

To Our Shareholders

It is my pleasure to report the third-quarter results for Century Financial Corporation and its subsidiary Century Bank and Trust.

For the nine-months ending September 30, 2015, Century Bank and Trust reported net income of \$1,937,000 or earnings per share of \$1.00. This compares to net income of \$1,817,000 or earnings per share of \$0.94 for the same period ending September 30, 2014.

Income Statement

The bank reported total revenues of \$10,503,000 at September 30, 2015. This constitutes 4.56% growth over September 30, 2014 revenues of \$10,045,000.

Solid performance from all the bank's core lines of business have contributed to the 6.65% increase in net income when comparing September 30, 2015 to the same period in 2014:

- Total interest income up \$169,000
- Total interest expense down \$51,000
- Trust and Investment Management revenue increased by \$112,000
- Gain on sale of mortgage loans up \$199,000

Balance Sheet

The bank had total assets of \$284,950,000 at September 30, 2015. This is a 4.00% increase over September 30, 2014, when assets were \$273,989,000.

Total loans at the end of the third quarter 2015 were \$176,039,000 compared to \$170,264,000 for the same period in 2014. Year over the loan portfolio has seen growth of 3.39%. Loans have increased 3.73% since December 31, 2014 - - total loans at that date were \$169,713,000.

The allowance for loan loss (as a percent of the loan portfolio) at September 30, 2015 was 1.30%. This compares to 1.60% at September 30, 2014. A provision for loan loss expense of \$90,000 was made for the quarter compared to an expense of \$75,000 for the third quarter of 2014.

Total deposits grew 3.42% when comparing September 30, 2015 to September 30, 2014. Deposit balances were \$249,165,000 and \$240,925,000, respectively.

The bank's capital ratios at September 30, 2015 stood as follows:

- Tier 1 Leverage Ratio – 12.53%
- Tier 1 Capital Ratio and Common Equity Tier 1 Capital Ratio – 16.87%
- Total Capital Ratio – 17.97%

These measures continue to strongly exceed minimum regulatory requirements.

Total Shareholder Equity at September 30, 2015 was \$32,624,000 compared to \$30,932,000 at September 30, 2014.

As previously reported, we continue to see improved economic conditions and customer confidence in the markets we serve. These positive external factors coupled with the long-term, client focused values our teams act on daily, have driven the favorable results reported. As the third-quarter concludes, we are concentrated on the remaining opportunities in 2015 and beginning our 2016 planning.

I would like to take this opportunity to thank Robert (Bob) Brothers for his 11 years of dedicated service as a Director. Our customers, communities, shareholders and employees have been well served by his commitment and balanced stewardship as a Board member. Bob has recently resigned his Board position as he and his wife prepare to embark on a major travel adventure.

I thank each shareholder for your continued support, business as a client and conscious customer referrals to Century Bank and Trust.

Eric H. Beckhusen

Eric H. Beckhusen
Chairman & CEO

Directors & Officers

Century Financial Corporation Directors

Eric H. Beckhusen <i>Chairman & CEO, Century Bank and Trust</i>	Kelly B. Murphy <i>President, Murphy Oil Co., Inc.</i>
Bruce S. A. Gosling <i>Certified Public Accountant, Norman and Paulsen, P.C.</i>	Robert W. Shedd <i>Northshore Asset Mgt.</i>
John D. Hutchinson <i>Attorney-at-Law</i>	Stanley R. Welch <i>Chairman of the Board, Bronson Plating Co.</i>
Thomas G. Kramer <i>Executive Director, ADAPT, Incorporated</i>	Eric J. Wynes <i>President, Century Bank and Trust</i>
Caroline P. Lowe <i>Certified Public Accountant</i>	

Century Bank and Trust Officers

Eric H. Beckhusen <i>Chairman & CEO</i>	Jeffrey S. Holbrook <i>Assistant Vice President & Commercial Loan Officer</i>
Eric J. Wynes <i>President</i>	Barry R. Miller <i>Assistant Vice President & Mortgage Loan Officer</i>
Dylan M. Foster <i>Senior Vice President</i>	Vicki R. Morris <i>Assistant Vice President & Mortgage Loan Officer</i>
Gaylene S. Adams <i>Vice President</i>	Andrea J. Strong <i>Assistant Vice President & Teller Operations Officer</i>
Julie A. Andrews <i>Vice President & Senior Trust Officer</i>	Adam M. Wright <i>Assistant Vice President & Commercial Loan Officer</i>
Jessica A. Handy-Drewek <i>Vice President & Commercial Loan Officer</i>	Donna L. Penick <i>Auditor</i>
Donna M. Hobday <i>Vice President</i>	Katherine L. Sexton-Deck <i>Controller</i>
Ginger J. Kesler <i>Vice President</i>	W. Samuel Davenport III <i>Loan Officer</i>
Ronald H. Uhl <i>Vice President</i>	Heather E. Eldridge <i>Trust Operations Officer</i>
David L. Wright <i>Vice President</i>	Tracy A. Richer <i>Trust Officer</i>
Alicia K. Cole <i>Assistant Vice President & Trust Officer</i>	AnnMarie L. Sanders <i>Commercial Loan Officer</i>
Corey L. Collins <i>Assistant Vice President & Deposit Services Officer</i>	Erik L. Schaeffer <i>Trust Officer</i>
Michael D. Eddy <i>Assistant Vice President & Mortgage Loan Officer</i>	Kathy A. Tomson <i>Mortgage Loan Officer</i>
Jared E. Hoffmaster <i>Assistant Vice President & Investment Officer</i>	



CenturyBankandTrust.com

(866) 680-BANK

Third Quarter
Report to Shareholders
September 30, 2015

Bronson • Coldwater • Nottawa
Quincy • Reading • Sturgis
Three Rivers

Consolidated Balance Sheet

	September 30,	
	2015	2014
Assets		
Cash and due from banks	\$ 8,662,472	\$ 3,420,219
Short term investments	500,000	500,000
Interest bearing deposits with other banks	1,743,000	0
Investment securities available for sale	45,803,115	48,820,342
Investment securities (market value of \$14,238,830 in 2015 and \$11,768,143 in 2014) held to maturity	14,479,240	12,148,093
Federal funds sold and other overnight investments	23,420,000	25,146,000
Loans	176,039,497	170,263,746
Less: Allowance for loan loss	(2,280,691)	(2,715,763)
Loans, Net	173,758,806	167,547,983
Bank premises and equipment, net	5,104,215	5,385,821
Bank owned life insurance	8,024,885	7,794,983
Accrued interest receivable and other assets	3,453,906	3,225,290
Total Assets	\$ 284,949,639	\$ 273,988,731
Liabilities		
Deposits		
Non-interest bearing	\$ 46,557,304	\$ 43,863,060
Interest bearing	202,607,574	197,062,382
Total Deposits	249,164,878	240,925,442
Accrued interest payable and other liabilities	3,160,844	2,131,029
Total Liabilities	\$ 252,325,722	\$ 243,056,471
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2015 and 2014;		
issued and outstanding: 1,931,757 in 2015 and		
1,934,757 in 2014	1,931,757	\$ 1,934,757
Paid in capital	19,162,759	19,202,709
Retained earnings	11,702,639	12,269,655
Accumulated other comprehensive loss	(173,238)	(2,474,861)
Total Shareholders' Equity	\$ 32,623,917	\$ 30,932,260
Total Liabilities and Shareholder's Equity	\$ 284,949,639	\$ 273,988,731
Book Value Per Share	\$ 16.89	\$ 15.99

Consolidated Statement of Income

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Interest Income				
Loans, including fees	\$ 2,020,853	\$ 1,896,681	\$ 5,801,277	\$ 5,544,238
Securities				
Taxable	278,490	291,888	844,672	947,953
Non-Taxable	82,089	72,584	233,988	224,117
Federal funds sold and other overnight investments	10,436	13,800	39,978	41,245
Short term investments	11,391	4,411	20,069	13,711
Total Interest Income	\$ 2,403,259	\$ 2,279,364	\$ 6,939,984	\$ 6,771,264
Interest Expense				
Interest on other deposits	44,171	47,292	131,858	165,450
Interest on time deposits over \$100,000	9,917	17,136	33,642	51,217
Other interest expense	4	4	11	11
Total Interest Expense	\$ 54,093	\$ 64,431	\$ 165,512	\$ 216,678
Net Interest Income	2,349,166	2,214,933	6,774,472	6,554,586
Provision for Loan Losses	90,000	75,000	270,000	105,000
Net Interest Income after Provision for Loan Losses	2,259,166	2,139,933	6,504,472	6,449,586
Non-interest Income				
Trust and investment management revenue	434,459	423,400	1,337,716	1,225,775
Service charges on deposit accounts	418,066	437,986	1,211,648	1,223,512
Gain on sale of mortgage loans	247,115	191,124	604,232	405,045
Other income	139,465	141,831	409,285	419,189
Total Non-interest Income	\$ 1,239,105	\$ 1,194,341	\$ 3,562,881	\$ 3,273,521
Non-interest Expense				
Salaries	951,322	853,329	2,884,403	2,648,280
Employee benefits	416,582	396,760	1,336,106	1,305,201
Occupancy and equipment expense	508,668	487,019	1,544,014	1,596,360
Other expense	619,574	605,542	1,659,293	1,683,675
Total Non-interest Expense	\$ 2,496,145	\$ 2,342,650	\$ 7,423,815	\$ 7,233,516
Income Before Income Taxes	1,002,126	991,624	2,643,538	2,489,591
Income Taxes	270,513	278,128	706,050	672,931
Net Income	\$ 731,613	\$ 713,496	\$ 1,937,488	\$ 1,816,660
Basic & Diluted Earnings Per Share	\$ 0.38	\$ 0.37	\$ 1.00	\$ 0.94

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