ANNUAL REPORT 2019

CENTURY
FINANCIAL CORPORATION

CONTENTS

Century Financial Corporation

CENTURY FINANCIAL CORPORATION

The Annual Meeting of the shareholders of Century Financial Corporation will be held March 17, 2020 at 4:00 p.m., at the Dearth Community Center, Garfield Road, Coldwater, Michigan.

Financial Highlights

Century Financial Corporation

	2019	2018
For the Year		
Net Income	**$ 4,624,000**	**$ 3,823,000**
Cash Dividends	**1,324,000**	**1,145,000**
Return on Average Assets	**1.45%**	**1.24%**
Return on Average Equity	**11.54%**	**10.27%**
At Year End		
Assets	**$ 322,090,000**	**$ 315,568,000**
Deposits	**270,269,000**	**273,539,000**
Net Loans	**209,297,000**	**203,474,000**
Shareholders' Equity	**42,190,000**	**37,957,000**
Per Share		
Basic and Diluted Earnings	**$ 2.44**	**$ 2.00**
Cash Dividends	**0.70**	**0.60**
Book Value -- December 31	**22.48**	**20.01**

Century Financial Corporation is a Michigan bank holding company with Century Bank and Trust as its only wholly-owned subsidiary. Century Bank and Trust offers a full range of financial and trust services through a system of eleven banking offices located in Branch, St. Joseph and Hillsdale Counties in Michigan.

Message to Shareholders

Century Financial Corporation

Dear Fellow Shareholders,

I am extremely pleased to share the annual performance for Century Financial Corporation and its subsidiary Century Bank and Trust in 2019. Our company reported net income of $4,624,000 or basic earnings per share of $2.44 for the year. This compares to net income of $3,823,000 and earnings per share of $2.00 reported to you in 2018. On a per share comparison, this is a 22.00% increase.

The 2019 performance represents a return on average assets (ROA) of 1.45% and a return on average equity (ROE) of 11.54%. In 2018, ROA and ROE were 1.24% and 10.27%, respectively.

Hands down the common denominator that allows such solid performance to occur is the talented and dedicated team of employees we have. They bring a passionate and never-ending grit to provide remarkable service dedicated to the long-term success and growth of our customers, shareholders and communities. Please join me in thanking them for what they do every day to make our Bank stand out.

Strong capital, liquidity and core deposit funding continue to be key details describing Century Bank and Trust's balance sheet. Total assets increased $6,522,000 or 2.07% ending 12-31-19 at $322,090,000. At 12-31-18, asset levels of $315,568,000 were reported.

The loan portfolio grew $5,904,000, or 2.87%, on an annual basis. Both our commercial and residential lending teams nicely contributed to the growth. At 12-31-19, total loans were $211,954,000 with an allowance for loan loss reserve of $2,657,000 or 1.25% of the loan portfolio. For the same period in 2018, loans totaled $206,050,000 with an allowance for loan loss reserve of $2,575,000 or 1.25% of the loan portfolio. Century Bank and Trust continues to service our customer's residential mortgage loans that are sold to the secondary market. This off-balance sheet portfolio was $123,151,000 at 12-31-19 compared to $116,580,000 at 12-31-18. Net loan loss in 2019, as a percentage of average loans was 0.15%, compared to 0.23% in 2018. At December 31, 2019, nonaccrual loans totaled $1,889,000 with no Other Real Estate Owned. At December 2018, these categories stood at $1,762,000 and $283,000, respectively.

Total deposits ended 2019 at $270,269,000 – a slight decrease to total deposits of $273,539,000 at 12-31-18. Our deposit service teams continue their work on maintaining a strong core deposit base of personal and business checking and savings accounts.

The Bank's net interest margin for the year was 4.02% compared to 4.01% in 2018.

Century Bank and Trust's capital levels soundly exceed requirements to be considered "well capitalized" by bank regulatory agencies. At 12-31-19, the core capital ratios banking institutions are measured by stood at: Total capital/risk weighted assets – 17.22%, Tier 1 capital/risk weighted assets – 16.20% and Tier 1 capital/average assets – 13.07%. These measures at 12-31-18 were 16.68%, 15.66% and 13.08%, respectively.

The foundation of Century Bank and Trust's business model continues to be based on lending to our local communities and providing quality products and services that generate fee income. Wrapped around both is the core focus of providing outstanding, customer-centered service.

Operating highlights for the year are:

- Net operating revenue, defined as net interest and non-interest income combined (net of gain on securities), increased 5.35% totaling $17,185,000 for 2019. Net operating revenue was $16,313,000 in 2018.
- The revenue mix for 2019 was 70.13% from net interest (spread) income and 29.87% from non-interest (fee) income. For 2018 the components were: 69.09% net interest income and 30.91% fee income.
- Net interest income, before provision expense, increased $781,000 or 6.93%. Net interest income for 2019 was $12,051,000 compared to $11,270,000 in 2018.
- The provision for loan losses for 2019 was $405,000 compared to $830,000 in 2018.

Century Financial Corporation

- Commercial lending remained the largest segment of the loan portfolio. This lending team finished the year up $4,832,000 or 3.52%. The commercial loan portfolio totaled $142,190,000 and $137,358,000 at 12-31-19 and 12-31-18, respectively.

- Total interest expense increased, ending the year at $888,000 versus $618,000 in 2018 – an increase of $270,000.

- Overall fee income grew $91,000 (net of gain on securities) or 1.80%. Fee income totaled $5,134,000 for 2019 compared to $5,043,000 for 2018.

- Trust and Investment Management revenue continues as the single largest component of fee income. This team again produced record results in 2019, generating revenue of $2,109,000 compared to $1,979,000 in 2018. This constitutes an increase of $130,000 or 6.57%.

- Fee income from Deposit Services components of service charges and fees and exchanges finished 2019 at $1,769,000 – down slightly from aggregate revenue of $1,795,000 in 2018.

- The gain on sale of mortgage loans increased $69,000 in 2019 compared to 2018. Total gain was $673,000 for 2019 compared to $604,000 the year prior. The 2019 solid housing market and tight inventory led to year-over loan portfolio growth associated with home construction. The combined residential and home equity loan portfolio at 12-31-19 was $62,481,000. This compares to $61,121,000 at 12-31-18.

- Non-interest expense for 2019 totaled $11,078,000 compared to $10,833,000 in 2018. Core operating expenses, net of employee-related items, for the year were $4,596,000 compared to $4,586,000 in 2018.

Robust execution by leaders and teams in all our core lines of business and sound balance sheet management again drove the Bank's performance in 2019. This play book continues to allow the Board of Directors to focus on their commitment to long-term shareholder value and return. Century Financial Corporation (CFC) paid an annual cash dividend in 2019 of $0.70 per share. This compares to a $0.60 per share annual payout for 2018. The market share price of CFC stock (ticker symbol CYFL) was $23.50 at 12-31-19 and $19.75 at 12-31-18. Book values for these same time periods were $22.48 and $20.01, respectively.

Key economic statistics in our communities during 2019 remained strong and at historically solid levels. With much of the national economy reporting similar positive benchmarks – it was interesting to watch the Federal Open Market Committee (FOMC) begin an aggressive rate cutting campaign in the second half of the year. What appeared to be largely driven by geo- economic and political situations, the FOMC made very projected quarter-point rate cuts in July, September and October – ultimately reversing three of the four rate increases they made in 2018. Likely a challenge as banks manage net interest margin in 2020, this reversion of the fed funds rate to March-2018 levels provided further stimulus for equity markets and precipitated lower residential mortgage rates – opportunities our Trust and Investment Management and mortgage lending teams were able to assist customers in taking advantage of via investment and home ownership guidance.

At this point in reporting to you, the economic winds for 2020 appear to be positive with some likely crosswinds to navigate as usual. In the communities we serve, and at a regional level, factors that support optimism – strong employment, housing demand, financially healthy consumers and businesses – are in place. At a macro-level, a lower interest rate environment, the dynamics of a presidential election year and a never predictable world event are factors we will need to manage within.

In conclusion, 2019 was a record year for Century Bank and Trust by a number of key measurements. However, more important is the never-ending expectation our management team and employees have of themselves to accomplish consistent, long-term performance – by focusing daily on actions that build successful communities, clients and the Bank. I thank you for assisting with this as a shareholder through your continued support and confidence, your business as a client and making those very important referrals of friends, family and associates to Century Bank and Trust.

Eric H. Beckhusen

Eric H. Beckhusen
Chairman & CEO

Crowe

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Shareholders
Century Financial Corporation
Coldwater, Michigan

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Century Financial Corporation, which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Century Financial Corporation as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Crowe LLP

Crowe LLP

Grand Rapids, Michigan
February 24, 2020

Consolidated Balance Sheets

Century Financial Corporation

	December 31, 2019	December 31, 2018
Assets		
Cash and due from banks	$ 6,698,272	$ 7,556,700
Short term investments	30,841,025	25,579,305
Total cash and cash equivalents	37,539,297	33,136,005
Time deposits in other financial institutions	2,493,000	2,992,803
Securities available for sale	41,634,653	46,168,733
Securities held to maturity (Fair value of $13,812,353 in 2019 and $12,390,635 in 2018)	13,286,047	12,245,817
Other investments	445,253	414,354
Loans held for sale	662,800	-
Loans, net	209,297,070	203,474,401
Premises and equipment, net	4,822,478	5,015,457
Bank owned life insurance	9,019,973	8,783,039
Accrued interest receivable	1,003,478	1,087,641
Other assets	1,886,116	2,249,525
Total Assets	$ 322,090,165	$ 315,567,775
Liabilities		
Deposits		
Non-interest bearing	$ 87,019,406	$ 88,676,854
Time deposits of $100,000 or more	7,362,664	12,455,057
Other time deposits	10,715,394	12,157,286
Other interest bearing deposits	165,171,140	160,249,591
Total deposits	270,268,603	273,538,788
Accrued interest payable	21,172	15,709
FHLB Advances	8,000,000	2,500,000
Other liabilities	1,610,374	1,556,526
Total Liabilities	279,900,150	277,611,023
Shareholders' Equity		
Preferred stock -- $1 par value; shares authorized -- 300,000; issued and outstanding -- none		
Common stock -- $1 par value; shares authorized -- 3,000,000; issued and outstanding -- 1,877,000 in 2019 and 1,896,608 in 2018	1,877,000	1,896,608
Paid in capital	18,118,773	18,528,663
Retained earnings	22,222,248	18,922,298
Accumulated other comprehensive loss	(28,005)	(1,390,817)
Total Shareholders' Equity	42,190,016	37,956,752
Total Liabilities and Shareholders' Equity	$ 322,090,165	$ 315,567,775

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income

Century Financial Corporation

	Year Ended December 31, 2019	2018
Interest Income		
Loans, including fees	$ 10,887,838	$ 10,219,321
Securities		
Taxable	1,034,572	1,061,085
Non-taxable	312,811	312,715
Other investments	703,138	295,297
Total interest income	12,938,359	11,888,418
Interest Expense		
Deposits	780,119	574,480
Other borrowings	107,703	43,836
Total interest expense	887,822	618,316
Net Interest Income	12,050,537	11,270,102
Provision for loan losses	405,000	830,000
Net interest income after provision for loan losses	11,645,537	10,440,102
Non-interest Income		
Service charges on deposit accounts	1,768,624	1,794,576
Trust and investment management revenue	2,108,954	1,979,001
Gain on sale of mortgage loans	673,265	603,671
Gain on securities	23,603	-
Other income	583,312	665,955
Total non-interest income	5,157,758	5,043,203
Non-interest Expense		
Salaries and employee benefits	6,482,389	6,247,081
Occupancy and equipment expense	2,124,317	2,106,592
Other	2,471,251	2,479,788
Total non-interest expense	11,077,957	10,833,461
Income Before Income Taxes	5,725,338	4,649,844
Income Taxes	1,101,397	826,991
Net Income	$ 4,623,941	$ 3,822,853
Basic Earnings Per Share	$ 2.44	$ 2.00

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

Century Financial Corporation

	Year Ended December 31, 2019	2018
Net Income Available to Shareholders	**$ 4,623,941**	**$ 3,822,853**
Other Comprehensive Income/(Loss)		
Reclassification adjustment for net realized (gains)/losses on sales of securities (A)	**(23,603)**	**-**
Unrealized gains/(losses) on securities		
Unrealized holding (gain)/loss	**1,748,684**	**(914,929)**
Tax effect (B)	**(362,269)**	**192,135**
Total other comprehensive income/(loss)	**1,362,812**	**(722,794)**
Comprehensive Income	**$ 5,986,753**	**$ 3,100,059**

(A) Included in gain/(loss) on securities

(B) Income taxes for 2019 and 2018 include expense of $4,957 and $0 related to reclassification adjustments

Consolidated Statements of Changes in Shareholders' Equity

Century Financial Corporation

	Common Stock	*Paid In Capital*	*Retained Earnings*	*Accumulated Other Comprehensive (Loss)*	*Total*
Balance, January 1, 2018	**$ 1,921,140**	**$ 19,003,810**	**$ 16,134,491**	**$ (557,995)**	**$ 36,501,446**
Adoption of ASU 2018-02 (See Note 1)	-	-	110,028	(110,028)	**-**
Net income	-	-	3,822,853	-	**3,822,853**
Other comprehensive loss	-	-	-	(722,794)	**(722,794)**
Cash dividends, $.60 per share	-	-	(1,145,074)	-	**(1,145,074)**
Repurchase of shares	(24,532)	(475,147)	-	-	**(499,679)**
Balance, December 31, 2018	**1,896,608**	**18,528,663**	**18,922,298**	**(1,390,817)**	**37,956,752**
Net income	-	-	4,623,941	-	**4,623,941**
Other comprehensive income	-	-	-	1,362,812	**1,362,812**
Cash dividends, $.70 per share	-	-	(1,323,991)	-	**(1,323,991)**
Repurchase of shares	(19,608)	(409,890)	-	-	**(429,498)**
Balance, December 31, 2019	**$ 1,877,000**	**$ 18,118,773**	**$ 22,222,248**	**$ (28,005)**	**$ 42,190,016**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

Century Financial Corporation

	Year Ended December 31, 2019	Year Ended December 31, 2018
Cash Flows from Operating Activities		
Net Income	**$ 4,623,941**	**$ 3,822,853**
Adjustments to Reconcile Net Income to Net Cash from Operating Activities		
Depreciation	**425,409**	**461,543**
Net (accretion)/amortization on securities	**115,787**	**135,189**
Provision for loan losses	**405,000**	**830,000**
Gain on sales of mortgage loans	**(673,265)**	**(603,671)**
Proceeds from sales of mortgage loans	**22,715,664**	**21,048,397**
Mortgage loans originated for sale	**(22,705,199)**	**(20,370,726)**
Gain on securities	**(23,603)**	**-**
Loss/(gain) on sales of other real estate owned	**22,162**	**77,725**
Earnings on bank owned life insurance	**(236,934)**	**(232,162)**
Net Change in Assets and Liabilities		
Interest receivable	**84,163**	**(65,544)**
Interest payable	**5,463**	**7,362**
Other assets	**(238,418)**	**246,410**
Other liabilities	**53,848**	**(287,792)**
Net cash from operating activities	**4,574,018**	**5,069,584**
Cash Flows from Investing Activities		
Purchase of Federal Home Loan Bank stock	**(30,899)**	**-**
Purchases of securities available for sale	**(6,491,915)**	**-**
Proceeds from sales, calls and maturities of securities available for sale	**12,689,083**	**1,465,000**
Purchases of securities held to maturity	**(4,922,931)**	**(786,000)**
Proceeds from calls, prepayment and maturities of securities held to maturity	**3,852,301**	**4,717,276**
Proceeds from maturities of time deposits in other financial institutions	**500,000**	**250,000**
Purchase of time deposits in other financial institutions	**-**	**-**
Proceeds from sales of time deposits in other financial institutions	**-**	**-**
Net change in portfolio loans	**(6,309,099)**	**(15,015,037)**
Proceeds from sales of other real estate owned	**298,838**	**49,359**
Premises and equipment expenditures, net	**(232,430)**	**(392,786)**
Net cash from investing activities	**(647,052)**	**(9,712,188)**
Cash Flows from Financing Activities		
Net change in time deposits of $100,000 or more	**(5,092,393)**	**(802,688)**
Net change in other deposits	**1,822,208**	**16,157,064**
Repurchase of stock	**(429,498)**	**(499,679)**
Proceeds from FHLB Advances	**5,500,000**	**4,000,000**
Repayment on FHLB Advances	**-**	**(6,500,000)**
Cash dividends paid	**(1,323,991)**	**(1,145,074)**
Net cash from financing activities	**476,326**	**11,209,623**
Net Change in Cash and Cash Equivalents	**4,403,292**	**6,567,019**
Cash and cash equivalents at beginning of year	**33,136,005**	**26,568,986**
Cash and Cash Equivalents at End of Year	**37,539,297**	**$ 33,136,005**
Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Year for	***2019***	***2018***
Interest	**$ 882,359**	**$ 610,954**
Income taxes paid	**1,045,000**	**441,000**
Supplemental Disclosures of Non-Cash Financing and Investing Activities		
Transfers of loans to other real estate owned	**$ 81,430**	**$ 133,498**
Right-of-use assets obtained in exchange for lease liabilities	**337,976**	**-**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

Century Financial Corporation

1. SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The consolidated financial statements include the accounts of Century Financial Corporation (the “Corporation”), its wholly-owned subsidiary, Century Bank and Trust (the “Bank”), combined with its wholly-owned subsidiaries, Century Insurance Services and Century Mortgage Services, after elimination of significant intercompany transactions and accounts.

The Corporation provides financial services through its offices located in southern Michigan. Its primary deposit products are checking, savings, and term certificate accounts, and its primary lending products are residential mortgage, commercial, and installment consumer loans. Substantially all loans are secured by specific items of collateral including business assets, consumer assets and real estate. Commercial loans are expected to be repaid by cash flows from operations of businesses. Real estate loans are secured by both residential and commercial real estate. Other financial instruments which potentially represent concentrations of credit risk include deposit accounts in other financial institutions.

Subsequent Events

The Bank has evaluated subsequent events for recognition and disclosure through February 24, 2020, which is the date the financial statements were available to be issued.

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 based on available information. These estimates and assumptions affect the amounts reported in the consolidated financial statements and the disclosures provided. Actual amounts could differ from those estimates.

Cash Flows

For the purpose of this statement, cash and cash equivalents are defined to include cash on hand, demand deposits with banks, overnight investments and certain short term investments with maturities of three months or less upon acquisition. Net cash flows are reported for customer loan and deposit transactions and short-term borrowings.

Securities

Securities classified as available for sale are reported at their fair value and the related unrealized holding gains or losses are reported, net of related income tax effects, in other comprehensive income, until realized. Such securities might be sold prior to maturity due to changes in interest rates, prepayment risks, yield and availability of alternative investments, liquidity needs or other factors. Securities for which management has the positive intent and the ability to hold to maturity are classified as held to maturity and are reported at amortized cost. Other securities, such as Federal Home Loan Bank and Federal Agriculture Mortgage Corp stock, are carried at cost.

Premiums and discounts on securities are recognized in interest income using the level yield method over the estimated life of the security. Gains and losses on the sale of securities are recorded on the trade date and determined using the specific identification method.

Declines in the fair value of securities below their cost that are other than temporary are reflected as realized losses. In estimating other-than-temporary losses, management considers: (1) the length of time and extent that fair value has been less than cost, (2) the financial condition and near term prospects of the issuer, (3) whether the market decline was affected by macroeconomic conditions, and (4) whether the Corporation has the intent to sell the debt security or more likely than not will be required to sell the debt security before its anticipated recovery. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows: (1) other-than-temporary-impairment (OTTI) related to credit loss, which must be recognized in the income statement and (2) OTTI related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cash basis. The assessment of whether an other-than-temporary decline exists involves a high degree of subjectivity and judgment and is based on the information available to management at a point in time.

Time Deposits in Other Financial Institutions

These are FDIC insured deposits with future contractual maturities of $500,000 (2020), $1,494,000 (2022), $250,000 (2023) and $249,000 (2025).

Loans Held for Sale

Mortgage loans originated and intended for sale in the secondary market are carried at the lower of aggregate cost or fair value, as determined by outstanding commitments from investors. Net unrealized losses, if any, are recorded as a valuation allowance and charged to earnings.

Mortgage loans held for sale are generally sold with servicing rights retained. The carrying value of mortgage loans sold is reduced by the amount allocated to the servicing right. Gains and losses on sales of mortgage loans are based on the difference between the selling price and the carrying value of the related loan sold.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loans

Loans are reported at the principal balance outstanding, net of deferred loan fees and costs and an allowance for loan losses. Interest income is reported on the interest method and includes amortization of net deferred loan fees and costs over the loan term. Interest income on loans is generally discontinued at the time the loan is ninety days delinquent, determined based upon the contractual terms of the loan, unless the credit is well-secured and in process of collection. In all cases, loans are placed on non-accrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. Past due status is determined based on the contractual terms of the loan. All interest accrued but not received for loans placed on non-accrual is reversed against interest income. Interest received on such loans is accounted on the cash basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses

The allowance for loan losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged-off.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired or loans otherwise classified as substandard or doubtful.

A loan is impaired when full payment under the loan terms is not expected. Loans, for which the terms have been modified, resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings and classified as impaired. Commercial and commercial real estate loans are individually evaluated for impairment.

Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of the estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Large groups of smaller balance homogenous loans, such as consumer and residential real estate loans, are collectively evaluated for impairment, and accordingly, they are not separately identified for impairment disclosures.

Troubled debt restructurings are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan's effective rate at inception. If a troubled debt restructuring is considered to be a collateral dependent loan, the loan is reported, net, at the fair value of the collateral. For troubled debt restructurings that subsequently default, the Corporation determines the amount of reserve in accordance with the accounting policy for the allowance for loan losses.

The general component covers non-impaired loans and is based on historical loss experience adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Corporation over the most recent five years. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment. These economic factors include consideration of the following: levels of and trends in delinquencies and impaired loans; levels of and trends in charge-offs and recoveries; trends in volume and terms of loans; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; experience, ability, and depth of lending management and other relevant staff; national and local economic trends and conditions; industry conditions; and effects of changes in credit concentrations. The following portfolio segments have been identified:

> Commercial - Loans to businesses that are sole proprietorships, partnerships, limited liability companies and corporations. These loans are for commercial, industrial, or professional purposes. The risk characteristics of these loans vary based on the borrowers' business and industry as repayment is typically dependent on cash flows generated from the underlying business.
>
> Residential real estate - Loans to purchase or refinance one- to four-family residences. The risks associated with this segment are generally dependent on the overall real estate value environment and individual payment obligations. Real estate is subject to changes in market valuation and can be unstable for a variety of reasons.
>
> Consumer - Term loans or lines of credit for the purchase of consumer goods, vehicles or home improvement. The risk characteristics of the loans in this segment vary depending on the type of collateral but generally repayment is expected from a consumer continuing to generate a cash flow that supports the calculated payment obligation. Secondary support could involve liquidation of collateral.

Bank Owned Life Insurance

The Corporation has purchased life insurance policies on certain key executives. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other changes or amounts due that are probable at settlement.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Servicing Rights

Servicing rights on loans sold with servicing retained are initially recorded at fair value with the income effect included in gain on sale of mortgage loans. Servicing rights are expensed in proportion to, and over the period of, estimated net servicing revenues. Impairment is evaluated based on the fair value of the rights, using groupings of the underlying loans as to interest rates and prepayment characteristics. Fair value is determined using prices for similar assets with similar characteristics, when available, or based upon discounted cash flows using market-based assumptions. Any impairment of a grouping is reported as a valuation allowance.

Servicing fee income, which is reported on the income statement as other income, is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal. The amortization of mortgage servicing rights is netted against loan servicing fee income. Servicing fees totaled $314,000 and $311,000 for the years ended December 31, 2019 and 2018. Late fees and ancillary fees related to loan servicing are not material.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Corporation, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Corporation does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Foreclosed Assets

Assets acquired in collection of a loan are recorded at fair value less costs to sell at acquisition. Any reduction to fair value at acquisition from carrying value is recorded as a loan loss. After acquisition, a valuation allowance reduces the reported amount for further reductions in fair value. Expenses, gains and losses on disposition, and changes in the valuation allowance are reported as other expense. The Corporation had $0 and $283,000 of foreclosed assets at December 31, 2019 and 2018.

Premises and Equipment

Land is carried at cost. Premises and equipment are stated at cost less accumulated depreciation. Buildings and related components are depreciated using the straight-line method and furniture, fixtures and equipment are depreciated using the straight-line or accelerated methods.

Long-term Assets

Premises and equipment and other long-term assets are reviewed for impairment when events indicate their carrying amount may not be recoverable from future undiscounted cash flows. If impaired, the assets are recorded at fair value.

Retirement Plans

Expense for the Employee Stock Ownership Plan is the amount contributed as determined by the Board of Directors.

Income Taxes

Income tax expense is the tax due or refundable for the period plus or minus the change during the period in the deferred tax assets and liabilities. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

The Corporation recognizes interest and/or penalties related to income tax matters in income tax expense.

Loan Commitments and Related Financial Instruments

Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and commercial letters of credit, issued to meet customer financing needs. The face amount for these items represents the exposure to loss before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

Fair Values of Financial Instruments

Fair values of financial instruments are estimated using the relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Earnings and Dividends Per Share

Basic earnings per share is based on net income divided by the weighted average number of shares outstanding during the period. Diluted earnings per share would show the dilutive effect of additional common shares issuable under stock options. However, there are currently no outstanding stock options or other instruments which could cause dilution.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive Income

Comprehensive income consists of net income and unrealized gains and losses on securities available for sale, net of tax, which are recognized as a separate component of equity.

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there are now any such matters that will have a material effect on the financial statements.

Dividend Restriction

Banking regulations require maintaining certain capital levels and may limit the dividends paid by the bank to the holding company or by the holding company to the shareholders.

Adoption Of New Accounting Standards

Income Statement - Reporting Comprehensive Income - In February 2018, the FASB issued ASU 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income." The ASU required a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the newly enacted federal corporate income tax rate as a result of the Tax Cuts and Jobs Act of 2017. The amount reclassified was the difference between the historical income tax rate and the new 21% federal corporate income tax rate. The new guidance is effective for fiscal years beginning after December 15, 2018 and early adoption is permitted. The Corporation elected to early adopt the guidance during the first quarter of 2018, and recorded a credit to retained earnings for the reclassification in the amount of $110,000 during the first quarter.

Leases – Effective January 1, 2019, the Corporation was required to adopt ASU 2016-02 (Topic 842). This standard requires lessees to recognize a lease liability and a right of use asset for all leases, other than short-term leases. Adoption of this standard resulted in the recording of lease right of use assets and lease liability of $337,976 on January 1, 2019. See note 15 for more information.

Reclassifications

Certain amounts in the prior year consolidated financial statements have been reclassified to conform with the current year presentation.

2. RESTRICTIONS ON CASH

Cash on hand or on deposit with the Federal Reserve Bank of $0 was required to meet regulatory reserve and clearing requirements at both December 31, 2019 and 2018.

3. SECURITIES

The fair value of available for sale securities and the related gross unrealized gains and losses recognized in accumulated other comprehensive loss were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2019				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ **17,591,505**	$ **20,479**	$ **(65,605)**	$ **17,546,379**
Corporate Securities	**24,078,596**	**173,461**	**(163,783)**	**24,088,274**
	$ **41,670,101**	$ **193,940**	$ **(229,388)**	$ **41,634,653**
2018				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ **22,996,575**	$ **-**	$ **(716,966)**	$ **22,279,609**
Corporate Securities	**24,932,687**	**12,773**	**(1,056,336)**	**23,889,124**
	$ **47,929,262**	$ **12,773**	$ **(1,773,302)**	$ **46,168,733**

3. SECURITIES (continued)

The carrying amount, unrecognized gains and losses, and fair value of securities held to maturity were as follows:

2019	Carrying Amount	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
Obligations of states and political subdivisions	$ 13,284,397	$ 535,249	$ (8,938)	$ 13,810,708
Mortgage-backed securities, residential	1,650	-	(5)	1,645
Totals	$ 13,286,047	$ 535,249	$ (8,943)	$ 13,812,353
2018				
Obligations of states and political subdivisions	$ 12,243,864	$ 250,752	$ (105,897)	$ 12,388,719
Mortgage-backed securities, residential	1,953	-	(37)	1,916
Totals	$ 12,245,817	$ 250,752	$ (105,934)	$ 12,390,635

Securities with unrealized losses at year end 2019 and 2018, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are as follows:

	Less than 12 Months		12 Months or More		Total	
2019	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. Treasury	$ 6,965,336	$ (28,764)	$ 7,562,301	$ (36,842)	$ 14,527,637	$ (65,606)
Mortgage-backed securities	-	-	1,645	(5)	1,645	(5)
Obligations of states and political subdivisions	2,419,112	(8,938)	-	-	2,419,112	(8,938)
Corporate securities	2,950,154	(50,812)	6,670,514	(112,971)	9,620,668	(163,783)
Total temporarily impaired	$ 12,334,602	$ (88,514)	$ 14,234,460	$ (149,818)	$ 26,569,062	$ (238,332)
2018						
U.S. Treasury	$ -	$ -	$ 22,279,609	$ (716,966)	$ 22,279,609	$ (716,966)
Mortgage-backed securities	-	-	1,916	(37)	1,916	(37)
Obligations of states and political subdivisions	2,846,368	(7,631)	4,632,098	(98,266)	7,478,466	(105,897)
Corporate securities	3,219,323	(73,746)	19,078,303	(982,590)	22,297,626	(1,056,336)
Total temporarily impaired	$ 6,065,691	$ (81,377)	$ 45,991,926	$ (1,797,859)	$ 52,057,617	$ (1,879,236)

Unrealized losses on securities have not been recognized into income because the issuer's bonds are of high credit quality. Management does not intend to sell the securities, it is not likely to be required to sell the securities prior to the recovery in value, and the decline in fair value is largely due to changes in interest rates. The fair value is expected to recover as the securities approach maturity.

There were no sales of securities in 2019 or 2018. Securities called in 2019 resulted in a gain of $31,915, and a loss of $8,312, for a net gain of $23,603.

The fair value of debt securities and carrying amount, if different at year end 2019 by contractural maturity were as follows. Securities not due at a single maturity date, primarily mortgage-backed securities, are shown separately.

	Held-to-maturity		Available for sale	
	Carrying Amount	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 3,568,000	3,576,693	$ 3,803,619	3,792,280
Due from one to five years	4,665,500	4,839,351	26,277,031	26,367,685
Due from five to ten years	2,398,629	2,557,266	8,494,353	8,392,120
Due after ten years	2,652,268	2,837,398	3,095,098	3,082,568
Mortgage-backed, residential	1,650	1,645	-	-
Totals	$ 13,286,047	$ 13,812,353	$ 41,670,101	$ 41,634,653

Securities pledged at year end 2019 and 2018 had a carrying amount of $12,591,505 and $7,997,617 and were pledged to secure public deposits.

4. LOANS

Major classifications of loans were as follows as of December 31:

	2019	2018
Commercial:		
Commercial real estate	$ 96,934,111	$ 92,799,101
Other	45,255,732	44,559,230
Residential real estate:		
One to four family	49,741,378	49,779,649
Home equity lines of credit	12,739,868	11,340,894
Consumer	7,283,043	7,570,955
Subtotal	211,954,132	206,049,829
Allowance for loan losses	(2,657,062)	(2,575,428)
Loans, net	$ 209,297,070	$ 203,474,401

At December 31, 2019 and 2018, certain officers and directors, and companies in which they are principal owners, were indebted to the Corporation in the aggregate of $739,852 and $872,269, respectively.

The following tables present the activity in the allowance for loan losses by portfolio segment for the years ending December 31:

	Commercial	Residential Real Estate	Consumer	Unallocated	Total
2019					
Allowance for loan losses:					
Beginning balance	$ 1,013,681	$ 199,515	$ 65,356	$ 1,296,876	$ 2,575,428
Provision for loan losses	208,936	130,970	32,201	32,893	405,000
Loans charged-off	(274,874)	(49,251)	(123,282)	-	(447,407)
Recoveries	25,668	8,830	89,543	-	124,041
Total ending balance	$ 973,411	$ 290,064	$ 63,818	$ 1,329,769	$ 2,657,062
2018					
Allowance for loan losses:					
Beginning balance	$ 1,035,833	$ 194,465	$ 66,149	$ 904,615	$ 2,201,062
Provision for loan losses	354,930	25,391	57,418	392,261	830,000
Loans charged-off	(486,065)	(28,864)	(132,123)	-	(647,052)
Recoveries	108,983	8,523	73,912	-	191,418
Total ending balance	$ 1,013,681	$ 199,515	$ 65,356	$ 1,296,876	$ 2,575,428

The following tables present the balance in the allowance for loan losses and the recorded investment in loans by portfolio segment and based on impairment method as of December 31:

	Commercial	Residential Real Estate	Consumer	Unallocated	Total
2019					
Allowance for loan losses:					
Ending allowance balance attributable to loans:					
Individually evaluated for impairment	$ 290,000	$ -	$ -	$ -	$ 290,000
Collectively evaluated for impairment	683,411	290,064	63,818	1,329,769	2,367,062
Total ending allowance balance	$ 973,411	$ 290,064	$ 63,818	$ 1,329,769	$ 2,657,062
Loans:					
Individually evaluated for impairment	$ 1,389,780	$ 460,776	$ 18,103	$ -	$ 1,868,659
Collectively evaluated for impairment	140,800,063	62,020,470	7,264,940	-	210,085,473
Total ending loans balance	$ 142,189,843	$ 62,481,246	$ 7,283,043	$ -	$ 211,954,132
2018					
Allowance for loan losses:					
Ending allowance balance attributable to loans:					
Individually evaluated for impairment	$ 410,000	$ -	$ -	$ -	$ 410,000
Collectively evaluated for impairment	603,681	199,515	65,356	1,296,876	2,165,428
Total ending allowance balance	$ 1,013,681	$ 199,515	$ 65,356	$ 1,296,876	$ 2,575,428
Loans:					
Individually evaluated for impairment	$ 2,140,366	$ 470,743	$ -	$ -	$ 2,611,109
Collectively evaluated for impairment	135,217,965	60,649,800	7,570,955	-	203,438,720
Total ending loans balance	$ 137,358,331	$ 61,120,543	$ 7,570,955	$ -	$ 206,049,829

4. LOANS (continued)

The following tables present information related to impaired loans by class of loans as of and for the years ending December 31:

	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated	Average Recorded Investment	Interest Income Recognized	Cash Basis Interest Recognized
2019						
With no related allowance recorded:						
Commercial:						
Commercial real estate	$ 217,426	$ 217,427	$ -	$ 222,003	$ 14,994	$ 15,043
Other	-	-	-	-	-	-
Residential real estate	460,776	460,776	-	474,948	26,877	27,139
Consumer	18,103	18,103	-	20,128	1,039	1,129
Subtotal	696,305	696,306	-	717,079	42,910	43,311
With an allowance recorded:						
Commercial:						
Commercial real estate	2,345,717	1,080,419	260,000	1,088,233	667	1,017
Other	91,934	91,934	30,000	93,429	8,952	8,985
Residential real estate	-	-	-	-	-	-
Subtotal	2,437,651	1,172,353	290,000	1,181,662	9,619	10,002
Total	$ 3,133,956	1,868,659	$ 290,000	$ 1,898,741	$ 52,529	$ 53,313
2018						
With no related allowance recorded:						
Commercial:						
Commercial real estate	$ 361,985	$ 361,985	$ -	$ 367,903	$ 22,375	$ 22,424
Other	142,461	142,461	-	142,860	6,366	6,405
Residential real estate	470,343	470,743	-	474,948	24,936	23,863
Consumer	-	-	-	-	-	-
Subtotal	974,789	975,189	-	985,711	53,677	52,692
With an allowance recorded:						
Commercial:						
Commercial real estate	2,576,822	1,311,524	410,000	1,442,102	-	-
Other	699,396	324,396	-	580,575	16,763	13,756
Residential real estate	-	-	-	-	-	-
Subtotal	3,276,218	1,635,920	410,000	2,022,677	16,763	13,756
Total	$ 4,251,007	2,611,109	$ 410,000	$ 3,008,388	$ 70,440	$ 66,448

The recorded investment in loans does not include accrued interest receivable and loan origination fees, net, as they are immaterial. For purposes of this disclosure, the unpaid principal balance is not reduced for net charge-offs.

Nonaccrual loans and loans past due 90 days and still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

The following tables present the recorded investment in nonaccrual and loans past due over 90 days still on accrual by class of loans as of December 31:

	Nonaccrual		Loans Past Due Over 90 Days Still Accruing	
	2019	2018	2019	2018
Commercial:				
Commercial real estate	$ 1,083,362	$ 1,311,524	$ -	$ -
Other	91,934	324,396	-	-
Residential real estate:				
One to four family	653,328	96,076	142,145	212,690
Home equity lines of credit	15,993	16,443	81,896	-
Consumer	43,986	13,996	-	-
Total	$ 1,888,603	$ 1,762,435	$ 224,041	$ 212,690

4. LOANS (continued)

The following tables present the aging of the recorded investment in past due loans by class of loans as of December 31:

	30 - 89 Days Past Due	Greater than 89 Days Past Due	Total Past Due	Loans Not Past Due	Total
2019					
Commercial:					
Commercial real estate	$ -	$ -	$ -	$ 96,934,111	$ 96,934,111
Other	3,087	-	3,087	45,252,645	45,255,732
Residential real estate:					
One to four family	1,765,955	224,041	1,989,996	47,751,382	49,741,378
Home equity lines of credit	104,774	-	104,774	12,635,094	12,739,868
Consumer	105,289	-	105,289	7,177,754	7,283,043
Total	$ 1,979,105	$ 224,041	$ 2,203,146	$ 209,750,986	$ 211,954,132
2018					
Commercial:					
Commercial real estate	$ 635,312	$ 839,708	$ 1,475,020	$ 91,324,081	$ 92,799,101
Other	201,646	225,000	426,646	44,132,584	44,559,230
Residential real estate:					
One to four family	1,515,217	262,956	1,778,173	48,001,476	49,779,649
Home equity lines of credit	103,522	16,443	119,965	11,220,929	11,340,894
Consumer	115,543	11,658	127,201	7,443,754	7,570,955
Total	$ 2,571,240	$ 1,355,765	$ 3,927,005	$ 202,122,824	$ 206,049,829

Troubled Debt Restructurings:

The Corporation has allocated $290,000 and $305,000 of specific reserve to customers whose loan terms have been modified in troubled debt restructurings as of December 31, 2019 and 2018. No additional amounts are committed to be lent to these borrowers.

During the year ended December 31, 2018, the terms of certain loans were modified as troubled debt restructurings. No loans were modified as Troubled Debt Restructurings in 2019. Modifications involving a reduction of the stated interest rate of the loan were for periods ranging from 12 months to 120 months. Modifications involving an extension of the maturity date were for 36 months.

The following tables present loans by class modified as troubled debt restructurings that occurred during the years ending December 31:

	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
2019			
Commercial:			
Commercial real estate	-	$ -	$ -
Other	-	-	-
Commercial other	-	-	-
Residential real estate:			
One to four family	-	-	-
Consumer	-	-	-
Total	-	$ -	$ -
2018			
Commercial:			
Commercial real estate	1	$ 228,408	$ 222,390
Other	-	-	-
Commercial other	-	-	-
Residential real estate:			
One to four family	1	26,632	26,125
Consumer	1	25,856	23,401
Total	3	$ 280,896	$ 271,916

The troubled debt restructurings described above did not increase the allowance for loan losses and did not result in charge offs in the years 2019 or 2018. The majority of the loans modified were already identified as problem loans and the modifications did not change the impact of the impairment assessment on those loans. Additionally, there were no troubled debt restructurings during 2019 or 2018 for which there was a payment default within twelve months following the restructuring.

4. LOANS (continued)

Credit Quality Indicators:

The Corporation categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Corporation analyzes loans individually by classifying the loans as to credit risk. This analysis includes primarily non-homogenous loans, such as commercial and commercial real estate loans, and certain related borrowings. This analysis is performed on a quarterly basis. The Corporation uses the following definitions for risk ratings:

Watch/Special Mention Borrowers who exhibit potential credit weaknesses or downward trends deserving management's close attention. While potentially weak, these borrowers are currently marginally acceptable; no loss of principal or interest is envisioned. However, if left uncorrected, these potential weaknesses could result in deteriorations of the repayment prospects for the assets or in the banks' credit position at some future date. These borrowers have characteristics which corrective management action would remedy. Included in this category could be turnaround situations, as well as those borrowers previously rated satisfactory who have shown deterioration, for whatever reason, indicating a downgrading from the better categories. An element of asset quality, financial flexibility, or management is below average.

Potential Problem (Substandard) Borrowers with well-defined weaknesses that jeopardize the orderly liquidation of debt. A potential problem loan is inadequately protected by the current sound worth and paying capacity of the obligor or by the collateral pledged, if any. Normal repayment from the borrower is in jeopardy. There is a distinct possibility that a partial loss of interest and/or principal will occur if the deficiencies are not corrected. Loss potential, while existing in the aggregate amount of potential problem assets, does not have to exist in individual assets classified potential problem.

Problem (Doubtful) Borrowers classified problem have all the weaknesses found in potential problem borrowers with the added provision that weaknesses make collection of debt in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. Serious problems exist to the point where partial loss of principal is likely. The possibility of loss is high, but because of certain important, reasonably specific pending factors that may work to strengthen the assets, the loan's classification as estimated loss is deferred until a more exact status may be determined. Pending factors include proposed merger, acquisition, or liquidation procedures; capital injection; perfecting liens on additional collateral; and refinancing plans.

Loans not meeting the criteria above that are analyzed individually as part of the process described above are considered to be pass rated loans. Loans listed as not rated are predominantly homogenous loans. These loans are monitored for credit quality based primarily on payment performance.

Based on the most recent analysis performed, the risk category of loans by class of loans is as follows:

	Pass	Watch	Potential Problem	Problem	Not Rated
2019					
Commercial:					
Commercial real estate	$ 94,358,583	$ 1,536,720	$ -	$ 1,038,808	$ -
Other	43,039,904	2,123,894	-	91,934	-
Residential real estate					
One to four family	-	-	-	-	49,741,378
Home equity lines of credit	-	-	-	-	12,739,868
Consumer	-	-	-	-	7,283,043
Total	$ 137,398,487	$ 3,660,614	$ -	$ 1,130,742	$ 69,764,289
2018					
Commercial:					
Commercial real estate	$ 90,819,849	$ 659,234	$ -	$ 1,320,018	$ -
Other	43,727,241	365,132	142,461	324,396	-
Residential real estate					
One to four family	-	-	-	-	49,779,649
Home equity lines of credit	-	-	-	-	11,340,894
Consumer	-	-	-	-	7,570,955
Total	$ 134,547,090	$ 1,024,366	$ 142,461	$ 1,644,414	$ 68,691,498

5. *FAIR VALUE*

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair values of securities available for sale are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

The fair value of impaired loans with specific allocations of the allowance for loan losses is generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available, and management makes adjustments to appraised values based on market conditions. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. Non-real estate collateral may be valued using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the client and client's business, resulting in a Level 3 fair value classification. Impaired loans are evaluated on a quarterly basis for additional impairment and adjusted accordingly.

Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. Fair value is commonly based on recent real estate appraisals which are updated no less frequently than annually. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available, and management makes adjustments to appraised values based on market conditions. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. Real estate owned properties are evaluated on a quarterly basis for additional impairment and adjusted accordingly. No real estate owned property held at year-end 2019 or 2018 was being measured at fair value on a non-recurring basis.

Appraisals for both collateral-dependent impaired loans and real estate owned are performed by certified general appraisers (for commercial properties) or certified residential appraisers (for residential properties) whose qualifications and licenses have been reviewed and verified by the Corporation. Once received, an officer reviews the assumptions and approaches utilized in the appraisal as well as the overall resulting fair value in comparison with independent data sources such as recent market data or industry-wide statistics. On an annual basis, the Corporation compares the actual selling price of collateral that has been sold to the most recent appraised value to determine what additional adjustment should be made to the appraisal value to arrive at fair value. The most recent analysis performed indicated that a discount of 10% should be applied to properties with appraisals performed within 12 months.

Century Financial Corporation

5. FAIR VALUE (continued)

Assets and Liabilities Measured on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements Using		
2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Available for sale securities			
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ -	$ 17,546,379	$ -
Corporate Securities	-	24,088,274	-
Total Securities	$ -	$ 41,634,653	$ -
2018			
Assets:			
Available for sale securities			
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ -	$ 22,279,609	$ -
Corporate Securities	-	23,889,124	-
Total Securities	$ -	$ 46,168,733	$ -

Assets and Liabilities Measured on a Non-Recurring Basis

Assets and liabilities measured at fair value on a non-recurring basis are summarized below:

	Fair Value Measurements Using		
2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Impaired loans:			
Commercial:			
Commercial real estate	$ -	$ -	$ 820,419
Other	-	-	61,934
Residential real estate	-	-	-
Total	$ -	$ -	$ 882,353
2018			
Assets:			
Impaired loans:			
Commercial:			
Commercial real estate	$ -	$ -	$ 966,524
Other	-	-	259,396
Residential real estate	-	-	-
Total	$ -	$ -	$ 1,225,920

5. *FAIR VALUE (continued)*

Impaired loans, which are measured for impairment using the fair value of the collateral for collateral-dependent loans, had a recorded investment of $1,172,303, before a valuation allowance of $290,000 at year-end 2019, resulting in no significant provision for loan losses in 2019. At December 31, 2018 impaired loans had a recorded investment of $1,635,900, before a valuation allowance of $410,000 at year-end 2018, resulting in a $180,000 provision for loan losses for 2018.

As discussed previously, the fair values of impaired loans and other real estate carried at fair value are determined by third party appraisals. Management makes adjustments to these appraised values based on the age of the appraisal and the type of property. The following tables present quantitative information about level 3 fair value measurements for the larger classes of financial instruments measured at fair value on a non-recurring basis at December 31:

2019		*Fair Value*	*Valuation Technique(s)*	*Unobservable Input*	*Discount Rate (Range and Average)*
Impaired loans:					
Commercial:					
Commercial real estate	$	820,419	Sales comparison	Management discount for property type and recent market volatility	10%
2018					
Impaired loans:					
Commercial:					
Commercial real estate	$	966,524	Sales comparison	Management discount for property type and recent market volatility	10%

Fair Value of Financial Instruments

The estimated fair values of financial instruments excluding available for sale securities, in thousands, are as follows as of December 31:

		2019		*2018*	
	Fair Value Level	*Carrying Amount*	*Fair Value*	*Carrying Amount*	*Fair Value*
Financial assets					
Cash and cash equivalents	**1**	**$ 37,539**	**$ 37,539**	**$ 33,136**	**$ 33,136**
Securities held to maturity	**2**	**13,286**	**13,812**	**12,246**	**12,391**
Time deposits with other institutions	**2**	**2,493**	**2,521**	**2,993**	**2,898**
Loans held for sale	**1**	**663**	**676**	**-**	**-**
Loans, net	**3**	**209,297**	**209,233**	**203,474**	**200,501**
FHLB and FAMC stock	**N/A**	**445**	**N/A**	**414**	**N/A**
Accrued interest receivable	**2**	**1,003**	**1,003**	**1,088**	**1,088**
Financial liabilities					
Time Deposits	**2**	**$ 18,078**	**$ 18,188**	**$ 24,612**	**$ 24,781**
Deposits	**1**	**252,191**	**252,191**	**248,927**	**248,927**
Federal Home Loan Bank advances	**2**	**8,000**	**8,054**	**2,500**	**2,500**
Accrued interest payable	**2**	**21**	**21**	**16**	**16**

The estimated fair value approximates carrying amount for all items except those described below. Fair value for net loans as of December 31, 2019 and 2018 is estimated on an exit price basis incorporating discounts for credit, liquidity and marketability factors. Estimated fair value for time deposits are based on current market rates at year-end applied until maturity. It was not practicable to determine the fair value of Federal Home Loan Bank stock due to restrictions placed on its transferability. Estimated fair value for other financial instruments and off-balance-sheet loan commitments are considered nominal.

6. PREMISES AND EQUIPMENT

	2019	2018
Land	$ 1,385,439	$ 1,385,439
Buildings	8,729,203	8,685,950
Furniture, fixtures and equipment	5,236,002	5,069,133
Total cost	15,350,644	15,140,522
Less accumulated depreciation	(10,528,166)	(10,125,065)
Total	$ 4,822,478	$ 5,015,457

7. LOAN SERVICING

Mortgage loans serviced for others are not reported as assets. The principal balances of these loans at year-end are as follows:

	2019	2018
Mortgage loan portfolios serviced for:		
FHLMC	$ 84,883,376	$ 81,582,100
FHLBI	38,267,633	34,997,840
	$ 123,151,009	$ 116,579,940

Custodial escrow balances maintained in connection with serviced loans were $187,514 and $273,470 at December 31, 2019 and 2018, respectively.

Activity for loan servicing rights follows:

	2019	2018
Servicing rights		
Beginning of year	$ 482,534	$ 467,743
Additions	243,483	227,013
Amortized to expense	(213,347)	(212,222)
End of year	$ 512,670	$ 482,534

The fair value of servicing rights at year-end 2019 and 2018 were approximately $1,159,742 and $1,368,013.

8. DEPOSITS

At December 31, 2019, scheduled maturities of time deposits were as follows:

2020	$ 11,514,338
2021	4,894,631
2022	1,662,960
2023	6,129
Total	$ 18,078,058

Related party deposits totaled $26,435,753 and $25,205,259 at December 31, 2019 and 2018, respectively.
Time deposits that meet or exceed the FDIC Insurance limit of $250,000 at year-end 2019 and 2018 were $3,445,649 and $3,697,834, respectively. At year-end 2019 and 2018, time deposits included brokered deposits of $0 and $5,450,000, respectively.

9. BORROWINGS

The Bank had $8,000,000 and $2,500,000 in Federal Home Loan Bank (FHLB) advances outstanding as of December 31, 2019 and 2018. Advances from the FHLB are secured by the Corporation's qualifying real estate loans and investment securities under a specific collateral agreement. The advances outstanding at December 31, 2019 had a weighted average interest rate of 1.83%. Contractually required principal payments on these advances are $2,500,000 in 2024 and $5,000,000 in 2029. FHLB advances are subject to prepayment penalties and the provisions and conditions of the credit policy of the FHLB.

10. INCOME TAX

Income tax expense (benefit) consists of:

	2019	2018
Current liability	$ 1,043,520	$ 952,974
Deferred (benefit) liability	57,877	(125,983)
Total income tax expense (benefit)	$ 1,101,397	$ 826,991

Deferred tax assets and liabilities at December 31 consist of:

	2019	2018
Deferred tax assets		
Allowance for loan losses	$ 534,279	$ 519,624
Nonaccrual loans	-	28,379
Unrealized loss on securities available for sale	7,445	369,711
Accrued liabilities	60,900	47,250
Other	57,037	21,293
Total deferred tax assets	659,661	986,257
Deferred tax liabilities		
Deferred loan fees/costs	(49,375)	(59,892)
Depreciation	(216,917)	(173,094)
Mortgage servicing rights	(107,661)	(101,332)
Other	(71,760)	(17,848)
Total deferred tax liabilities	(445,713)	(352,166)
Net deferred tax assets	213,948	634,091
Valuation allowance	-	-
Total deferred tax assets	$ 213,948	$ 634,091

A valuation allowance related to deferred tax assets is required when it is considered more likely than not that all or part of the benefits related to such assets will not be realized. Management has determined that no valuation allowance was required at year-end 2019 or 2018.

The difference between the financial statement tax expense and amounts computed by applying the statutory federal tax rate of 21% to pretax income is reconciled as follows:

	2019	2018
Statutory rate applied to income before taxes		
Add (deduct):	$ 1,202,321	$ 976,467
Non-taxable income	(110,579)	(106,741)
Bank owned life insurance	(49,756)	(48,754)
Other	59,411	6,019
Total income tax expense	$ 1,101,397	$ 826,991

There were no unrecognized tax benefits at December 31, 2019 and the Corporation does not expect the total amount of unrecognized tax benefits to significantly increase or decrease in the next twelve months.

The Corporation is no longer subject to examination by the Internal Revenue Service for years before 2016.

No amounts of interest, penalties, and/or accruals were recorded during or for the years ended December 31, 2019 and 2018.

11. EARNINGS PER SHARE

The computation of earnings per share for the years ended December 31, is as follows:

		2019		2018
Basic earnings per share				
Net income available to common shareholders	$	4,623,941	$	3,822,853
Weighted average common shares outstanding		1,891,699		1,910,289
Basic earnings per share	$	2.44	$	2.00

12. EMPLOYEE BENEFIT PLANS

Employee Stock Ownership Plan (ESOP)

A non-contributory ESOP is maintained for the benefit of all qualified employees. At year-end 2019 and 2018, the ESOP owned 166,213 and 161,977 shares of the Corporation's common stock. All shares are allocated to participants. Dividends paid on shares held by the ESOP are allocated to participants' accounts based upon shares held. Upon retirement or separation, a participant or beneficiary generally has 60 days to elect the form of benefit desired. They may elect to receive an in-kind distribution of shares allocated to them or may elect to receive the value of their ESOP account balance, including shares, distributed in cash over a period generally not in excess of five years. The value of ESOP shares for cash distribution purposes is determined annually by a third party appraisal, and at year-end 2019 aggregated to approximately $3,889,000. Annual contributions are made at the discretion of the Board of Directors and were $217,162 and $235,935 for 2019 and 2018.

13. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

Some financial instruments are used to meet customer financing needs and to reduce exposure to interest rate changes. These financial instruments include commitments to make loans, unused lines of credit, and standby letters of credit. These involve, to varying degrees, credit and interest-rate risk in excess of the amount reported in the balance sheet.

Outstanding commitments to make loans and unused lines of credit totaled $52,728,000 and $45,873,000 December 31, 2019 and 2018, respectively. Commitments under letters of credit were $1,365,000 and $2,409,000 at December 31, 2019 and 2018, respectively.

Commitments to make loans are agreements to lend to a customer as long as there is no violation of any condition established in the commitment, and generally have fixed expiration dates. Standby letters of credit are conditional commitments to guarantee a customer's performance to a third party. Exposure to credit loss if the other party does not perform is represented by the contractural amount of these items. Collateral or other security is normally not obtained for these financial instruments prior to their use, and many of the commitments are expected to expire without being used.

14. REGULATORY MATTERS

Banks and bank holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines, and additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. The final rules implementing Basel Committee on Banking Supervision's capital guidelines for U.S. banks (Basel III rules) became effective for the Corporation on January 1, 2015 with full compliance with all of the requirements being phased in over a multi-year schedule, and fully phased in by January 1, 2019. The net unrealized gain or loss on available for sale securities is not included in computing regulatory capital. The table below presents minimum reported capital adequacy information including the full phase-in of these new requirements. Management believes as of December 31, 2019, the Corporation and Bank meet all capital adequacy requirements to which they are subject.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. As of December 31, 2019 and 2018, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the Bank's category.

At December 31, the Bank's actual capital levels and minimum required levels, in thousands, approximated:

	Actual		Minimum required for capital adequacy purposes		Minimum required to be well capitalized under prompt corrective action regulations	
2019	***Amount***	***Ratio***	***Amount***	***Ratio***	***Amount***	***Ratio***
Total Capital (to risk weighted assets)	**$ 44,838**	**17.2%**	**$ 26,980**	**10.5%**	**$ 25,695**	**10.0%**
Tier 1 (Core) Capital (to risk weighted assets)	**42,181**	**16.2%**	**21,841**	**8.5%**	**20,556**	**8.0%**
Common Tier 1 (CET1)	**42,181**	**16.2%**	**17,986**	**7.0%**	**16,702**	**6.5%**
Tier 1 (Core) Capital (to average assets)	**42,181**	**13.1%**	**12,907**	**4.0%**	**16,134**	**5.0%**
2018						
Total Capital (to risk weighted assets)	**$ 41,887**	**16.7%**	**$ 26,367**	**10.5%**	**$ 25,111**	**10.0%**
Tier 1 (Core) Capital (to risk weighted assets)	**39,312**	**15.7%**	**21,345**	**8.5%**	**20,089**	**8.0%**
Common Tier 1 (CET1)	**39,312**	**15.7%**	**17,578**	**7.0%**	**16,322**	**6.5%**
Tier 1 (Core) Capital (to average assets)	**39,312**	**13.1%**	**12,023**	**4.0%**	**15,028**	**5.0%**

Banking regulations require maintaining certain capital levels and may limit the dividend paid by the Bank to the Corporation or by the Corporation to the shareholders.

15. LEASES

The Company leases certain office facilities under long-term operating lease agreements. The leases expire at various dates through 2028 and some include renewal options. These leases require the payment of property taxes, insurance premiums, maintenance, utilities and other costs. In many cases, rentals are subject to increase in relation to a cost-of-living index. The Company accounts for lease and non-lease components together as a single lease component. The Company determines if an arrangement is a lease at inception.

Operating leases are recorded as a right-of-use ("ROU") lease assets and are included in other assets on the consolidated balance sheet. The Company's corresponding lease obligations are included in other liabilities on the consolidated balance sheet. ROU lease assets represent the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The ROU lease asset also includes any lease payments made and excludes lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

Lease expense for lease payments is recognized on a straight-line basis over the lease term. Short-term leases are leases having a term of twelve months or less. The Company recognizes short-term leases on a straight-line basis and does not record a related lease asset or liability for such leases, as allowed as practical expedient of the standard. The following is a maturity analysis of the operating lease liabilities as of December 31, 2019:

Years Ending December 31:	Operating
2020	$ 70,841
2021	58,825
2022	35,254
2023	20,067
2024	20,100
Thereafter	77,130
Total undiscounted future minimum lease payments	282,218
Discount	(23,686)
Total lease liabilities	$ 258,531
Right-of-use asset	$ 258,531

	December 31, 2019
Lease cost	
Operating lease cost	$ 89,740
Total lease cost	$ 89,740
Other information	
Operating cash outflows from operating leases	$ 87,686
Weighted-average remaining lease term - operating leases	4.76
Weighted-average discount rate - operating leases	2.88%

Directors

Eric H. Beckhusen
Chairman & CEO,
Century Bank and Trust

Robert P. Brothers
Attorney at Law,
Brothers Law Office, PLLC

Jeffrey W. Budd
CPA, Utility Director,
Coldwater Board of Public Utilities

James W. Gordon
Certified Public Accountant,
James W. Gordon, CPA, P.C.

Bruce S. A. Gosling,
Certified Public Accountant,
Gabridge & Company, PLC

Thomas G. Kramer
Retired Executive Director,
ADAPT, Incorporated

Caroline P. Lowe
Certified Public Accountant,
Caroline P. Lowe, CPA, PLC

William G. Pridgeon
Partner,
Pridgeon Farms, LLC

Eric J. Wynes
President,
Century Bank and Trust

Officers

Century Bank and Trust

Eric H. Beckhusen
Chairman & CEO

Eric J. Wynes
President

Dylan M. Foster
Executive Vice President

Rebecca S. Crabill
Chief Financial Officer

Julie A. Andrews
Vice President & Senior Trust Officer

Jeffrey S. Holbrook
Vice President

Ginger J. Kesler
Vice President

Barry R. Miller
Vice President

Donna L. Penick
Vice President & Auditor

Ronald H. Uhl
Vice President

Adam M. Wright
Vice President

Alicia K. Cole
Assistant Vice President &
Trust Officer

Corey L. Collins
Assistant Vice President &
Commercial Loan Officer

Jason C. Dozeman
Assistant Vice President &
Commercial Loan Officer

Michael D. Eddy
Assistant Vice President &
Mortgage Loan Officer

Jared E. Hoffmaster
Assistant Vice President &
Investment Officer

Vicki R. Morris
Assistant Vice President &
Mortgage Loan Officer

Tracy A. Richer
Assistant Vice President &
Trust Officer

Mashaun M. Schabloski
Assistant Vice President &
Marketing Director

Andrea J. Strong
Assistant Vice President &
Teller Operations Officer

Kathy A. Tomson
Assistant Vice President &
Mortgage Loan Officer

Melinda G. Dean
Retail Loan Officer

Karen A. Dunn
Human Resource Manager

Heather E. Eldridge
Trust Operations Officer

Alicia A. Finnerman
Mortgage Loan Officer

Sergio Gomez
Mortgage Loan Officer

Ryan J. Saddler
Cash Management Officer

Erik L. Schaeffer
Trust Officer

Century Financial Corporation

Eric H. Beckhusen
Chairman & CEO

Eric J. Wynes
President

Office and ATM Locations

Century Financial Corporation

Office Locations

Coldwater Main Office
100 West Chicago Street
Coldwater, Michigan 49036
(517) 278-1500

Coldwater Auto Bank Drive-Thru
64 North Monroe Street
Coldwater, Michigan 49036
(517) 278-1500

Coldwater East Office
745 East Chicago Street
Coldwater, Michigan 49036
(517) 278-1500

Bronson Office
106 East Chicago Street
Bronson, Michigan 49028
(517) 369-2100

Quincy Office
109 West Chicago Street
Quincy, Michigan 49082
(517) 639-8800

Reading Office
108 North Main Street
Reading, Michigan 49274
(517) 283-2148

Jonesville Loan Center
859 Olds Road
Jonesville, Michigan 49250
(517) 849-9010

Nottawa Office
25985 M-86
Nottawa, Michigan 49075
(269) 467-9615

Sturgis Main Office
300 West Chicago Road
Sturgis, Michigan 49091
(269) 651-5491

Sturgis West Office
201 South Centerville Road
Sturgis, Michigan 49091
(269) 651-5491

Three Rivers Office
1310 West Broadway
Three Rivers, Michigan 49093
(269) 273-3690

ATM Locations

Century Bank and Trust
Coldwater Main Office ATM
100 West Chicago Street
Coldwater, Michigan

Century Bank and Trust
Coldwater AutoBank Drive-Thru ATM
64 North Monroe Street
Coldwater, Michigan

Century Bank and Trust
Coldwater East Office ATM
745 East Chicago Street
Coldwater, Michigan

Century Bank and Trust ATM
Coldwater Fairfield Plaza
496 Marshall Street
Coldwater, Michigan

Century Bank and Trust
Bronson Office ATM
106 East Chicago Street
Bronson, Michigan

Century Bank and Trust
Quincy Office ATM
109 West Chicago Street
Quincy, Michigan

Century Bank and Trust
Reading Office ATM
108 North Main Street
Reading, Michigan

Century Bank and Trust
Three Rivers Main Office ATM
1310 West Broadway
Three Rivers, Michigan

Century Bank and Trust
Sturgis West Office ATM
201 South Centerville Road
Sturgis, Michigan

Century Bank and Trust ATM
Murphy Oil Gas Station
1450 South Centerville Road
Sturgis, Michigan

Century Bank and Trust ATM
Murphy Oil Gas Station
2018 North Wayne Street
Angola, Indiana

24 Hour Online Banking at CenturyBankandTrust.com
Toll Free (866) 680-2265

CENTURY
FINANCIAL CORPORATION

100 West Chicago Street
Coldwater, Michigan 49036
Toll Free (866) 680-2265