

COMMUNITY TRUST BANCORP INC /KY/  
Form 11-K  
June 28, 2018  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK REPURCHASE, SAVINGS AND SIMILAR PLANS  
PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO  
FEE REQUIRED]

For the fiscal year ended December 31, 2017

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934 [FEE REQUIRED]

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-11129

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

COMMUNITY TRUST BANCORP, INC.  
SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

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

Kentucky  
(State or other jurisdiction of incorporation or organization) 61-0979818  
IRS Employer Identification No.

346 North Mayo Trail  
Pikeville, Kentucky  
(address of principal executive offices) 41501  
(Zip Code)

(606) 432-1414  
(Registrant's telephone number)

Community Trust Bancorp, Inc.  
Savings Plan

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Consent of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

Plan Administrator, Plan Participants  
and Audit Committee  
Community Trust Bancorp, Inc. Savings Plan  
Pikeville, Kentucky

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of Community Trust Bancorp, Inc. Savings Plan (Plan) as of December 31, 2017 and 2016, the related statements of changes in net assets available for benefits for the years then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of

December 31, 2017 and 2016, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis of Opinion

These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the U.S. Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States).

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control over financial reporting.

Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Report on Supplemental Information

The supplemental information in the accompanying schedules, the schedule of assets (held at year-end) at December 31, 2017, and the schedule of reportable transactions for the year ended December 31, 2017, have been subjected to audit procedures performed in conjunction with the audit of the Plan’s financial statements. The supplemental schedules are the responsibility of the Plan’s management. Our audit procedures included determining whether the supplemental schedules reconcile to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the schedule of assets (held at year-end) at December 31, 2017, and the schedule of reportable transactions for the year ended December 31, 2017, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We have served as the Plan's auditor since 2006.

/s/ BKD, LLP

Louisville, Kentucky

June 28, 2018

Federal Employer Identification Number: 44-0160260

Community Trust Bancorp, Inc.  
Savings Plan

Statements of Net Assets Available for Benefits

December 31, 2017 and 2016

	2017	2016
Assets		
Cash	\$ 1,164	\$ 206,554
Investments at fair value:		
Community Trust Bancorp, Inc. common stock	19,123,589	23,838,413
Mutual funds	41,962,757	36,691,474
Money market funds	6,837,244	4,992,563
Total investments	67,923,590	65,522,450
Receivables:		
Trade settlements receivable	118,045	110,120
Accrued interest and dividends	146,989	168,928
Total receivables	265,034	279,048
Total assets	68,189,788	66,008,052
Liabilities		
Trade settlements payable	0	3,758
Excess contributions payable	36,534	27,675
Total liabilities	36,534	31,433
Net assets available for benefits	\$ 68,153,254	\$ 65,976,619

See notes to financial statements.

Community Trust Bancorp, Inc.  
Savings Plan

## Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2017 and 2016

Additions:	2017	2016
Contributions:		
Participants	\$2,435,771	\$2,364,066
Employer	1,043,424	1,002,021
Rollovers	76,153	515,132
Total contributions	3,555,348	3,881,219
Investment income:		
Net appreciation in fair value of investments	4,104,342	9,821,629
Interest and dividends	2,089,185	1,331,803
Total investment income	6,193,527	11,153,432
Deductions:		
Benefits paid to participants	(7,572,240 )	(3,038,373 )
Increase in net assets available for benefits	2,176,635	11,996,278
Net assets available for benefits:		
Beginning of year	65,976,619	53,980,341
End of year	\$68,153,254	\$65,976,619

See notes to financial statements.

Community Trust Bancorp, Inc.  
Savings Plan

Notes to Financial Statements

As of December 31, 2017 and 2016  
and For the Years Ended December 31, 2017 and 2016

1. Description of Plan

The following description of the Community Trust Bancorp, Inc. Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Document and Summary 401(k) Plan Description for more complete information, which are available from the Plan Administrator.

General

The Plan is a defined contribution plan covering substantially all employees of Community Trust Bancorp, Inc. ("CTBI") and all participating subsidiaries, which include Community Trust Bank, Inc. and Community Trust and Investment Company ("CTIC"). All amounts contributed to the Plan are held by the trustee, CTIC. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

An employee becomes eligible to participate in the Plan on the entry date following the attainment of age twenty-one and completion of twelve consecutive months of employment in which the employee has at least 1,000 hours of service.

Contributions

A participant may elect to make voluntary contributions, through payroll deductions, to the Plan as deferred compensation contributions. For 2017 and 2016, the maximum limit on deferral contributions was \$18,000. Participants age 50 and over may also make a catch-up contributions up to a limit of \$6,000 to the Plan for 2017 and 2016. During 2017 and 2016, CTBI made matching contributions per payroll period equal to 50% of the first 8% of each participant's deferred compensation contributions, not to exceed 4% of such participant's compensation.

Participant Accounts

Each participant's account is credited with employer discretionary contributions if any, employee deferred compensation contributions, and the related employer matching contribution. Earnings or losses on the investments are allocated in proportion to the participant's interest therein.

Each participant is entitled to exercise voting rights attributable to the shares of CTBI common stock allocated to the participant's account. The Retirement and Employee Benefits Committee is not permitted to vote any share for a participant. The trustee votes shares for which a participant has given no instructions.

Participant Investment Account Options

The Plan provides for the establishment of a variety of investment funds and a CTBI common stock fund. These investment funds are participant directed. Participants may transfer account balances between funds, subject to certain limitations. CTBI has the sole discretion to determine or change the number and nature of investment funds.

## Vesting

Participants are immediately vested in their voluntary contributions plus earnings thereon. Vesting in CTBI's contribution portion of their accounts is 100% in cases of normal retirement at age sixty-five, death or total disability. If a participant's employment ceases for any other reason, the full value of his account is payable to him if he has completed at least 1,000 hours or more of vesting service for three plan years. Forfeited non vested accounts are allocated to the accounts of participants who received an allocation of matching contributions in such plan year and who are employed on the last day of that plan year and is based on compensation.

## Payment of Benefits

Distribution of funds as a result of retirement or termination from employment may be made either in a lump sum payment (including CTBI common stock if elected) or payments in cash or CTBI common stock made in equal annual installments over a period of 5 years.

## Forfeited Accounts and Excess Contributions

At December 31, 2017 and 2016, forfeited non-vested accounts totaled \$5,997 and \$7,590, respectively. These accounts will be reallocated to participants in the same manner as employer contributions. Contributions made to the Plan are returned to participants when the Plan fails certain non-discrimination testing. Excess contributions payable, adjusted for earnings, were \$36,534 and \$27,675 as of December 31, 2017 and 2016, respectively. The Plan distributed the 2017 excess contributions before March 15, 2018.

## 2. Summary of Significant Accounting Policies

### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

### Valuation of Investments and Income Recognition

Investments are reported at fair value. Common stocks and mutual funds are valued at the closing price reported on the active market on which the individual securities are traded. Dividend income is recorded on the ex-dividend date. Purchases and sales of securities are recognized on the trade date basis. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### Market Risks and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

The Plan invests in various mutual funds and CTBI common stock. Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

### Administrative Expenses



Administrative expenses of the Plan are paid by the Plan's Sponsor as provided in the Plan document.

#### Payment of Benefits

Distributions to participants are recorded by the Plan when payments are made.

#### 3. Federal Income Tax Status

The Internal Revenue Service ruled on July 17, 2002 that the Plan qualifies under Section 401(a) of the Internal Revenue Code ("IRC") and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its tax-exempt qualification. The Plan has been amended since receiving the initial Internal Revenue Service ruling. The most recent document was submitted and the IRS issued a favorable determination letter dated May 7, 2015. Accordingly, no provision for income taxes has been included in the Plan's financial statements.

#### 4. Plan Termination

Although it has not expressed any intent to do so, CTBI has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination, participants will become fully vested in their accounts.

#### 5. Exempt Party-In-Interest Transactions

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, any employer whose employees are covered by the Plan, and certain others. All amounts contributed to the Plan are held by the trustee, CTIC. Professional fees for the administration and audit of the Plan, investment of assets, and trustee services are paid by CTBI. During the years ended December 31, 2017 and 2016, the Plan received dividend income of \$583,824 and \$640,908, respectively.

The Plan held the following party-in-interest investments (at fair value) at December 31:

	2017	2016
CTBI common stock	\$19,123,589	\$23,838,413
Shares Outstanding	406,021	482,426

#### 6. Terminated Participants

Included in net assets available for benefits are amounts allocated to individuals who have withdrawn from the Plan. Amounts distributed to these participants after December 31, 2017 and 2016 were \$169,714 and \$49,510, respectively.

#### 7. Fair Value of Plan Assets

ASC Topic 820, Fair Value Measurements, defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. In this standard, the FASB clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, ASC Topic 820 specifies a fair value hierarchy that prioritizes the information used to develop those assumptions. There have been no significant changes in the

valuation techniques during the year ended December 31, 2017. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis. The fair value hierarchy is as follows:

Level 1 Inputs – Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 Inputs - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets and liabilities in active markets, quoted prices in inactive markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 Inputs - Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity’s own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Following are descriptions of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy.

#### Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include Community Trust Bancorp, Inc. common stock, mutual funds, and money market funds. Shares of mutual funds are valued at quoted market prices. The fair values of Community Trust Bancorp, Inc. common stock are derived from the closing price reported on the NASDAQ Stock Exchange.

The following tables present the fair value measurements of assets recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the ASC Topic 820, fair value hierarchy in which the fair value measurements fall at December 31, 2017 and December 31, 2016:

	Fair Value Measurements as of December 31, 2017 Using			
	Quoted Prices in			
	Active	Significant	Significant	
	Markets for	Other	Significant	
	Identical	Observable	Unobservable	
	Assets	Inputs	Inputs	
Fair Value	(Level 1)	(Level 2)	(Level 3)	
CTBI common stock	\$19,123,589	\$19,123,589	\$ 0	\$ 0
Mutual funds	41,962,757	41,962,757	0	0
Money market funds	6,837,244	6,837,244	0	0
	\$67,923,590	\$67,923,590	\$ 0	\$ 0

	Fair Value Measurements as of December 31, 2016 Using		
Fair Value	Quoted	Significant	Significant
	Prices in	Other	Unobservable
	Active	Observable	Inputs
	Markets for	Inputs	(Level 3)

		Identical Assets (Level 1)	(Level 2)		
CTBI common stock	\$23,838,413	\$23,838,413	\$ 0	\$	0
Mutual funds	36,691,474	36,691,474	0		0
Money market funds	4,992,563	4,992,563	0		0
	\$65,522,450	\$65,522,450	\$ 0	\$	0

## SUPPLEMENTAL SCHEDULE

Community Trust Bancorp, Inc.  
Savings Plan

Form 5500, Schedule H, Part IV, Line 4i  
EIN 61-0979818, Plan #006  
Schedule of Assets (Held at Year-End)  
December 31, 2017

Identity of Issuer (a)(b)	Description of Investment (c)	Cost (d)	Current Value (e)
<b>Mutual Funds</b>			
Federated Intl Leaders-Inst	Equity Fund, 89,518 units	**	3,349,672
Federated MDT Small Cap Core Instl	Equity Fund, 92,019 units	**	1,841,324
Vanguard Small Cap Growth Index Admiral	Equity Fund, 30,397 units	**	1,718,951
Vanguard Growth Index Adm	Equity Fund, 26,323 units	**	1,904,526
Vanguard Selected Value Inv	Equity Fund, 129,654 units	**	4,053,898
Vanguard TG Retirement 2015 Inv	Equity Bond Fund, 19,060 units	**	292,203
Vanguard TG Retirement 2020 Inv	Equity Bond Fund 11,811 units	**	370,631
Vanguard TG Retirement 2025 Inv	Equity Bond Fund 26,401 units	**	488,450
Vanguard TG Retirement 2030 Inv	Equity Bond Fund 29,473 units	**	991,196
Vanguard TG Retirement 2035 Inv	Equity Bond Fund 12,478 units	**	258,178
Vanguard TG Retirement 2040 Inv	Equity Bond Fund 1,777 units	**	63,556
Vanguard TG Retirement 2045 Inv	Equity Bond Fund 2,359 units	**	53,074
Vanguard TG Retirement 2050 Inv	Equity Bond Fund 2,424 units	**	88,072
Vanguard TG Retirement 2055 Inv	Equity Bond Fund 2,569 units	**	100,784
Vanguard Windsor II Fund –Adm	Equity Fund, 64,009 units	**	4,296,272
Vanguard 500 Index Admiral	Equity Fund, 55,066 units	**	13,591,680
William Blair SM-Mid Cap Gr I	Equity Fund, 110,373 units	**	2,701,934
Vanguard Short Term Bond Index Adm	Fixed Bond Fund, 158,684 units	**	1,647,143
Vanguard Target Retirement Income Inv	Equity Bond Fund 9,100 units	**	123,308

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Vanguard Interm-Term Investment-Grde Adm Fixed Bond Fund, 413,118 units	**	4,027,905
		41,962,757
Money Market Funds		
Goldman Sachs FS Government FST	Money Market Fund, 6,837,244 shares	** 6,837,244
Common Stock		
Community Trust Bancorp, Inc. *	Common Stock, 406,021 shares	** 19,123,589
Total Investments		\$67,923,590

\* Indicates a party-in-interest to the Plan.

\*\* Cost information is not required for participant-directed investments and, therefore, is not included

Community Trust Bancorp, Inc.  
Savings Plan

Form 5500, Schedule H, Part IV, Line 4j  
EIN 61-0979818, Plan #006  
Schedule of Reportable Transactions

For the Year Ended December 31, 2017

Identity of Party Involved and Description of Asset	Purchase Price	Selling Price	Number of Transactions	Cost of Asset	Realized Gain (Loss)
Series of transactions in excess of 5%					
Community Trust Bancorp, Inc. common stock		\$5,046,786	75	\$5,368,245	\$(321,459)
Community Trust Bancorp, Inc. common stock	\$ 1,606,717		34	\$1,606,717	
Vanguard 500 Index Fund-Adm	\$2,453,459	107	\$2,262,084	\$191,375	
Vanguard 500 Index Fund-Adm	\$1,092,576	68	\$1,092,576		

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, CTBI has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**COMMUNITY TRUST BANCORP, INC.**

Date: June 28, 2018 By: /s/ Jean R. Hale

Jean R. Hale

Chairman, President and Chief Executive Officer

By: /s/ Kevin J. Stumbo

Kevin J. Stumbo

Executive Vice President, Chief Financial Officer and Treasurer

By: /s/ Howard W. Blackburn, Jr.

Howard W. Blackburn, Jr.

Senior Vice President/Director of Human Resources