The book value of securities at December 31, 1996 is presented below:

<TABLE>
<CAPTION>

(in thousands)	Available-for-sale	Held-to-maturity
<S>	<C>	<C>
U. S. Treasury and government agencies	$ 49,541	$ 23,841
State and political subdivisions	-	50,380
U. S. agency mortgage-backed pass through certificates	76,440	48,172
Collateralized mortgage obligations	66,136	15,340
Other debt securities	2,393	-
Total debt securities	194,510	137,733
Equity securities	36,423	-
Total securities	$ 230,933	$ 137,733

</TABLE>

LOAN PORTFOLIO

<TABLE>
<CAPTION>

			December 31		
(IN THOUSANDS)	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Commercial:					
Secured by real estate	$ 329,611	$ 310,092	$ 270,315	$ 258,541	$ 235,611
Other	279,406	260,808	234,793	192,127	183,533
Total commercial	609,017	570,900	505,108	450,668	419,144
Real estate construction	87,625	85,825	79,069	51,539	45,308
Real estate mortgage	399,035	407,893	411,067	398,288	290,998
Consumer 400,893	361,927	310,582	208,662	143,085	
Equipment lease financing	5,816	1,884	3,797	5,911	7,919
Total loans	$ 1,502,386	$ 1,428,429	$ 1,309,623	$ 1,115,068	$ 906,454
Percent of total year-end loans Commercial:					
Secured by real estate	21.94%	21.71%	20.64%	23.19%	25.99%
Other	18.60	18.26	17.93	17.23	20.25
Total commercial	40.54	39.97	38.57	40.42	46.24
Real estate construction	5.83	6.01	6.04	4.62	5.00
Real estate mortgage	26.56	28.56	31.39	35.72	32.10
Consumer 26.68	25.34	23.72	18.71	15.78	
Equipment lease financing	0.39	0.13	0.29	0.53	0.87
Total loans	100.00%	100.00%	100.00%	100.00%	100.00%

</TABLE>

The total loans above are net of unearned income.

The following table shows the amounts of loans (excluding residential mortgages of 1-4 family residences, consumer loans and lease financing) which, based on the remaining scheduled repayments of principal are due in the periods indicated. Also, the amounts are classified according to sensitivity to changes in interest rates (fixed, variable).

<TABLE>
<CAPTION>

Maturity at December 31, 1998

(in thousands)	Within one year	After one but within five years	After five years	total
<S>	<C>	<C>	<C>	<C>
Commercial, financial and agricultural	$ 200,441	$ 181,274	$ 227,302	$ 609,017
Real estate- construction	39,249	18,817	29,559	87,625
	$ 239,690	$ 200,091	$ 256,861	$ 696,642
Rate sensitivity				
Predetermined rate	$ 75,248	$ 83,457	$ 71,437	$ 230,142
Adjustable rate	164,442	116,634	185,424	466,500
	$ 239,690	$ 200,091	$ 256,861	$ 696,642

</TABLE>

NONPERFORMING ASSETS

<TABLE>
<CAPTION>

December 31

(IN THOUSANDS)	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Nonaccrual loans	$14,930	$ 12,058	$ 10,156	$9,433	$ 8,829
Restructured loans	202	629	630	918	-
90 days or past due and still accruing interest	5,635	8,863	5,800	3,947	3,401
Total nonperforming loans	20,767	21,550	16,586	14,298	12,230
Foreclosed properties	1,769	1,949	1,059	1,927	4,320
Total nonperforming assets	$22,536	$23,499	$17,645	$16,225	$16,550
Nonperforming assets to total loans plus foreclosed properties	1.50%	1.64%	1.35%	1.45%	1.83%
Allowance to nonperforming loans	125.63	94.97	113.50	112.47	106.12

</TABLE>

Nonaccrual, past due and restructured loans

<TABLE>
<CAPTION>

(in thousands)	Nonaccrual loans	As a % of loan balances by category	Restructured loans	As a % of loan balances by category	Accruing loans past due 90 days or more	As a % of loan balances by category	Balances
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
December 31, 1998							
Commercial loans-real estate secured	$ 5,294	1.61%	$ 202	0.06%	$ 680	0.21%	$ 329,611
Commercial loans- other	4,458	1.56	-	-	708	0.25	285,222
Consumer loans- real estate secured	4,771	0.98	-	-	2,077	0.43	486,660
Consumer loans- other	407	0.10	-	-	2,170	0.54	400,893
Total	$14,930	0.99%	$ 202	0.01%	$5,635	0.38%	$1,502,386
December 31, 1997							
Commercial loans- real estate secured	$ 3,881	1.25%	$ 629	0.20%	$2,339	0.75%	$ 310,092
Commercial loans- other	6,294	2.40	-	-	878	0.33	262,692
Consumer loans- real estate secured	1,569	0.32	-	-	3,857	0.78	493,718

Consumer loans- other	314	0.09	-	-	1,789	0.49	361,927
Total	$12,058	0.84%	$ 629	0.04%	$8,863	0.62%	$1,428,429

</TABLE>

The allowance for loan losses balance is maintained by management at a level considered adequate to cover anticipated losses that are based on past loss experience, general economic conditions, information about specific borrower situations including their financial position and collateral values, and other factors and estimates which are subject to change over time.

In 1998, gross interest income that would have been recorded on nonaccrual loans had the loans been current in accordance with their original terms amounted to $1.5 million. Interest income actually recorded and included in net income for the period was $0.3 million, leaving $1.2 million of interest income not recognized during the period.

Discussion of the Nonaccrual Policy

The accrual of interest income on loans is discontinued when the collection of interest and principal in full is not expected. When interest accruals are discontinued, interest income accrued in the current period is reversed. Any loans past due 90 days or more must be well secured and in the process of collection to continue accruing interest.

Potential Problem Loans

When management has serious doubts as to the ability of borrowers to comply with repayment terms, the loans are placed on nonaccrual status. Management, therefore, believes that no additional potential problem loans exist which would result in disclosure pursuant to Item III.C.2.

Foreign Outstandings

None

Loan Concentrations

The Corporation has no concentration of loans exceeding 10% of total loans which is not otherwise disclosed at December 31, 1998.

Other Interest-Bearing Assets

The Corporation has no other interest-bearing assets that would be required to be disclosed under Item III.C.1 or 2, if such assets were loans, other than $0.3 million held as other real estate owned, included above in foreclosed properties.

ANALYSIS OF THE ALLOWANCE FOR LOAN LOSSES

<TABLE>
<CAPTION>

(in thousands)	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Allowance for loan losses, beginning of year	$ 20,465	$ 18,825	$ 16,082	$ 12,978	$ 13,346
Loans charged off:					
Commercial, secured by real estate	844	676	378	1,278	1,442
Commercial, other	1,496	1,042	1,136	1,646	3,902
Real Estate Mortgage	872	695	880	514	407
Consumer loans	12,603	9,840	4,594	2,594	1,786
Total charge-offs	15,815	12,253	6,988	6,032	7,537
Recoveries of loans previously charged off:					
Commercial, secured by real estate	158	116	174	159	12
Commercial, other	248	454	609	331	395
Real Estate Mortgage	99	94	312	44	66
Consumer loans	3,860	2,653	1,351	740	630
Total recoveries	4,365	3,317	2,446	1,274	1,103
Net charge-offs:					
Commercial, secured by real estate	686	560	204	1,119	1,430

Commercial, other	1,248	588	527	1,315	3,507
Real Estate Mortgage	773	601	568	470	341
Consumer loans	8,743	7,187	3,243	1,854	1,156
Total net charge-offs	11,450	8,936	4,542	4,758	6,434
Allowance of acquired banks	1,066	-	-	2,004	-
Allowance of sold bank	-	(578)	-	-	-
Provisions charged against operations	16,008	11,154	7,285	5,858	6,066
Balance, end of year	$ 26,089	$ 20,465	$ 18,825	$ 16,082	$ 12,978
Allocation of allowance, end of year					
Commercial, secured by real estate	$ 2,777	$ 3,502	$ 3,304	$ 3,095	$ 3,649
Commercial, other	2,354	2,945	2,870	2,300	2,349
Real Estate Construction	87	115	152	135	93
Real Estate Mortgage	396	546	790	1,044	905
Consumer	10,234	3,575	2,248	1,574	1,291
Equipment lease financing	49	21	46	71	108
UNALLOCATED	10,192	9,761	9,414	7,863	4,583
Balance, end of year	$ 26,089	$ 20,465	$ 18,825	$ 16,082	$ 12,978
Average loans outstanding, net of unearned interest	$1,468,776	$1,350,471	$1,215,243	$1,021,637	$872,045
Loans outstanding at end of year, net of unearned interest	$1,502,386	$1,428,429	$1,309,623	$1,115,068	$906,454
Net charge-offs to average loan type					
Commercial, secured by real estate	0.22%	0.20%	0.08%	0.39%	0.60%
Commercial, other	0.46%	0.23%	0.24%	0.66%	0.94%
Real Estate Mortgage	0.16%	0.12%	0.12%	0.13%	0.13%
Consumer loans	2.25%	2.22%	1.27%	1.02%	0.78%
Total	0.78%	0.66%	0.37%	0.47%	0.74%
Other ratios					
Allowance to net loans, end of year	1.74%	1.43%	1.44%	1.44%	1.43%
Provision for loan losses to average loans	1.09%	0.83%	0.60%	0.57%	0.70%

</TABLE>

Management uses an internal analysis to determine the adequacy of the loan loss reserve and charges to the provision for loan losses. This analysis is based on net charge-off experience for prior years, current delinquency levels and risk factors based on the local economy and relative experience of the lending staff. This analysis is completed quarterly and forms the basis for allocation of the loan loss reserve and what charges to provision may be required.

AVERAGE DEPOSITS AND OTHER BORROWED FUNDS

<TABLE>
<CAPTION>

(in thousands)	1998	1997	1996
<S>	<C>	<C>	<C>
DEPOSITS:			
Non-interest bearing deposits	$ 215,674	$ 186,521	$ 184,071
NOW accounts	218,908	182,688	170,410
Money market deposits	105,328	75,835	94,653
Savings	141,537	137,839	157,094
Certificates of deposit > $100,000	272,645	253,372	265,005
Certificates of deposit < $100,000 and other time deposits	696,708	621,447	596,560
Total Deposits	1,650,800	1,457,702	1,467,793
OTHER BORROWED FUNDS:			
Federal funds purchased and securities sold under repurchase agreements	42,180	35,029	25,363
Other short-term borrowings	-	-	17
Advances from Federal Home Loan Bank	113,559	106,572	90,666
Long-term debt	53,395	43,782	22,795
Total Other Borrowed Funds	209,134	185,383	138,841
Total Deposits and Other			

Borrowed Funds	$ 1,859,934	$ 1,643,085	$ 1,606,634

Maturities of time deposits of $100,000 or more outstanding at December 31, 1998 are summarized as follows:

(in thousands)	Certificates of deposit	Time Deposits	Total
3 months or less	$ 74,564	$ 2,076	$ 76,640
Over 3 through 6 months	63,142	4,002	67,144
Over 6 through 12 months	100,173	7,699	107,872
Over 12 through 60 months	52,123	10,091	62,214
Over 60 months	1,026	-	1,026
	$ 291,028	$ 23,868	$ 314,896

SHORT-TERM BORROWINGS

The Corporation did not have any category of short-term borrowings for which the average balance outstanding during the reported periods was 30% or more of shareholders' equity at the end of the reported periods.

ITEM 2. PROPERTIES

The Corporation's and the Bank's main offices are located at 208 North Mayo Trail, Pikeville, Kentucky, 41501 which is owned by the Bank.

The Bank is divided into fifteen operational regions: Pikeville Region, Lexington Region, Whitesburg Region, Mount Sterling Region, Williamsburg Region, Flemingsburg Region, Ashland Region, Versailles Region, Middlesboro Region, Harrodsburg Region, Winchester Region, Richmond Region, Williamson Region, Summersville Region and Hamlin Region.

The Bank presently has twelve branch offices in the Pikeville Region in addition to its main office. The Bank owns six of these branch banking offices and leases the remaining six branch offices including the in-store branch located in a WalMart superstore.

The Lexington Region has six branch offices. Four of these branches are in-store branches which are located in Winn Dixie supermarkets and in WalMart. The Bank owns one branch office and leases the other five branch offices.

The Whitesburg Region currently has five branch offices. The Bank owns three of these branch offices and leases two branch offices, one of which is leased under an obligation accounted for as a capital lease.

The Mount Sterling Region has three branch offices, one of which is an in-store branch located in a WalMart superstore. The Bank owns two of the branch offices and leases the in-store site, the land for its ATM site and the land adjacent to one of its branch offices for parking and a drive up window.

The Williamsburg Region has three branch offices. The Bank owns two of these branches and leases one branch office.

The Flemingsburg Region has four branch offices. The Bank owns all of these branch offices and also owns real property located in this Region which is leased to outside parties.

The Ashland Region has five branch offices. The Bank owns three of these branch offices and leases the remaining two. In the Ashland Region there are also two other properties which are leased, the 16th Street Properties which is sub-leased, and the Old Meade Station Branch property from which The Bank also receives tenant income. In addition to these two properties, The Bank receives income from office space leased to tenants which is located in one of the branch offices as well as The Arcade which adjoins the same branch office. A portion of the office space in The Arcade is used for Bank premises.

The Versailles Region has three branch locations. The Bank owns one of these branch offices and leases two branch offices including the in-store branch located in a WalMart site.

The Middlesboro Region has four branch locations. Of the four branch offices, three are owned and one is leased by The Bank.

The Harrodsburg Region has one branch office. The Bank owns the one branch office.

The Winchester Region has three branch locations. The Bank owns one of the branch locations and leases two branch locations, one of which is the in-store branch located in a WalMart site.

The Richmond Region has two branch locations. The Bank owns both of the branch locations.

The Williamson Region has two branch locations. The Bank owns both of the branch locations.

The Summersville Region has one branch office. The Bank owns the one branch office.

The Hamlin Region has four branch locations. The Bank owns three branch offices and leases one.

Community Trust Bank, FSB's (CTBFSB) main office is located in Campbellsville, Kentucky. CTBFSB has a branch office in each of the following locations: Campbellsville, Columbia, Greensburg, Edmonton, Somerset (2), Lebanon and Jamestown, Kentucky. Community Trust Bank, FSB, owns all of its locations with the exception of the Lending Annex located next to the main office, and its supermarket branches located in Somerset and Lebanon. The building which is used by the Community Trust Bank, FSB Somerset Branch contains additional office space which is leased to outside parties.

Trust Company of Kentucky NA's main office is located in Lexington, Kentucky. The Lexington and Louisville offices are leased from outside parties. Trust Company of Kentucky, NA also has leased offices in The Bank's main office, Middlesboro Region's main office, Ashland Region's main office and Community Trust Bank, FSB's main office.

See notes 7 and 13 to consolidated financial statements included herein for the year ended December 31, 1998, for additional information relating to commitments and amounts invested in premises and equipment. The Corporation has $300,500 of investments in real property, all in other real estate.

ITEM 3. LEGAL PROCEEDINGS

The Banks and certain officers are named defendants in legal actions arising from normal business activities. Management, after consultation with legal counsel, believes these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the Corporation's consolidated financial position.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders, through solicitation of proxies or otherwise, during the fourth quarter of 1998.

EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below are the executive officers of the Corporation, their positions with the Corporation and the year in which they first became an executive officer or director.

<TABLE>
<CAPTION>

NAME AND AGE (1)	POSITIONS AND OFFICES CURRENTLY HELD	DATE FIRST BECAME DIRECTOR OR EXECUTIVE OFFICER	PRESENT PRINCIPAL OCCUPATION
<S>	<C>	<C>	<C>
Burlin Coleman; 69	Chairman of Board, President, CEO & Director	1980	Chairman of Board, President & CEO
Jean R. Hale; 52	Executive Vice President , Secretary & Director	1992	President & CEO of CTB, NA
Ronald M. Holt; 51	Executive Vice President	1996 (2)	President and CEO of Trust Company of Kentucky, NA

Mark Gooch; 40	Executive Vice President	1997 (3)	Executive Vice President
John Shropshire; 50	Executive Vice President	1997 (4)	Executive Vice President
William Hickman; 48	Executive Vice President	1998 (5)	Executive Vice President

</TABLE>

(1) The ages listed for the Corporation executive officers are as of February 28, 1999.

(2) Mr. Holt served as Executive Vice President and Trust Manager of Bank One Kentucky Corporation from 1990 to 1995 at which time he joined the Corporation.

(3) Mr. Gooch served as President and CEO of First Security Bank and Trust Company, from 1993 to 1997 at which time First Security Bank and Trust Company merged into Community Trust Bank, NA.

(4) Mr. Shropshire served as President and CEO of Bowling Green Bank & Trust Co. from 1993 to 1995 at which time he became President and CEO of Farmers-Deposit Bank, a subsidiary of the Corporation prior to consolidation on January 1, 1997.

(5) Mr. Hickman served as legal counsel for the Corporation from 1980 to 1994. From 1994 till he rejoined the Corporation in December 1997 he engaged in the practice of law in Pikeville, Kentucky.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Corporation's common stock is listed on The NASDAQ-Stock Market's National Market under the symbol CTBI. Robinson Salomon Smith Barney, Atlanta, Georgia; Morgan, Keegan and Company, Memphis, Tennessee; J.J.B. Hilliard, W.L. Lyons, Inc., Louisville, Kentucky; Herzog, Heine, Geduld, Inc., New York, New York; J.C. Bradford & Co., Louisville, Kentucky; and Keefe, Bruyette & Woods, Inc., New York, New York are primary market makers.

QUARTERLY FINANCIAL DATA

<TABLE>
<CAPTION>

(in thousands except per share amounts) Three Months Ended	December 31	September 30	June 30	March 31
<S>	<C>	<C>	<C>	<C>
1998				
Net interest income	$ 19,905	$ 19,312	$ 18,777	$ 18,590
Net interest income, taxable equivalent basis	20,433	19,809	19,232	19,058
Provision for loan losses	1,290	8,160	4,053	2,505
Noninterest income	4,897	4,716	5,818	4,035
Noninterest expense	16,348	17,457	14,304	14,056
Net income	4,862	704	4,241	4,164
Per common share:				
Basic earnings per share before extraordinary gain	$ 0.48	$ 0.07	$ 0.42	$ 0.41
Basic earnings per share extraordinary gain	0.00	0.00	0.00	0.00
Basic earnings per share after extraordinary gain	0.48	0.07	0.42	0.41
Diluted earnings per share before extraordinary gain	0.48	0.07	0.42	0.41
Diluted earnings per share extraordinary gain	0.00	0.00	0.00	0.00
Diluted earnings per share after extraordinary gain	0.48	0.07	0.42	0.41
Dividends declared	0.21	0.20	0.20	0.20
Common stock price:				
High	$ 26.50	$ 33.25	$ 33.69	$ 32.50
Low	21.25	23.00	29.25	28.50
Last trade	23.50	26.25	33.25	32.00

Selected ratios:				
Return on average assets, annualized	0.85%	0.13%	0.90%	0.91%
Return on average common equity, annualized	11.77%	1.69%	10.52%	10.53%
Net interest margin, annualized	3.92%	4.02%	4.42%	4.50%
1997				
Net interest income	$ 18,608	$ 18,768	$ 19,428	$ 19,708
Net interest income, taxable equivalent basis	19,085	19,246	19,941	20,216
Provision for loan losses	3,636	4,069	1,731	1,718
Noninterest income	4,203	7,054	3,741	3,444
Noninterest expense	15,368	14,899	14,736	14,889
Net income	2,555	4,412	4,556	7,546
Per common share:				
Basic earnings per share before extraordinary gain	$ 0.25	$ 0.44	$ 0.45	$ 0.44
Basic earnings per share extraordinary gain	0.00	0.00	0.00	0.31
Basic earnings per share after extraordinary gain	0.25	0.44	0.45	0.75
Diluted earnings per share before extraordinary gain	0.25	0.44	0.45	0.44
Diluted earnings per share extraordinary gain	0.00	0.00	0.00	0.31
Diluted earnings per share after extraordinary gain	0.25	0.44	0.45	0.75
Dividends declared	0.20	0.18	0.18	0.18

Common stock price:				
High	$ 23.64	$ 21.59	$ 21.59	$ 20.00
Low	18.41	18.86	18.18	16.82
Last trade	22.27	20.23	19.77	20.00
Selected ratios:				
Return on average assets, annualized	1.10%	1.09%	1.09%	0.98%
Return on average common equity, annualized	13.69%	13.92%	13.98%	12.42%
Net interest margin, annualized	4.89%	4.73%	4.78%	4.62%

</TABLE>

There were approximately 3,600 holders of outstanding common shares of the Corporation at February 28, 1998.

DIVIDENDS

The annual dividend was increased from $0.74 per share to $0.81 per share during 1998. The Corporation has adopted a conservative policy of cash dividends with periodic stock dividends. Dividends are typically paid on a quarterly basis. Future dividends are subject to the discretion of the Corporation's Board of Directors, cash needs, general business conditions, dividends from the subsidiaries and applicable governmental regulations and policies. For information concerning restrictions on dividends from subsidiary banks to the Corporation, see Note 18 to the consolidated financial statements included herein for the year ended December 31, 1998.

ITEM 6. SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA 1994-1998

<TABLE>
<CAPTION>
(in thousands except per share amounts)

Year Ended December 31	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Interest income	$ 160,570	$ 150,588	$ 144,447	$ 131,026	$ 106,560
Interest Expense	83,986	74,076	69,092	64,992	47,370
Net interest income	76,584	76,512	75,355	66,034	59,190
Provision for loan losses	16,008	11,154	7,285	5,858	6,066
Noninterest income	19,466	18,442	14,439	11,116	9,653
Noninterest Expense	62,166	59,892	55,243	55,871	52,287
Income before income taxes and extraordinary gain	17,876	23,908	27,266	15,421	10,490
Income taxes	3,907	7,924	8,471	4,608	2,278
Income before extraordinary gain	13,969	15,984	18,795	10,813	8,212
Extraordinary gain, net of tax	-	3,085	-	-	-
Net income	$ 13,969	$ 19,069	$ 18,795	$ 10,813	$ 8,212

Per common share:					
Earnings per share	$ 1.39	$ 1.90	$ 1.87	$ 1.10	$ 0.87
Cash Dividends Declared -	0.81	0.74	0.66	0.60	0.57
As a percentage of net income	58.27%	46.54%	35.29%	54.55%	65.52%
Book value, end of year	16.37	15.70	14.41	13.33	12.34
Market price, end of year	23.50	31.13	22.27	17.50	23.86
Market value to book value, end of year	1.44x	1.98x	1.55x	1.31x	1.93x
Price/earnings ratio, end of year	16.9x	19.6x	11.9x	15.9x	27.4x
Cash dividend yield, end of year	3.45%	2.38%	2.96%	3.43%	2.39%
At year end:					
Total assets	$ 2,248,039	$ 1,852,667	$1,815,660	$ 1,730,170	$ 1,499,434
Long-term debt	53,823	53,463	19,136	27,873	24,944
Shareholders' equity	164,795	158,019	144,754	133,795	116,636
Averages:					
Assets	$ 2,038,680	$ 1,815,208	$1,762,009	$ 1,630,922	$ 1,470,630
Deposits	1,650,800	1,457,701	1,467,794	1,359,947	1,216,544
Earning assets	1,871,899	1,684,178	1,632,532	1,508,539	1,365,750
Loans	1,468,776	1,350,471	1,215,243	1,021,637	872,045
Shareholders' equity	162,689	154,853	138,925	130,780	116,165
Profitability ratios:					
Return on average assets	0.69%	1.05%	1.07%	0.66%	0.56%
Return on average common equity	8.59%	12.31%	13.53%	8.27%	7.07%
Capital ratios:					
Equity to assets, end of year	7.33%	8.53%	7.97%	7.73%	7.78%
Average equity to average assets	7.98%	8.65%	7.88%	8.02%	7.90%
Risk-based capital ratios					
Leverage ratio	6.09%	7.75%	7.05%	6.44%	7.19%
Tier I Capital	8.50%	9.97%	9.71%	10.24%	11.08%
Total Capital	9.75%	11.23%	10.96%	11.51%	12.33%
Other significant ratios:					
Allowance to net loans, end of year	1.74%	1.43%	1.44%	1.44%	1.43%
Allowance to nonperforming loans, end of year	130.31%	94.97%	113.50%	119.99%	106.12%
Nonperforming assets to loans and foreclosed properties, end of year	1.33%	1.64%	1.35%	1.37%	1.83%
Net interest margin	4.21%	4.66%	4.76%	4.54%	4.51%
Other statistics:					
Average common shares outstanding	10,063	10,059	10,038	9,839	9,445
Number of full-time equivalent employees, end of year	818	795	792	757	655

</TABLE>

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Community Trust Bancorp, Inc. ("the Company")reported net earnings of $14.0 million for 1998, compared to $19.1 million for 1997 and $18.8 million for 1996. Earnings for 1997 include an extraordinary gain (net of tax) of $3.1 million received from a settlement with a former software vendor. Earnings per share for 1998 were $1.39 compared to $1.90 per share for 1997 and $1.87 per share for 1996.

Earnings for 1998 reflected increases in the categories of net interest income and noninterest income, reflecting the Company's growth; noninterest expense likewise increased from the previous year, fueled by the acquisition of twelve new branches and certain special charges taken in September 1998. These charges included $0.9 million primarily for the consolidation of operations and staff reduction costs, $6.0 million for additional loan loss provision; and a $1.3 million writedown of the retained interest from the 1997 securitization of auto loans; net of a $1.5 million income tax accrual reversal. The loan loss addition and retained interest writedown related to continuing problems in the indirect auto financing operation and the decision to restructure the dealer profile and resolve problem loans in a more aggressive manner. The Company's return on average assets for 1998 was 0.69% as compared to 1.05% and 1.07% in 1997 and 1996, respectively, and the return on average equity for 1998 was 08.59% as compared to 12.31% and 13.53% for 1997 and 1996, respectively.

Total assets as of December 31, 1998 were $2.25 billion, an increase of 21.3% as compared to total assets of $1.85 billion on December 31, 1997. The Company's total assets were impacted by the purchase of assets and the assumption of certain liabilities of seven branches in West Virginia from Banc One Corporation with loans totalling $10.0 million and deposits totalling $216.0

million and five branches from PNC Corporation with loans totalling $50.0 million and deposits totalling $195.0 million. Total loans as of December 31, 1998 were $1.50 billion compared to $1.43 billion as of December 31, 1997, an increase of 5.2%. Total deposits increased 31.1% from $1.47 billion at December 31, 1997 to $1.92 billion at December 31, 1998 primarily as a result of the assumption of liabilities relative to the branch acquisitions discussed above.

In January 1999 shareholders were notified that they would receive a 10% stock dividend for shares held as of March 15. This stock dividend will be paid in April 1999, in addition to the quarterly cash dividend.

ACQUISITIONS

After making no acquisitions during the years 1996 and 1997, on June 26, 1998 the Company resumed its strategic policy of diversification through acquisition.

Community Trust Bancorp, Inc.'s wholly owned subsidiary, Community Trust Bank of West Virginia, National Association (CTBWV, which was later merged into the Company's lead bank, Community Trust Bank, NA), purchased sixteen Banc One Corporation branches located in West Virginia with approximately $569 million in deposits on June 26, 1998. CTBWV paid a 9.7% premium on these deposits. In concurrent transactions, CTBWV sold three of these branches with deposits totaling $151 million to Premier Financial Bancorp, Inc. of Georgetown, Kentucky receiving a 9.7% premium; four branches with deposits totaling $122 million to Peoples Banking and Trust Company of Marietta, Ohio receiving a 10.7% premium; and two branches with deposits totaling $80 million to United Bankshares of Charles Town, West Virginia receiving an 11.7% premium. The additional 1% premium paid by Peoples Banking and Trust Company and the additional 2% premium paid by United Bankshares was divided evenly between CTBWV and Premier Financial Bancorp, Inc. as part of a prior agreement.

CTBWV retained seven branches with deposits totaling $216 million. The funds used to capitalize the newly chartered CTBWV were provided from the sale of Trust Preferred Securities that occurred in April 1997 and the sale of an affiliate bank in July 1997. The facilities that were purchased will continue to operate as banking offices. This acquisition will assist in growth of the Company outside of Kentucky and provide a new customer base for generating additional revenues.

On September 18, 1998 Community Trust Bancorp, Inc. and PNC Bank Corp. announced that their banking subsidiaries, Community Trust Bank, N.A. and PNC Bank, N.A., closed Community Trust Bank's purchase of five branches from PNC with total deposits of approximately $195.0 million. These branches are located in Richmond, Winchester and Harrodsburg, all located in central Kentucky.

RESULTS OF OPERATIONS

1998 Compared to 1997

Net income for 1998 was $14.0 million compared to $19.1 million for 1997. Basic earnings per share for 1998 were $1.39 compared to $1.90 per share for 1997. Earnings for 1997 include a $3.1 million or $0.31 per share extraordinary gain (net of tax).

Net interest income for 1998 was relatively flat, increasing 0.1% as compared to 1997, rising from $76.5 million in 1997 to $76.6 million in 1998. Noninterest income increased 5.6% from $18.4 million in 1997 to $19.5 million in 1998 while noninterest expense increased 3.8% from $59.9 million in 1997 to $62.2 million in 1997. (See separate discussions of noninterest income and noninterest expense below.)

Return on average assets decreased from 1.05% including the extraordinary item in 1997 to 0.69% in 1998, and return on average equity decreased from 12.31% including the extraordinary item in 1997 to 8.59% in 1998.

Net Interest Income

During the third quarter of 1997 the Company began recording certain loan fees as noninterest revenue which, until then, were classified as interest income. As a result, net interest income for 1998 ended only marginally higher at $76.6 million, up 0.1% from 1997. The Company's net interest margin declined from 4.66% at the end of 1997 to 4.21% at the end of 1998, also a reflection of the change in classification of certain loan-related fee income as well as the effect of the decrease in the loans to deposits ratio from 92.6% at December 31, 1997 to 88.97% on December 31, 1998.

The Company's average earning assets increased from $1.68 billion in 1997 to $1.87 billion in 1998. Average interest bearing liabilities also increased during the period, from $1.46 billion in 1997 to $1.64 billion in 1998. Average interest bearing liabilities as a percentage of average earning assets remained fairly stable, moving from 86.5% in 1997 to 87.8% in 1998.

The taxable equivalent yield on average earning assets decreased from 9.06% in 1997 to 8.68% in 1998. The cost of average interest bearing liabilities remained relatively flat changing from 5.09% to 5.11% during the same period. The yield on interest bearing assets has been impacted by the change in the earning asset mix as well as by the decline in market rates. Loans accounted for 80.2% of all earning assets in 1997 while loans accounted for 78.5% of earning assets in 1998. Loans accounted for 66.8% of total assets as of December 31, 1998 compared to 77.1% as of December 31, 1997.

The Company acquired twelve new branches during 1998 through a purchase of assets and assumption of liabilities, affecting deposit growth and to a lessor degree, loan growth. The two acquisitions resulted in a net cash flow to the Company of approximately $345.0 million. The additional cash flow will be available to fund new loan growth but was temporarily invested in financial assets which are generally lower in yield than traditional loans until such time as the Company uses it to fund new loans.

Provision for loan losses

The provision for loan losses increased from $11.2 million in 1997 to $16.0 million in 1998. In September,1998, CTBI took a special charge of $7.3 million to clean up problems in the Indirect Loan Portfolio. Six million ($6.0 million) of this charge was booked as additional Provison for Loan Losses. The indirect portfolio has been a continuing problem and this special provision will allow management to expedite the resolution of this issue. The remaining $1.3 million was recorded as a write down of the retained interest in the 1997 securitization of indirect auto loans.

Charge-offs, net of recoveries, as a percentage of average loans outstanding increased from 0.66 in 1997 to 0.78% in 1998 as gross charge-offs and recoveries both increased for 1998. The allowance for loan losses increased significantly, rising from $20.5 million at December 31, 1997 to $26.1 million at December 31, 1998. The Company does not believe there are currently any trends, events or uncertainties that are reasonably likely to have a material effect on the volume of its non-performing loans.

Noninterest income

Noninterest income increased 5.4% from $18.4 million in 1997 to $19.4 million in 1998. Service charges on deposit-related products generated $7.9 million for the year, an increase of $1.0 million over the previous year. This was fueled by the acquisition of approximately $411 million in deposits during 1998 and by increasing our collection rates on service charges assessed. Trust income increased from $1.8 million in 1997 to $2.0 million in 1998 as trust assets under management increased during the year. Gains on sale of residential mortgage loans increased from $1.1 million in 1997 to $2.1 million in 1998, due to lower interest rates creating an increase in mortgage loan refinancings. Other noninterest income decreased from $8.6 million in 1997 to $7.5 million in 1997, largely due to the gain of $3.1 million on the sale of the Company's affiliate in West Liberty, which was completed in July 1997. Securities gains and losses were not a significant factor in either 1998 or 1997, as the Company incurred net securities gains of $12,000 in 1998 and $47,000 in 1997.

Noninterest expense

Noninterest expense increased from $59.9 million in 1997 to $62.2 million in 1998. This increase is primarily the result of additional operating expenses from the 1998 acquistion of the twelve new branches discussed above. Salaries and employee benefits increased from $28.5 million in 1997 to $28.7 million in 1998. Occupancy expense likewise increased from $4.2 million in 1997 to $4.5 million in 1998, while equipment costs were relatively flat at $4.0 million in 1998 and 1997. Data processing costs increased from $3.1 million in 1996 to $3.3 million in 1997 and stationery and printing costs remained at $1.8 million in 1998 and 1997. Taxes other than payroll, property and income, which consists mainly of Kentucky Franchise taxes on the equity and deposits of the affiliate banks, remained stationary at $2.1 million in both 1997 and 1998. Other categories of noninterest expense increased as a result of the $1.3 million write down of the securitization retained interest discussed above.

1997 Compared to 1996

Net income for 1997 was $19.1 million compared to $18.8 million for 1996. Basic earnings per share for 1997 were $1.90 compared to $1.87 per share for 1996. Earnings for 1997 include a $3.1 million or $0.31 per share extraordinary gain (net of tax).

Net interest income for 1997 increased 1.5% as compared to 1996, rising from $75.4 million in 1996 to $76.5 million in 1997. Noninterest income increased 27.7% from $14.4 million in 1996 to $18.4 million in 1997 while noninterest expense increased 8.4% from $55.2 million in 1996 to $59.9 million in 1997. (See separate discussions of noninterest income and noninterest expense below.)

Return on average assets decreased from 1.07% in 1996 to 1.05% in 1997, including the extraordinary item, and return on average equity decreased from 13.53% in 1996 to 12.31% in 1997.

Net Interest Income

During the third quarter of 1997 the Company began recording certain loan fees as noninterest revenue which, until then, were classified as interest income. As a result, net interest income for 1997 ended marginally higher at $76.5 million, up 1.5% from 1996. The Company's net interest margin declined from 4.76% at the end of 1996 to 4.66% at the end of 1997, also a reflection of the change in classification of certain loan-related fee income.

The Company's average earning assets increased from $1.63 billion in 1996 to $1.68 billion in 1997. Average interest bearing liabilities also increased during the period, from $1.42 billion in 1996 to $1.46 billion in 1997. Average interest bearing liabilities as a percentage of average earning assets remained fairly stable, moving from 87.1% in 1996 to 86.5% in 1997.

The taxable equivalent yield on average interest earning assets increased from 8.99% in 1996 to 9.06% in 1997. The cost of average interest bearing liabilities likewise increased from 4.86% to 5.09% during the same period. The yield on interest bearing assets was favorably impacted due to the Company's increase in consumer loans, which traditionally experience higher yields than other loans.

Loans accounted for 77.1% of total assets as of December 31, 1997 compared to 71.2% as of December 31, 1996. Approximately $80 million of indirect automobile loans were sold in 1997, which affected the Company's ending

loan balance for 1997. The servicing rights were retained on these sold loans, and the resulting cash generated from this loan sale was used for the funding of new loans.

The Company invested in several new branches during 1997, generating new loan and deposit growth. The interest costs associated with opening new branches is generally higher than normal, in order to gain market share. This factor, along with the traditional market pressures from competitors, increased the Company's cost of interest bearing liabilities from $69.1 million in 1996 to $74.1 million in 1997.

Provision for loan losses

The provision for loan losses increased from $7.3 million in 1996 to $11.2 million in 1997. The majority of this increase was directly related to the Company's investment in indirect consumer loans, which generally experience higher yields and higher charge-offs than other loans. In addition, the provision will increase during the normal course of business as the respective loan portfolio balance increases, in order to maintain the proper percentage of loan loss allowance to total loans.

Charge-offs, net of recoveries, as a percentage of average loans outstanding increased from 0.37% in 1996 to 0.66% in 1997 as gross charge-offs and recoveries both increased for 1997 in line with the increase in average loans outstanding as compared to 1996. The allowance for loan losses increased significantly, rising from $18.8 million at December 31, 1996 to $20.5 million at December 31, 1997. The Company does not believe there are currently any trends, events or uncertainties that are reasonably likely to have a material effect on the volume of its non-performing loans.

Noninterest income

Noninterest income increased 27.7% from $14.4 million in 1996 to $18.4 million in 1997. Service charges on deposit-related products generated $6.9 million for the year, an increase of $600 thousand over the previous year. Trust income increased from $1.6 million in 1996 to $1.8 million in 1997 as the trust assets under management increased during the year. Gains on sale of residential mortgage loans decreased from $1.7 million in 1996 to $1.1 million in 1997, due to a lower volume of loan sales. Other noninterest income increased from $7.5 million in 1996 to $8.6 million in 1997, largely due to the reclassification of loan-related fees from interest income, and also due to an operating gain on the sale of the Company's affiliate in West Liberty, which was completed in July 1997. Securities gains and losses were not a significant factor in either 1997 or 1996, as the Company incurred net securities gains of $47,000 in 1997 and $88,000 in 1996.

Noninterest expense

Noninterest expense increased from $55.2 million in 1996 to $59.9 million in 1997. Salaries and employee benefits increased marginally from $28.2 million in 1996 to $28.5 million in 1997. Occupancy expense likewise increased from $4.0 million in 1996 to $4.2 million in 1997, and equipment costs grew from $3.7 million in 1996 to $4.0 million in 1997. Data processing costs increased from $2.6 million in 1996 to $3.1 million in 1997 and stationery and printing costs marginally increased from $1.7 million in 1996 to $1.8 million in 1997. Taxes other than payroll, property and income, which consists mainly of Kentucky Franchise taxes on the equity of the affiliate banks, remained stationary at $2.1 million in both 1996 and 1997. Other categories of noninterest expense increased as a result of branch expansion and the normal course of business.

DISCLOSURES REGARDING YEAR 2000

Many companies have undertaken major projects to address "Year 2000" readiness, which relates to the recognition of dates beyond 1999. Many software programs and hardware systems are in a two digit format which will not properly process into the next century. Community Trust Bancorp, Inc. has already taken the steps to be "Year 2000 compliant". Community Trust Bancorp, Inc. realized the importance of Year 2000 readiness early and committed the people and resources to prepare its systems for January 1, 2000 and beyond. Achieving Year 2000 readiness is the company's top technology priority. Early on we formed both a Year 2000 Executive Steering Committee consisting of our top executives and top management, along with a Year 2000 Working Team made up of employees from each key business area. These company leaders have taken responsibility to identify and repair instances where dates may not process correctly within their area of operation and to test for interdependencies with clients, vendors and other corporate units. We have identified and contacted the bank's significant vendors to inquire about their own Year 2000

readiness plans, and are tracking and monitoring their progress. To ensure that all areas are covered, these efforts are coordinated and tracked centrally by the Year 2000 Working Team and reported to the Year 2000 Executive Steering Committee and the Board of Directors on a regular basis.

AWARENESS - (COMPLETE) - We defined the Year 2000 problem and allocated the appropriate resources necessary to perform our compliance work. We established both a Year 2000 Executive Steering Committee and a Year 2000 Working Team and developed an overall strategy for our Year 2000 efforts that encompasses in-house systems, service bureaus for systems that are outsourced, vendors, auditors, customers, and suppliers.

ASSESSMENT PHASE - (COMPLETE) - We then assessed the size and complexity of the problem and the magnitude of the effort necessary to address our Year 2000 issues. This phase identified all hardware, software, networks, automated teller machines, and other processing platforms, along with customer and vendor interdependencies affected by the Year 2000 date change. We have completed an inventory of systems in the bank, prioritized those that were identified, and made detailed plans to renovate and test modifications to make them Year 2000 ready. Our assessment went well beyond information systems and included environmental systems that are dependent on embedded microchips, such as security systems, elevators, and vaults.

RENOVATION PHASE -(IN-PROCESS) - Strategies were developed for the code enhancements, hardware renovation or replacements, software upgrades and vendor certification, along with other associated changes. This work was prioritized based on the information gathered during our assessment phase. A millennium test site was developed to assure that testing of our hardware and software could occur outside of our working environment before being implemented on our production systems. Plans were made for on-going communications and monitoring of our key vendors, third-party service providers, and software providers throughout our Year 2000 project timeline. The Planned date of completion is March 31, 1999.

VALIDATION PHASE - (IN-PROCESS) - Testing, while inherent in each phase, plays a key role in the success of our entire Year 2000 project. This phase includes testing of all incremental changes to hardware and software components, along with interfaces and connections with other systems. Also, validation from both internal and external users is required. During this phase, monitoring and communications with our service and software vendors will be maintained to assure these vendor efforts are tracked and their progress closely monitored. Our core third party data processor, one of the country's leading suppliers of financial institution data processing services, has already installed Year 2000 upgrades to their data processing systems. We have performed substantial off site testing of this upgrade and have scheduled on-site testing for the first quarter of 1999.

IMPLEMENTATION PHASE - (IN-PROCESS) -Our data processing Systems will be certified as Year 2000 compliant. For any system failing certification, the business effect will be clearly assessed and the organization's Year 2000 contingency plans will be implemented. This phase will also ensure that any new systems or subsequent changes to verified systems are compliant with Year 2000 requirements. We have completed testing and determined that all of our major systems are Year 2000 ready. We have also verified that our systems will recognize that 2000 is a leap year, and continue to work closely with our client and vendor companies to verify that they also are prepared for the century date change. In addition, we have drafted our "Business Resumption Plan" which provides contingency plans for all identified Year 2000 issues.

The costs associated with the Year 2000 project were $600,000 in 1998 and are estimated to be $886,000 in 1999. Because Community Trust Bancorp, Inc. is utilizing internal staff for the management and implementation of its Year 2000 Compliance program, it does not expect to incur any material costs with outside contractors. Subsequently, it does not anticipate a material increase in operating costs to be incurred.

The cost of the Year 2000 project and the date by which the Company believes it will be Year 2000 compliant are based upon management's current best estimates, which were derived based upon numerous assumptions of future events, including availability of certain resources, third party modification plans and other factors. Actual results could vary from those anticipated.

LIQUIDITY

The Company's objectives are to ensure that funds are available at the subsidiary bank and thrift to meet deposit withdrawals and credit demands without unduly penalizing profitability, and to ensure that funding is available for the parent company to meet it's ongoing cash needs while maximizing profitability. The Company continues to identify ways to provide for liquidity on both a current and long-term basis. On a long-term basis, the subsidiary bank and thrift rely mainly on core deposits, certificates of deposit of $100,000 or more, repayment of principal and interest on loans and securities, as well as federal funds sold and purchased. The subsidiary bank and thrift also rely on the sale of securities under repurchase agreements, securities available-for-sale and Federal Home Loan Bank borrowings.

Deposits increased 31% from $1.47 billion at December 31, 1997 to $1.92 billion at December 31, 1998. This increase was in large part due to the acquisition of approximately $411 million in deposits through the acquisition of seven branches in West Virginia and twelve branches in central Kentucky. Taking advantage of this increase in liquidity, the Company decreased its borrowings of federal funds, Federal Home Loan Bank borrowings, and other short-term borrowings while establishing a federal funds sold position of $135 million.

Due to the nature of the markets served by the banking regions, management believes that the majority of its certificates of deposit of $100,000 or more are no more volatile than its core deposits. During the periods of low interest rates, these deposit balances remained stable as a percentage of total deposits. In addition, the Company is able to borrow funds with several correspondent banks, to meet the Company's liquidity needs.

The Company owns $301 million of securities designated as available-for-sale and valued at market which are available to meet liquidity needs on a continuing basis. The Company also relies on Federal Home Loan Bank advances for both liquidity and management of its asset/liability position. Federal Home Loan Bank advances decreased from $101.8 million at December 31, 1997 to $51.4 million at December 31, 1998.

The Company generally relies upon net inflows of cash from financing activities, supplemented by net inflows of cash from operating activities, to provide cash for its investing activities. As is typical of many financial institutions, significant financing activities include deposit gathering, use of short-term borrowing facilities such as federal funds purchased and securities sold under repurchase agreements, and the issuance of long-term debt. The Company has $12.0 million of a $17.5 million credit line available beyond 1999, in the form of a revolving line of credit (see Note 9- Long-term Debt). The Company's primary investing activities include purchases of investment securities and loan originations.

In conjunction with maintaining a satisfactory level of liquidity, management monitors the degree of interest rate risk assumed on the balance sheet. The Company monitors its interest rate risk by the use of static and dynamic gap models at the one year interval. The static gap model monitors the difference in interest rate sensitive assets and interest rate sensitive liabilities as a percentage of total assets that mature within the specified time frame. The dynamic gap model goes further in that it assumes that interest rate sensitive assets and liabilities will be reinvested. The Company uses the Sendero system to monitor its interest rate risk. The Company desires an interest sensitivity gap of not more than fifteen percent of total assets at the one year interval.

The Company's static interest rate gap position as of December 31, 1998 is presented below:

INTEREST RATE SENSITIVITY ANALYSIS

<TABLE>
<CAPTION>

December 31, 1998 (in thousands)	0-3 Months	3-12 Months	Total 1 Year	Over 1 Year	Total
<S>	<C>	<C>	<C>	<C>	<C>
Interest earning assets					
Securities and deposits	$ 109,917	$ 25,375	$ 135,292	$ 308,236	$ 443,528
LOANS	627,142	190,493	817,635	744,393	1,562,028
Total earning assets	$ 737,059	$ 215,868	$ 952,927	$1,052,629	$2,005,556
Interest bearing liabilities					
NOW, money market and savings accounts	$ -	$ 176,908	$ 176,908	$ 380,212	$ 557,119
Time deposits	276,247	635,372	911,619	244,784	1,156,403
Federal funds purchased and other short-term borrowings	52,925	1,159	54,084	290	54,374
Advances from FHLB	932	2,662	3,594	47,790	51,384
LONG-TERM DEBT	5,529	120	5,649	48,174	53,824
Total interest bearing LIABILITIES	$ 335,633	$ 816,221	$ 1,151,854	$ 721,250	$1,873,104
Interest sensitivity gap					
For the period	$ 401,426	$ (600,353)	$ (198,927)	$ 331,379	$ 132,452
Cumulative	401,426	(198,927)	(198,927)	132,452	132,452
Cumulative as a percent of earning assets	20.02%	(9.92)%	(9.92)%	(9.92)%	6.60%

</TABLE>

CAPITAL RESOURCES

Total shareholders' equity increased from $158.0 million at December 31, 1997 to $164.8 million at December 31, 1998. The primary source of capital of the Company is retained earnings. Cash dividends were $0.81 per share for 1998 and $0.74 per share for 1997.

Regulatory guidelines require bank holding companies, commercial banks, and savings banks to maintain certain minimum ratios and define companies as "well capitalized" that sufficiently exceed the minimum ratios. The banking regulators may alter minimum capital requirements as a result of revising their internal policies and their ratings of individual institutions. To be "well capitalized" banks and bank holding companies must maintain a Tier 1 leverage ratio of no less than 5.0%, a Tier 1 risk based ratio of no less than 6.0% and a total risk based ratio of no less than 10.0%. The Company's ratios as of December 31, 1998 were 6.09%, 8.50% and 9.75%, respectively. Community Trust Bancorp, Inc. meets the definition of "adequately capitalized" and all banking affiliates met the criteria for "well capitalized" at December 31, 1998.

As of December 31, 1998, management is not aware of any current recommendations by banking regulatory authorities which, if they were to be implemented, would have, or are reasonably likely to have, a material adverse impact on the Company's liquidity, capital resources, or operations.

IMPACT OF INFLATION AND CHANGING PRICES

The majority of the Company's assets and liabilities are monetary in nature. Therefore, the Company differs greatly from most commercial and industrial companies that have significant investments in nonmonetary assets, such as fixed assets and inventories. However, inflation does have an important impact on the growth of assets in the banking industry and on the resulting need to increase equity capital at higher than normal rates in order to maintain an appropriate equity to assets ratio. Inflation also affects other expenses, which tend to rise during periods of general inflation.

Management believes the most significant impact on financial and operating results is the Company's ability to react to changes in interest rates. Management seeks to maintain an essentially balanced position between interest sensitive assets and liabilities in order to protect against the effects of wide interest rate fluctuations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company currently does not engage in any derivative or hedging activity. Discussion and analysis of the Company's interest rate sensitivity can be found on page 25.

ITEM 8. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(in thousands except per share amounts)

December 31	1998	1997
ASSETS		
Cash and balances due from banks	$ 98,133	$ 61,404
Federal funds sold	135,000	-
Securities available-for-sale	301,052	165,611
Securities held-to-maturity (fair value of $83,184 and $115,150, respectively)	83,359	115,931
Loans	1,502,386	1,428,429
Allowance for loan losses	(26,089)	(20,465)
Net loans	1,476,297	1,407,964
Premises and equipment, net	54,796	47,668
Excess of cost over net assets acquired (net of accumulated amortization of $9,559 and $6,578, respectively)	62,497	17,746
Other assets	36,905	36,343
Total Assets	$ 2,248,039	$ 1,852,667
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Noninterest bearing	$ 281,302	$ 193,353
Interest bearing	1,639,839	1,271,650
Total deposits	1,921,141	1,465,003
Federal funds purchased and other short-term borrowings	43,405	57,949
Other liabilities	13,491	16,406
Advances from Federal Home Loan Bank	51,384	101,827
Long-term debt	53,823	53,463
Total Liabilities	2,083,244	1,694,648
Shareholders' equity:		
Preferred stock, 300,000 shares authorized and unissued		
Common stock, $5 par value, shares authorized 25,000,000; shares issued and outstanding, 1998 - 10,064,968; 1997 - 10,062,487	50,325	50,312
Capital surplus	28,057	28,067
Retained earnings	84,827	79,026
Accumulated other comprehensive income, net of tax	1,586	614
Total Shareholders' Equity	164,795	158,019

Total Liabilities and Shareholders' Equity	$ 2,248,039	$ 1,852,667

</TABLE>

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

(in thousands except per share amounts) Year Ended December 31	1998	1997	1996
<S>	<C>	<C>	<C>
INTEREST INCOME:			
Interest and fees on loans	$ 137,700	$ 130,256	$ 118,640
Interest and dividends on securities -			
Taxable	15,220	16,770	22,304
Tax exempt	2,531	2,541	2,964
Other	5,119	1,021	539
Total interest income	160,570	150,588	144,447
INTEREST EXPENSE:			
Interest on deposits	70,589	62,189	60,576
Interest on federal funds purchased and other short-term borrowings	2,132	1,819	1,259
Interest on advances from Federal Home Loan Bank	6,500	6,224	5,356
Interest on long-term debt	4,765	3,844	1,901
Total interest expense	83,986	74,076	69,092
Net interest income	76,584	76,512	75,355
Provision for loan losses	16,008	11,154	7,285
Net interest income after provision for loan losses	60,576	65,358	68,070
NONINTEREST INCOME:			
Service charges on deposit accounts	7,875	6,866	6,282
Gains on sale of loans, net	2,108	1,108	1,735
Trust income	2,000	1,841	1,592
Securities gains (losses), net	12	47	88
Other	7,471	8,580	4,742
Total noninterest income	19,466	18,442	14,439
NONINTEREST EXPENSE:			
Salaries and employee benefits	28,749	28,528	28,229
Occupancy, net	4,529	4,204	3,992
Equipment	3,979	4,007	3,734
Data processing	3,251	3,074	2,644
Stationery, printing and office supplies	1,790	1,765	1,656
Taxes other than payroll, property and income	2,137	2,116	2,084
FDIC insurance	282	254	113
Other	17,449	15,944	12,791
Total noninterest expense	62,166	59,892	55,243
Income before income taxes and extraordinary gain	17,876	23,908	27,266
Income taxes	3,907	7,924	8,471
Income before extraordinary gain	13,969	15,984	18,795
Extraordinary gain, net of tax	-	3,085	-
Net income	$ 13,969	$ 19,069	$ 18,795
Basic earnings per share before extraordinary gain	$ 1.39	$ 1.59	$ 1.87
Basic earnings per share extraordinary gain	0.00	0.31	0.00
Basic earnings per share after extraordinary gain	1.39	1.90	1.87
Diluted earnings per share before extraordinary gain	1.38	1.58	1.87
Diluted earnings per share extraordinary gain	0.00	0.30	0.00
Diluted earnings per share after extraordinary gain	1.38	1.88	1.87
Average shares outstanding	10,063	10,059	10,038

</TABLE>

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

(in thousands except per share amounts)	Common Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income, Net of Tax	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 1996	$ 45,622	$ 27,883	$ 59,934	$ 356	$ 133,795
Cash dividends declared ($.74 per share)			(6,753)		(6,753)
Issuance of 4,950 shares common stock	22	32			54
Net income for 1996			18,795		18,795
Other comprehensive income, net of tax: Net change in unrealized appreciation/(depreciation) on securities available-for-sale, net of tax of $739				(1,137)	(1,137)
Comprehensive income					17,658
Balance, December 31, 1996	45,644	27,915	71,976	(781)	144,754
Cash dividends declared ($.74 per share)			(7,446)		(7,446)
Issuance of 19,788 shares common stock	99	152			251
To record stock split of 10% common stock	4,569		(4,573)		(4)
Net income for 1997			19,069		19,069
Other comprehensive income, net of tax: Net change in unrealized appreciation/(depreciation) on securities available-for-sale, net of tax of $906				1,395	1,395
Comprehensive income					20,464
Balance, December 31, 1997	50,312	28,067	79,026	614	158,019
Cash dividends declared ($.81 per share)			(8,168)		(8,168)
Issuance of 5,228 shares common stock	26	73			99
Purchase of stock	(13)	(83)			(96)
Net income for 1998			13,969		13,969
Other comprehensive income, net of tax: Net change in unrealized appreciation/(depreciation) on securities available-for-sale, NET OF TAX OF $632				972	972
Comprehensive income					14,941
Balance, December 31, 1998	$ 50,325	$28,057	$ 84,827	$ 1,586	$ 164,795

</TABLE>

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

Year Ended December 31 (in thousands)	1998	1997	1996

<S> <C> <C> <C>

Cash flows from operating activities:			
Net income	$ 13,969	$ 19,069	$ 18,795
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	5,747	4,777	4,877
Provision for loan and other real estate losses	16,123	11,179	7,364
Securities (gains) losses, net	(12)	(119)	(88)
Gains on sale of loans, net	(2,108)	(1,108)	(1,735)
Net amortization of securities premiums	381	364	548
Changes in:			
Other assets	1,818	(8,371)	674
Other liabilities	(5,817)	843	(1,837)
Loans held for sale	(531)	78,671	(68,641)
Net cash (used in) provided by operating activities	29,570	105,305	(40,043)
Cash flows from investing activities:			
Proceeds from:			
Sale of securities available-for-sale	2,426	44,913	7,561
Maturity of securities available-for-sale	59,078	44,742	87,419
Maturity of securities held-to-maturity	8,673	16,125	13,930
Principal payments of mortgage-backed securities	23,780	6,508	3,433
Purchase of:			
Securities available-for-sale	(195,322)	(23,688)	(47,224)
Securities held-to-maturity	--	--	(4,669)
Mortgage-backed securities	--	(1,000)	--
Net increase in loans	(18,194)	(205,957)	(130,074)
Net increase in premises and equipment	(6,050)	(5,128)	(3,130)
Net cash used in investing activities	(125,609)	(123,485)	(72,754)
Cash flows from financing activities:			
Net change in deposits	46,799	(15,819)	13,379
Net change in federal funds purchased and other short-term borrowings	(17,492)	13,364	24,202
Advances from Federal Home Loan Bank	31,000	120,012	61,364
Repayments of advances from Federal Home Loan Bank	(81,443)	(129,154)	(14,024)
Proceeds from long-term debt	5,500	34,500	1,000
Payments on long-term debt	(5,140)	(173)	(9,737)
Issuance and repurchase of common stock, net	3	247	54
Dividends paid	(8,118)	(7,277)	(6,569)
Net cash (used in) provided by financing activities	(28,891)	15,700	69,669
Net (decrease) increase in cash and cash equivalents	(124,930)	(2,480)	(43,128)
Cash and cash equivalents at beginning of year	61,404	63,884	107,012
Cash and cash equivalents of acquired banks	296,659	--	--
Cash and cash equivalents at end of year	$ 233,133	$ 61,404	$ 63,884

</TABLE>

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

BASIS OF PRESENTATION - The consolidated financial statements include Community Trust Bancorp, Inc. (the "Corporation") and all its subsidiaries, including its principal subsidiary, Community Trust Bank, NA. Material intercompany transactions and accounts have been eliminated in consolidation. In preparing financial statements, management must make certain estimates and assumptions. These estimates and assumptions affect the amounts reported for assets, liabilities, revenues and expenses, as well as affecting the disclosures provided. Future results could differ from the current estimates.

NATURE OF OPERATIONS - Substantially all assets, liabilities, revenues, and expenses are related to banking operations, including lending, investing of funds and obtaining of deposits and other financing. All of the Corporation's business offices and the majority of its business are located in eastern and central Kentucky and central and western West Virginia.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents include cash on hand, amounts due from banks, interest-bearing deposits in other financial institutions and federal funds sold. Generally, federal funds are sold for one day periods. Cash flows are reported net for customer loan transactions, deposit transactions, and other short-term borrowings.

SECURITIES - Management determines the classification of securities at purchase. The Corporation classifies securities into held-to-maturity or available-for-sale categories. Held-to-maturity securities are those which the Corporation has the positive intent and ability to hold to maturity, and are reported at amortized cost. Available-for-sale securities are those the Corporation may decide to sell if needed for liquidity, asset-liability management or other reasons. Available-for-sale securities are reported at fair value, with unrealized gains and losses included as a separate component of shareholders' equity, net of tax. If declines in fair value are not temporary, the carrying value of the securities is written down to fair value as a realized loss.

Gains or losses on disposition of securities are computed by specific identification for all securities except for shares in mutual funds, which are computed by average cost. Interest and dividend income, adjusted by amortization of purchase premium or discount, is included in earnings.

LOANS - Loans are reported at the carrying value of unpaid principal reduced by unearned interest and an allowance for loan losses. Income is recorded on the level yield basis. Interest accrual is discontinued when management believes, after considering economic and business conditions and collection efforts, that the borrower's financial condition is such that collection of interest is doubtful. Any loan greater than 90 days past due must be well secured and in the process of collection to continue accruing interest.

Mortgage loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated market value in the aggregate. Net unrealized losses are recognized in a valuation allowance by charges to income.

The provision for loan losses charged to operating expenses is an amount sufficient to maintain the allowance for loan losses at an adequate level to absorb inherent losses in the loan portfolio based on management's best estimate, using such considerations as the current condition and volume of the loan portfolio, economic conditions within the service area, review of specific problem loans, and any other known factors influencing loan collectibility.

PREMISES AND EQUIPMENT - Premises and equipment are stated at cost less accumulated depreciation and amortization. Capital leases are included in premises and equipment, at the capitalized amount less accumulated amortization.

Depreciation and amortization are computed primarily using the straight line method. Estimated useful lives range up to 40 years for buildings, 2 to 10 years for furniture and equipment, and up to the lease term for leasehold improvements. Capitalized leased assets are amortized on a straight line basis over the lives of the respective leases.

OTHER REAL ESTATE - Real estate acquired by foreclosure is carried at the lower of the investment in the property or its fair value. An allowance for estimated losses on real estate is provided by a charge to operating expense when a subsequent decline in value occurs. Operating expenses of such properties, net of related income, and gains and losses on disposition are included in other expenses.

PURCHASE ACCOUNTING - At date of purchase, net assets of subsidiaries acquired are recorded at fair value. Any excess of cost over net assets acquired (goodwill) is amortized by the straight-line method over fifteen to twenty-five years. Management reviews the earnings of the operations acquired for evidence of impairment of the unamortized amount.

INCOME TAXES - Income tax expense is based on the taxes due on the consolidated tax return plus deferred taxes based on the expected future tax consequences of temporary differences between carrying amounts and tax bases of assets and liabilities, using enacted tax rates.

EARNINGS PER SHARE - The Company adopted the Financial Accounting Standards Board Statement No. 128, EARNINGS PER SHARE, effective December 31, 1997. Statement 128 replaces the previous calculations of "primary" and "fully diluted" earnings per share (EPS) with "basic" and "diluted" EPS, respectively.

Basic EPS is calculated by dividing net income available to common shareholders by the weighted-average number of common shares outstanding. The most significant change from the former method is that the effect of stock options is no longer included in the calculation of basic EPS.

Diluted EPS adjusts of number of weighted-average shares of common stock outstanding under the treasury stock method, which includes the dilutive effect of stock options. The most significant change is that the treasury stock method is now applied using the AVERAGE MARKET PRICE for the period rather than the higher of the average market price or the ending market price.

The Company has restated all prior period EPS calculations to conform with Statement 128. (See Note 21 - Earnings Per Share.)

COMPREHENSIVE INCOME - The Company adopted the Financial Accounting Standards Board Statement No. 130, REPORTING COMPREHENSIVE INCOME, effective December 31, 1998. Under a new accounting standard, comprehensive income is now reported for all periods. Comprehensive income includes both net income and other comprehensive income. Other comprehensive includes the change in unrealized gains and losses on securities available-for-sale. Available-for-sale securities are reported at fair value, with unrealized gains and losses included as a separate component of accumulated other comprehensive income.

SEGMENT INFORMATION - The Company adopted the Financial Accounting Standards Board Statement No. 131, OPERATING SEGMENT DATA, effective December 31, 1998. This new accounting standard requires the segmentation of the Company's financial reporting as it is reported internally by management. The Company currently does not segment its financial statements for internal purposes as it is deemed to currently operate within the same economic and regulatory environment.

RECLASSIFICATION - Certain reclassifications have been made in the prior year financial statements to conform to current classifications.

2. BUSINESS COMBINATIONS

On June 26, 1998 the Corporation chartered a new national association to operate as a national bank in the state of West Virginia. This new wholly owned subsidiary, Community Trust Bank of West Virginia, National Association (CTBWV), purchased sixteen Banc One Corporation branches located in West Virginia with approximately $569 million in deposits. CTBWV paid a 9.7% premium on these deposits. In concurrent transactions, CTBWV sold three of these branches with deposits totaling $151 million to Premier Financial Bancorp, Inc. of Georgetown, Kentucky receiving a 9.7% premium; four branches with deposits totaling $122 million to Peoples Banking and Trust Company of Marietta, Ohio receiving a 10.7% premium; and two branches with deposits totaling $80 million to United Bankshares of Charles Town, West Virginia receiving 11.7% premium. The additional 1% premium paid by Peoples Banking and Trust Company and the additional 2% premium paid by United Bankshares was divided evenly between CTBWV and Premier Financial Bancorp, Inc. as part of a prior agreement.

CTBWV retained seven branches with deposits totaling $216 million. The funds used to capitalize the newly chartered CTBWV were provided from the sale of Trust Preferred Securities that occurred in April 1997 and the sale of an affiliate bank in July 1997. The facilities that were purchased will continue to operate as banking offices. This acquisition will assist in growth of the Company outside of Kentucky and provide a new customer base for generating additional revenues.

On September 18, 1998 Community Trust Bank, NA purchased five branches from PNC Bank, NA with total deposits of $195 million. These branches are located in Richmond, Winchester and Harrodsburg, Kentucky.

On December 31, 1998 Community Trust Bank of West Virginia, NA merged into Community Trust Bank, NA. This merger will allow the Corporation to become operationally more efficient.

3. CASH AND DUE FROM BANKS

Included in cash and due from banks are noninterest bearing deposits that are held at the Federal Reserve or maintained in vault cash in accordance with regulatory reserve requirements. The balance requirement was $39.1 million at December 31, 1998, and $24.1 million at December 31, 1997. Cash paid during the years ended 1998, 1997 and 1996 for interest was $83.6 million, $73.6 million and $68.2 million, respectively. Cash paid during the same periods for income taxes was $3.4 million, $11.6 million and $8.1 million, respectively.

4. SECURITIES

Amortized cost and fair value of securities at December 31, 1998 are as follows:

<TABLE>
<CAPTION>

Available-for-sale (in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and government agencies	$ 87,597	$ 885	$ (7)	$ 88,475
States and political subdivisions	17,518	274	(16)	17,776
U.S. agency mortgage-backed pass through certificat	134,030	948	(194)	134,784
Collateralized mortgage obligations	37,140	183	(44)	37,279
Other debt securities	2,156	--	(6)	2,150

Total debt securities	278,441	2,290	(267)	280,464
MArketable equity securities	20,457	131	0	20,588
	$ 298,898	$ 2,421	$ (267)	$ 301,052

</TABLE>

<TABLE>
<CAPTION>

Held-to-maturity (in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and government agencies	$ 12,984	$ 21	$ (1,639)	$ 11,366
States and political subdivisions	41,442	1,436	--	42,878
U.S. agency mortgage-backed pass through certificates	23,883	42	(22)	23,903
COLLATERALIZED MORTGAGE OBLIGATIONS	5,050	--	(13)	5,037
	$ 83,359	$ 1,499	$ (1,674)	$ 83,184

</TABLE>

Amortized cost and fair value of securities at December 31, 1997 are as follows:

<TABLE>
<CAPTION>

Available-for-sale (in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and government agencies	$ 35,275	$ 413	$ (125)	$ 35,563
States and political subdivisions	5,055	144	(2)	5,197
U. S. agency mortgage-backed pass through certificates	85,743	716	(274)	86,185
Collateralized mortgage obligations	17,725	33	(87)	17,671
OTHER DEBT SECURITIES	2,196	--	(28)	2,168
Total debt securities	145,994	1,306	(516)	146,784
Marketable equity securities	18,711	116	--	18,827
	$ 164,705	$ 1,422	$ (516)	$ 165,611

</TABLE>

<TABLE>
<CAPTION>

Held-to-maturity (in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and government agencies	$ 19,962	$ 25	$ (1,917)	$ 18,070
States and political subdivisions	46,296	1,245	(4)	47,537
U.S. agency mortgage-backed pass through certificates	42,316	138	(175)	42,279
Collateralized mortgage obligations	7,357	--	(93)	7,264
	$ 115,931	$ 1,408	$ (2,189)	$ 115,150

</TABLE>

The amortized cost and fair value of securities at December 31, 1998, by contractual maturity are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

<TABLE>
<CAPTION>

	Available-for-sale		Held-to-maturity	
(in thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
<S>	<C>	<C>	<C>	<C>
Due in one year or less	$ 36,996	$ 37,065	$ 7,222	$ 7,291
Due after one through five years	51,303	52,132	30,512	29,392
Due after five through ten years	8,835	9,024	10,785	11,242
Due after ten years	7,981	8,030	5,907	6,319
Mortgage-backed pass through certificates and collateralized mortgage obligations	171,170	172,063	28,933	28,940

OTHER SECURITIES	2,156	2,150	-	-
	278,441	280,464	83,359	83,184
Marketable equity securities	20,457	20,588	-	-
	$298,898	$ 301,052	$83,359	$ 83,184

</TABLE>

Gross gains of $12 thousand were realized on sales and calls in 1998 and gross gains of $552 thousand and gross losses of $504 thousand were realized on sales and calls in 1997.

Securities in the amount of $184 million and $174 million at December 31, 1998 and 1997, respectively, were pledged to secure public deposits, trust funds, securities sold under repurchase agreements, and advances from the Federal Home Loan Bank.

5. LOANS

Major classifications of loans, net of unearned income, are summarized as follows:

<TABLE>
<CAPTION>

December 31 (in thousands)	1998	1997
<S>	<C>	<C>
Commercial, secured by real estate	$ 329,611	$ 310,092
Commercial, other	279,406	260,808
Real estate - commercial construction	74,023	76,131
Real estate - residential construction	13,602	9,694
Real estate - consumer mortgage	399,035	407,893
Consumer	400,893	361,927
Equipment lease financing	5,816	1,884
	$ 1,502,386	$ 1,428,429

</TABLE>

Included in loan balances are loans held for sale in the amount of $3.6 million and $0.9 million at December 31, 1998 and December 31, 1997, respectively. The amount of loans on a non-accruing income status was $14.9 million and $12.1 million at December 31, 1998 and 1997, respectively. Additional interest which would have been recorded during 1998, 1997 and 1996 if such loans had been accruing interest was approximately $1.5 million, $1.3 million, and $0.8 million, respectively.

In the ordinary course of business, the Corporation's banking subsidiaries have made loans at prevailing interest rates and terms to directors and executive officers of the Corporation or its banking subsidiaries, including their associates (as defined by the Securities and Exchange Commission). Management believes such loans were made on substantially the same terms, including interest rate and collateral, as those prevailing at the same time for comparable transactions with other persons. The aggregate amount such loans at January 1, 1998 was $ 21.8 million. During 1998, activity with respect to these loans included new loans of $6.1 million, repayments of $1.6 million, and a net increase of $6.2 million due to changes in the status of executive officers and directors. As a result of these activities, the aggregate balance of these loans was $32.5 million at December 31, 1998.

At December 31, 1998 and 1997, the recorded investment in impaired loans was $13.1 million and $11 million, respectively. Included in these amounts at December 31, 1998 and December 31, 1997, respectively are $2.4 million and $2.4 million of impaired loans for which specific reserves for loan losses are carried in the amounts of $1.9 million and $1.6 million. The average investment in impaired loans for 1998 and 1997 was $13.1 million and $11 million, respectively while interest income of $294 thousand and $258 thousand was recognized on cash payments of $294 thousand and $258 thousand.

6. ALLOWANCE FOR LOSSES

Activity in the allowance for loan losses is as follows:

<TABLE>
<CAPTION>

(in thousands)	1998	1997	1996

Balance, beginning of year	$ 20,465	$ 18,825	$ 16,082
Balances of acquired banks	1,066	-	-
Provisions charged to operations	16,008	11,154	7,285
Recoveries	4,365	3,317	2,446
Charge-offs	(15,815)	(12,253)	(6,988)
Allowance of sold bank	-	(578)	-
Balance, end of year	$ 26,089	$ 20,465	$ 18,825

Activity in the allowance for other real estate losses is as follows:

(in thousands)	1998	1997	1996
Balance, beginning of year	$ 638	$ 617	$ 624
Provisions charged to operations	115	78	79
Charge-offs	(130)	(19)	(86)
ALLOWANCE OF SOLD BANK	-	(38)	-
Balance, end of year	$ 623	$ 638	$ 617

Other real estate owned by the Corporation, net of reserves, at December 31, 1998 and 1997 was $2.5 million and $2.7 million, respectively.

7. PREMISES AND EQUIPMENT

Premises and equipment are summarized as follows:

December 31 (in thousands)	1998	1997
Land and buildings	$ 53,877	$ 46,558
Leasehold improvements	5,007	4,224
Furniture, fixtures and equipment	31,382	26,662
Construction in progress	619	2,416
	$ 90,885	$ 79,860
Less accumulated depreciation and Amortization	(36,089)	(32,192)
	$ 54,796	$ 47,668

Depreciation and amortization of premises and equipment for 1998, 1997 and 1996 was $3.9 million, $3.8 million, and $3.7 million, respectively.

8. DEPOSITS

Interest expense on deposits is categorized as follows:

(in thousands)	1998	1997	1996
Savings, NOW and money market accounts	$ 15,369	$ 12,557	$ 12,721
Certificates of deposit of $100 thousand or more	16,011	14,726	15,531
Other time deposits	39,209	34,906	32,324
	$ 70,589	$ 62,189	$ 60,576

Time certificates of deposit outstanding in denominations of $100 thousand or more were $291 million and $253 million at December 31, 1998 and 1997, respectively.

9. LONG-TERM DEBT

Long-term debt is categorized as follows:

December 31 (in thousands)	1998	1997
Parent Company:		
Six Year Senior Notes, 7.375% interest	$ --	$ 5,000
Ten Year Senior Notes, 8.25% interest, due January 1, 2003	12,230	12,230
Trust Preferred Securities	34,500	34,500
Revolving bank note, interest at prime minus 50 basis points, maximum borrowing of $17,500,000, expires December 31, 2000	5,500	--
Subsidiaries:		
Other	1,593	1,733
	$53,823	$53,463

The Ten Year Senior Notes are redeemable, in whole or in part, at the option of the Corporation at any time on or after January 1, 1999, at a price beginning at 102% of par and decreasing annually until scheduled final maturity.

In April 1997, CTBI Preferred Capital Trust ("CTBI Trust"), a trust created under the laws of the State of Delaware, issued $34.5 million of 9.0% cumulative trust preferred securities ("Preferred Securities"). The Corporation owns all of the beneficial interests represented by common securities ("Common Securities") of CTBI Trust, which exists for the sole purpose of issuing the Preferred Securities and Common Securities and investing the proceeds thereof in an equivalent amount of 9.0% Subordinated Debentures which were issued by the Corporation. The Subordinated Debentures will mature on March 31, 2027, and are unsecured obligations of the Corporation. The Subordinated Debentures are irrevocably and unconditionally guaranteed by the Corporation and are subordinate and junior in right of payment to all senior debt and other subordinated debt. There are no payments due for this debt in the next five years.

10. ADVANCES FROM FEDERAL HOME LOAN BANK

The advances from the Federal Home Loan Bank are due for repayment as follows:

December 31 (in thousands)	1998	1997
Due in one year or less	$ 3,505	$ 31,443
Due in one to five years	44,806	64,892
Due in five to ten years	2,419	4,668
Due after ten years	654	824
	$ 51,384	$ 101,827

These advances generally require monthly principal payments and are collateralized by Federal Home Loan Bank stock of $14.1 million and $77.1 million of certain first mortgage loans as of December 31, 1998. Fixed rates advances total $20 million and have interest rates ranging from 1.00% to 7.05%. Variable rate advances total $31 million with rates immediately adjustable based on LIBOR.

11. FEDERAL INCOME TAXES

The components of the provision for income taxes, exclusive of tax effects of unrealized securities gains, are as follows:

<TABLE>
<CAPTION>

(in thousands)	1998	1997	1996
Currently payable	$ 5,327	$ 9,079	$ 8,027
Deferred	(1,420)	(1,155)	444
	$ 3,907	$ 7,924	$ 8,471

The components of the net deferred tax asset as of December 31 are as follows:

(in thousands)	1998	1997
Deferred Tax Assets		
Allowance for loan losses	$ 9,131	$ 7,163
Allowance for other real estate losses	--	117
Accrued expenses	240	148
Deferred compensation	212	212
OTHER	599	583
Total deferred tax assets	$ 10,182	$ 8,223
Deferred Tax Liabilities		
Depreciation	$ (3,692)	$ (3,556)
FHLB stock dividends	(1,543)	(1,226)
Other	(439)	(353)
Total deferred tax liabilities	$ (5,674)	$ (5,135)
Net deferred tax asset	$ 4,508	$ 3,088

The Corporation reports income taxes on the liability method, which places primary emphasis on the valuation of current and deferred tax assets and liabilities. The amount of income tax expense recognized for a period is the amount of income taxes currently payable or refundable, plus or minus the change in aggregate deferred tax assets and liabilities. The method focuses first on the balance sheet, and the amount of income tax expense is determined by changes in the components of the balance sheet.

A reconciliation between federal income tax at the statutory rate and income tax expense is as follows:

(in thousands)	1998	1997	1996
Tax at statutory rate	$ 6,256	$ 8,367	$ 9,543
Tax-exempt interest	(1,270)	(1,061)	(1,295)
Other, net	(1,079)	618	223
	$ 3,907	$ 7,924	$ 8,471

In 1998, OTHER, NET includes the reversal of $1,500 in tax accruals after substantial issues related to an examination of prior years were settled.

12. EMPLOYEE BENEFITS

The Corporation has a KSOP plan covering substantially all employees. Half of the first 8% of wages contributed by an employee is matched and goes into the savings and retirement portion of the plan. Employees may contribute additional non-matched amounts up to maximum limits provided by IRS regulations, and the Corporation may at its discretion, contribute an additional percentage of covered employees' gross wages.

The Corporation currently contributes 4% of covered employees gross wages to the employee stock ownership plan (ESOP) portion of the plan. The ESOP uses the contribution to acquire shares of the Corporation's common stock. The ESOP portion of the KSOP plan owned 220,589 shares of Corporation stock at December 31, 1998. The 401(k) portion of the KSOP plan owned 399,559 shares of Corporation stock at December 31, 1998. Substantially all shares owned by the KSOP were allocated to employees' accounts at December 31, 1998. The market price of the shares at the date of allocation is essentially the same as the market price at the date of purchase.

The total retirement plan expense, including KSOP expense above, for 1998, 1997 and 1996 was $1.4 million, $1.3 million, and $1.2 million, respectively.

The Corporation currently maintains two incentive stock option plans covering key employees; however, only one plan is active. The new plan was approved by the Board of Directors and the Shareholders in 1998. The new plan has 650,000 shares authorized, 639,000 of which were available at December 31, 1998 for future grants. All options granted have a maximum term of ten years. Options granted as management retention options vest after five years, all other options vest ratably over four years.

The Corporation has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25) and related interpretations in accounting for its employee stock options because the alternative fair value accounting provided for under FASB Statement No. 123, "Accounting for Stock-Based Compensation", requires use of option valuation models that were not designed for use in valuing employee stock options. Under APB 25, because the exercise price of all employee stock options equals the market price of the underlying stock on the date of the grant, no compensation expense is recognized.

The Corporation's stock option activity for the new plan ended December 31, 1998 is summarized as follows:

<TABLE>
<CAPTION>

	December 31, 1998	
	Options	Weighted-Average Exercise Price
<S>	<C>	<C>
Outstanding at beginning of period	-	$ -
Granted	11,000	30.70
Exercised	-	-
Forfeited/Expired	-	-
Outstanding at end of period	11,000	$ 30.70
Exercisable at end of period	-	$ -

</TABLE>

The old stock option plan doesn't have any options available for grant. The maximum term is ten years. Options granted as management retention options vest after five years, all other options vest ratably over four years.

The Corporation's stock option activity for the old plan and related information for both plans for the period ended December 31, 1998 and December 31, 1997 is summarized as follows:

<TABLE>
<CAPTION>

	December 31,1998		December 31, 1997	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>
Outstanding at beginning of period	285,768	$20.66	255,333	$18.48
Granted	3,000	31.13	140,085	23.24
Exercised	(3,269)	20.46	(23,032)	13.18
Forfeited/Expired	(57,279)	22.15	(86,618)	20.39
Outstanding at end of period	228,220	$20.43	285,768	$20.66
Exercisable at end of period	47,552	$17.48	37,918	$16.33

</TABLE>

The weighted-average fair value of options granted during the years 1997 and 1998 was $5.26 and $8.22 per share, respectively. Exercise prices for options outstanding as of December 31, 1998 ranged from $9.70 to $31.36. The weighted-average remaining contractual life of these options is 8.0 years.

The fair value of the options presented above was estimated at the date of the grant using a Black-Scholes option pricing model with the following weighted average assumptions for 1998 and 1997, respectively: risk-free interest rates of 5.00% and 5.50%; dividend yields of 3.45% and 2.70%; volatility factors of the expected market price of the Corporation's common stock of .310 and .209 and a weighted average expected option life of 6.0 years. Because the effect of applying Statement 123's fair value method to the Corporation's stock options results in net income and earnings per share amounts that are not materially different from those reported in the consolidated statements of income, pro forma information has not been provided.

13. OPERATING LEASES

Certain premises and equipment are leased under operating leases. Minimum rental payments are as follows:

<TABLE>
<CAPTION>

(in thousands)	
1999	$ 1,309
2000	1,140
2001	996
2002	788
2003	279
THEREAFTER	3,392
	$ 7,904

</TABLE>

Rental expense under operating leases was $1.0 million, $0.9 million, and $0.8 million in 1998, 1997 and 1996, respectively.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents - The carrying amount approximates fair value.

Securities - Fair values are based on quoted market prices or dealer quotes.

Loans and Loans Held for Sale - The fair value of fixed rate loans and variable rate mortgage loans is estimated by discounting the future cash flows using current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. For other variable rate loans, the carrying amount approximates fair value.

Deposits - The fair value of demand deposits, savings accounts and money market deposits is the amount payable on demand at the reporting date. The fair value of fixed-maturity certificates of deposit is estimated by discounting the future cash flows using the rates currently offered for deposits of similar remaining maturities.

Short-Term Borrowings - The carrying amount approximates fair value.

Advances from Federal Home Loan Bank - The fair value of these fixed-maturity advances is estimated by discounting future cash flows using the rates currently offered for advances of similar remaining maturities.

Long-Term Debt - The interest rate on the Corporation's long-term debt is variable or approximates current market rates for similar instruments and therefore the carrying amount approximates fair value.

Other Financial Instruments - The estimated fair value for other financial instruments and off-balance sheet loan commitments approximates cost at December 31, 1998 and 1997 and is not considered significant.

<TABLE>
<CAPTION>

	1998		1997	
December 31 (in thousands)	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value

Financial assets:				
Cash and cash equivalents	$ 233,133	$ 233,133	$ 61,404	$ 61,404
Securities	384,411	384,236	281,542	280,761
Loans	1,502,386	1,521,170	1,428,429	1,452,692
Less: allowance for loan losses	(26,089)	--	(20,465)	--
	$ 2,093,841	$ 2,138,539	$ 1,750,910	$ 1,794,857
Financial liabilities:				
Deposits	$ 1,921,141	$ 1,930,181	$ 1,465,003	$ 1,473,543
Short-term borrowings	43,405	43,405	57,949	47,719
Advances from Federal Home Loan Bank	51,384	51,677	101,827	100,984
Long-term Debt	53,823	53,823	53,463	53,463
	$ 2,069,753	$ 2,079,086	$ 1,678,242	$ 1,675,709

</TABLE>

15. OFF-BALANCE SHEET TRANSACTIONS

The Corporation's banking subsidiaries are a party to transactions with off-balance sheet risk in the normal course of business to meet the financing needs of their customers. These financial instruments include standby letters of credit and commitments to extend credit in the form of unused lines of credit. The Corporation's banking subsidiaries use the same credit policies in making commitments and conditional obligations as they do for on-balance sheet instruments and include these commitments and conditional obligations in their calculations as to the adequacy of their allowances for loan losses.

At December 31, the Banks had the following financial instruments, whose approximate contract amounts represent credit risk:

<TABLE>
<CAPTION>

(in thousands)	1998	1997
Standby letters of credit	$ 15,102	$ 14,822
Commitments to extend credit	223,477	182,306

</TABLE>

Standby letters of credit represent conditional commitments to guarantee the performance of a third party. The credit risk involved is essentially the same as the risk involved in making loans.

Fixed rate loan commitments at December 31, 1998 of $12.5 million have interest rates ranging predominately from 6.0% to 18.0% and are for terms up to 5 years. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The Banks evaluate each customer's credit-worthiness on a case-by-case basis. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. A portion of the commitments are to extend credit at fixed rates. These credit commitments are based on prevailing rates, terms and conditions applicable to other loans being made at December 31, 1998. Collateral held varies but may include accounts receivable, inventory, property and equipment and income-producing properties.

16. CONCENTRATION OF CREDIT RISK

The Corporation's banking subsidiaries grant commercial, residential and consumer related loans to customers primarily located in Eastern Kentucky, Central Kentucky and West Virginia. The banking subsidiaries are continuing to increase all components of their portfolio mix in a manner to reduce risk from changes in economic conditions. Although these loan portfolios are diverse, a certain portion of our debtor's are economically dependent upon the coal industry for their ability to repay.

17. COMMITMENTS AND CONTINGENCIES

The Corporation and Bank, along with several of their officers, are named defendants in legal actions from normal business activities. Management, after consultation with legal counsel, believes these actions are without merit or that the ultimate liability, if any, will not materially affect the Corporation's consolidated financial position.

18. LIMITATION ON SUBSIDIARY BANK DIVIDENDS

The Corporation's principal source of funds is dividends received from the subsidiary banks. Regulations limit the amount of dividends that may be paid by the Corporation's banking subsidiaries without prior approval. During 1999, approximately $14.5 million plus any 1999 net profits can be paid by the Corporation's banking subsidiaries without prior regulatory approval.

19. REGULATORY MATTERS

The Corporation and its banking subsidiaries are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory - and possibly additional discretionary - actions by regulators that, if undertaken, could have a direct material adverse effect on the Corporation's financial statements. Under capital adequacy and the regulatory framework for prompt corrective action, the Corporation must meet specific capital guidelines that involve quantitative measures of the Corporation's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Corporation's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Corporation to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I Capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier I Capital (as defined) to average assets (as defined). These measures also define banks and bank holding companies as "well-capitalized" which meet or exceed higher minimum amounts and ratios (also set forth in the table below.) Management believes, as of December 31, 1998, that the Corporation meets all capital adequacy requirements for which it is subject to be defined as well-capitalized.

<TABLE>
<CAPTION>

	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
(in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
<S>	<C>	<C>	<C>	<C>	<C>	<C>
AS OF DECEMBER 31, 1998						
Total Capital (to Risk Weighted Assets)	$154,882	9.75%	$127,047	8.00%	$158,809	10.00%
Tier I Capital (to Risk Weighted Assets)	134,954	8.50%	63,523	4.00%	95,285	6.00%
Tier I Capital (to Average Assets)	134,954	6.09%	88,654	4.00%	110,818	5.00%
AS OF DECEMBER 31, 1997						
Total Capital (to Risk Weighted Assets)	$191,733	13.69%	$112,051	8.00%	$140,063	10.00%
Tier I Capital (to Risk Weighted Assets)	174,189	12.44%	56,025	4.00%	84,038	6.00%
Tier I Capital (to Average Assets)	174,189	9.57%	72,800	4.00%	91,000	5.00%

</TABLE>

20. PARENT COMPANY FINANCIAL STATEMENTS

<TABLE>
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CONDENSED BALANCE SHEETS

December 31 (in thousands)	1998	1997
<S>	<C>	<C>
ASSETS		
Cash on deposit	$ 3,102	$ 42,814
Securities available-for-sale	1,725	13,246

Investment in and advances to subsidiary banks	207,398	144,983
Excess of cost over net assets acquired (net of accumulated amortization)	6,173	6,572
OTHER ASSETS	2,226	5,001
Total Assets	$ 220,624	$212,616
LIABILITIES AND SHAREHOLDERS' EQUITY		
Long-term debt	$ 52,230	$ 51,730
OTHER LIABILITIES	3,599	2,867
Total liabilities	55,829	54,597
Shareholders' equity	164,795	158,019
Total Liabilities and Shareholders' Equity	$ 220,624	$212,616

</TABLE>

<TABLE>
<CAPTION>

CONDENSED STATEMENTS OF INCOME

Year Ended December 31 (in thousands)	1998	1997	1996
<S>	<C>	<C>	<C>
Income:			
Dividends from subsidiary banks	$ 4,372	$ 21,747	$ 22,999
Other income	1,812	4,073	8,358
Total income	6,184	25,820	31,357
Expenses:			
Interest expense	4,616	3,710	1,874
Amortization expense	406	462	474
Other expenses	726	1,354	12,519
Total expenses	5,748	5,526	14,867
Income before income taxes and equity in undistributed income of subsidiaries	436	20,294	16,490
Income tax benefit	(1,772)	(224)	(2,415)
Income before equity in undistributed income of subsidiaries	2,208	20,518	18,905
Equity in undistributed income of subsidiaries	11,761	(1,449)	(110)
Net Income	$ 13,969	$ 19,069	$ 18,795

</TABLE>

<TABLE>
<CAPTION>

CONDENSED STATEMENTS OF CASH FLOWS

Year Ended December 31 (in thousands)	1998	1997	1996
<S>	<C>	<C>	<C>
Cash Flows From Operating Activities:			
Net income	$ 13,969	$ 19,069	$ 18,795
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization, net	406	462	476
Equity in undistributed earnings of subsidiaries	(11,761)	1,449	110
Change in other assets and liabilities, net	3,674	6,816	(4,936)
Net cash provided by operating activities	6,288	27,796	14,445
Cash Flows From Investing Activities:			
Change in securities available-for-sale	11,247	(7,908)	(481)
Proceeds from sale of subsidiary	--	4,860	--
Investments in and advances to subsidiaries	(49,632)	(8,959)	(1,000)
Net cash used in investing activities	(38,385)	(12,007)	(1,481)
Cash Flows From Financing Activities:			
Dividends paid	(8,118)	(7,276)	(6,569)
Net proceeds from issuance of common stock	3	247	54

Net change in short-term borrowings	--	(2,531)	--
Repayment of long-term debt	(5,000)	--	(8,700)
Proceeds from long-term debt	5,500	34,500	1,000
Net cash (used in) provided by financing activities	(7,615)	24,940	(14,215)
Net (decrease) increase in cash and cash equivalents	(39,712)	40,729	(1,251)
Cash and cash equivalents at beginning of year	42,814	2,085	3,336
Cash and Cash Equivalents At End of Year	$ 3,102	$ 42,814	$ 2,085

</TABLE>

21. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31 1998	1997	1996
	(In thousands, except per share data)		
Numerator:			
Net income before extraordinary gain	$ 13,969	$ 15,984	$ 18,795
Extraordinary gain	-	3,085	-
Net income after extraordinary gain	$ 13,969	$ 19,069	$ 18,795
Denominator:			
Basic earnings per share:			
Weighted average shares	10,062,780	10,058,835	10,037,503
Diluted earnings per share:			
Effect of dilutive securities - stock options	66,667	60,710	19,036
Adjusted weighted average shares	10,129,447	10,119,545	10,056,539
Earnings per share:			
Basic earnings per share before extraordinary gain	$ 1.39	$ 1.59	$ 1.87
Basic earnings per share extraordinary gain	-	0.31	-
Basic earnings per share after extraordinary gain	1.39	1.90	1.87
Diluted earnings per share before extraordinary gain	1.38	1.58	1.87
Diluted earnings per share extraordinary gain	-	0.30	-
Diluted earnings per share after extraordinary gain	$ 1.38	$ 1.88	$ 1.87

</TABLE>

22. SPECIAL CHARGES

In September 1998, the Corporation announced initiatives to reduce costs that included staff reductions, consolidation of operations and related costs for redundant locations and equipment. A $900,000 charge was recorded in conjunction with these actions. Approximately, $170,000 has been expended in 1998. Of the amounts expended in 1998, $148,000 was for staff reductions and $22,000 was for consolidation of operations. Expected expenditures for 1999 include $630,000 for consolidation of operations and related costs for redundant locations and equipment and $100,000 for additional costs related to staff reductions.

Report of Management:

The management of Community Trust Bancorp, Inc. has the responsibility for the preparation, integrity and reliability of the financial statements and related financial information contained in this annual report. Management believes the consolidated financial statements and related financial information reflect fairly the substance of the transactions and present fairly the Corporation's financial position and results of operations in conformity with generally accepted accounting principles and prevailing practices within the banking industry including necessary judgments and estimates as required.

In meeting its responsibilities for the reliability of the financial statements and related financial information, management has established and is responsible for maintaining a system of internal accounting controls. The system is designed to provide reasonable assurance that assets are safeguarded and that transactions are properly authorized and recorded to facilitate preparation of financial statements which present fairly the financial position and results of operations of the Corporation in accordance with generally accepted accounting principles. Although internal accounting controls are designed to achieve these objectives, it must be recognized that errors or irregularities may nonetheless occur. Management believes that its system of internal accounting controls provides reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a reasonable period of time in the normal course of business. A vital part of the system is a continual and thorough internal audit program.

The board of directors of the Corporation has an audit committee composed of four directors who are not officers or employees of the Corporation. The committee meets periodically with management, internal auditors and the independent public accountants to review audit results and to assure that the audit and internal control functions are being properly discharged.

Ernst & Young LLP, independent public accountants have been engaged to render an independent professional opinion on the Corporation's financial statements. Their audit is conducted in accordance with generally accepted auditing standards and forms the basis for their reports as to the fair presentation of the Corporation's financial position and results of operations contained in this annual report.

Management has made an assessment of the Corporation's internal control structure and procedures over financial reporting using the criteria described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organization of the Treadway Commission. Based on that assessment, management believes that the Corporation maintained an effective system of internal control for financial reporting as of December 31, 1998.

Burlin Coleman
Chairman, President and Chief Executive Officer

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEMS 10, 11, 12 AND 13. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT; EXECUTIVE COMPENSATION; SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT; AND CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information required by these Items other than the information set forth above under Part I, "Executive Officers of Registrant", is omitted because the Corporation is filing a definitive proxy statement pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report which includes the required information. The required information contained in the Corporation's proxy statement is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The following documents are filed as a part of this report:

Financial Statements and Financial Statement Schedules- See Index to consolidated Financial statements at Item 8 of this report.

Exhibit No.	Description of Exhibits
2.1	Agreement and Plan of Reorganization dated September 27, 1994 between Community Trust Bancorp, Inc. and Woodford Bancorp, Inc. (Incorporated by reference to registration statement no. 33-90448).

2.2 Amendment No. 1 to Agreement and Plan of Reorganization dated September 27, 1994 between Community Trust Bancorp, Inc. and Woodford Bancorp, Inc., as amended February 7, 1995 (Incorporated by reference to registration statement no. 33-90448).

2.3 Amendment No. 2 to Agreement and Plan of Reorganization dated September 27, 1994 between Community Trust Bancorp, Inc. and Woodford Bancorp, Inc., as amended March 2, 1995 (Incorporated by reference to registration statement no. 33-90448).

3.1 Articles of Incorporation and all amendments thereto (Incorporated by reference to registration statement no. 33-35138).

3.2 By-laws of the Corporations, as amended July 25,1995 (Incorporated by reference to registration statement no. 33-61891).

10.1 Pikeville National Corporation Savings and Employee Stock Ownership Plan (Commonly known as Community Trust Bancorp, Inc. Savings and Employee Stock Ownership Plan) (Incorporated by reference to registration statement no. 33-18961).

10.2 Second restated Pikeville National Corporation 1989 Stock Option Plan (Commonly known as Community Trust Bancorp, Inc. 1989 Stock Option Plan) (Incorporated by reference to registration statement no. 33-36165).

10.3 Community Trust Bancorp, Inc. 1998 Stock Option Plan (Incorporated by reference to registration statement no. 333-74217).

21 List of subsidiaries.

23.1 Consent of Ernst & Young LLP, Independent Auditors.

23.2 Consent of Ernst & Young LLP, Independent Auditors.

27 Financial Data Schedule.

(b) Reports on Form 8-K required to be filed during the last quarter of 1998

None.

(c) Exhibits

The response to this portion of Item 14 is submitted as a separate section of this report.

(d) Financial Statement Schedules

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf the undersigned, thereunto duly authorized.

COMMUNITY TRUST BANCORP, INC.

March 12, 1999 By: /s/ Burlin Coleman

Burlin Coleman
Chairman, President
Chief Executive Officer

/s/ Kevin Stumbo

Kevin Stumbo
Chief Accounting Officer

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Corporation and in the capacities and on the date indicated.

March 12, 1999	/s/ Burlin Coleman ------------------------------- Burlin Coleman	Chairman of the Board, President, Chief Executive Officer and Director
March 12, 1999	/s/ Jean R. Hale ------------------------------- Jean R. Hale	Secretary & Director
March 12, 1999	/s/ Charles J. Baird ------------------------------- Charles J. Baird	Director
March 12, 1999	/s/ Nick A. Cooley ------------------------------- Nick A. Cooley	Director
March 12, 1999	/s/ William A. Graham, Jr. ------------------------------- William A. Graham, Jr.	Director
March 12, 1999	/s/ M. Lynn Parrish ------------------------------- M. Lynn Parrish	Director
March 12, 1999	/s/ E. M. Rogers ------------------------------- E. M. Rogers	Director
March 12, 1999	/s/ Steven L. Lawson ------------------------------- Steven L. Lawson	Director

COMMUNITY TRUST BANCORP, INC. AND SUBSIDIARIES
INDEX TO EXHIBITS

Exhibit No.	
2.1	Agreement and plan of reorganization dated September 27, 1994 between Community Trust Bancorp, Inc. and Woodford Bancorp, Inc., incorporated herein by reference.
2.2	Amendment No. 1 to Agreement and Plan of reorganization dated September 27, 1994 between Community Trust Bancorp, Inc. and Woodford Bancorp, Inc., as amended February 7, 1995 and incorporated herein by reference.
2.3	Amendment No. 2 to Agreement and Plan of reorganization dated September 27, 1994 between Community Trust Bancorp, Inc. and Woodford Bancorp, Inc., as amended March 2, 1995 and incorporated herein by reference.
3.1	Articles of Incorporation for the Corporation, incorporated herein by reference.
3.2	By-laws of the Corporation as amended through the date of this filing, incorporated herein by reference.
10.1	Pikeville National Corporation Savings and Employee Stock Ownership Plan (commonly known as Community Trust Bancorp, Inc. Savings and Employee Stock Ownership Plan), incorporated herein by reference.
10.2	Second restated Pikeville National Corporation 1989 Stock Option Plan (commonly known as Community Trust Bancorp, Inc. 1989 Stock Option Plan), incorporated herein by reference.
10.3	Community Trust Bancorp, Inc. 1998 Stock Option Plan, incorporated herein by reference.

21	List of subsidiaries.
23.1	Consent of Ernst & Young LLP, Independent Auditors.
23.2	Consent of Ernst & Young LLP, Independent Auditors.
27	Financial Data Schedule.

EXHIBIT 21

Subsidiaries of the Registrant

The Corporation has five subsidiaries as of January 1, 1999.

<TABLE>
<CAPTION>

<S>	Jurisdiction of Organization <C>	Shares Owned by Corporation <C>	Percent Voting Stock Held by Corporation <C>
Community Trust Bank, NA Pikeville, Kentucky	United States	285,000 Common	100%
Community Trust Bank, FSB Campbellsville, Kentucky	United States	100 Common	100%
Trust Company of Kentucky, NA Ashland, Kentucky	United States	500 Common	100%
Community Trust Funding Corp	Delaware	100 Common	100%
CTBI Preferred Capital Trust	Delaware	42,720 Common Trust Securities	100%

</TABLE>

All shares of Community Trust Bank, FSB are pledged as collateral on the bank note outstanding to Star Bank, Cincinnati, Ohio.

Exhibit 23.1

Report of Independent Auditors

To the Board of Directors and Shareholders
Community Trust Bancorp, Inc.

We have audited the accompanying consolidated balance sheets of Community Trust Bancorp, Inc. and Subsidiaries as of December 31, 1998 and 1997 and the related consolidated statements of income, changes of shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these statements based on our audits.

We conducted our audit in accordance with general accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community Trust Bancorp, Inc. and Subsidiaries at December 31, 1998 and 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

Columbus, Ohio
January 14, 1999

Ernst & Young LLP

Exhibit 23.2

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-74217) of our report dated January 14, 1999, with respect to the consolidated financial statements of Community Trust Bancorp, Inc. included in the Annual Report (Form 10-K) for the year ended December 31, 1998.

/s/ Ernst & Young LLP

Columbus, Ohio
March 22, 1999

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