

To Our Shareholders

Mid-year greetings fellow shareholders. I am pleased to report the second quarter results for Century Financial Corporation and its subsidiary, Century Bank and Trust.

For the six months ending June 30, 2015, Century Bank and Trust reported net income of \$1,206,000 or earnings per share of \$0.62. This compares favorably to net income of \$1,103,000 or earnings per share of \$0.57 for the same period ending June 30, 2014. This 9.3% increase in net income was obtained through efforts from all our teams - - Business Services, Mortgage Lending, Deposit Services, Trust and Investment Management and Operations.

Comparison of the bank's second quarter results for the three months ended June 30th are as follows:

- 2015 – net income of \$653,000 and earnings per share of \$0.34.
- 2014 – net income of \$638,000 and earnings per share of \$0.33.

Balance Sheet

Total assets for the bank at June 30, 2015 stood at \$272,000,000, compared to \$269,000,000 at June 30, 2014.

Loans ended the period at \$172,621,000. This is a \$9,233,000 or 5.65% increase over June 30, 2014. Total loans are up \$2,908,000 or 1.71% from December 31, 2014 levels.

The allowance for loan loss, as a percentage of loans, at June 30, 2015 stands at 1.28%. At June 30, 2014 it was 1.77%. A provision for loan loss expense of \$105,000 was made in the second quarter. A \$30,000 expense was made during the same period in 2014.

Shareholder equity at June 30, 2015 and 2014 was \$31,873,000 and \$30,276,000, respectively. Capital ratios at June 30, 2015 remain strong and well above minimum regulatory requirements.

Income Statement

Total revenue at June 30, 2015 was \$6,749,000 compared to \$6,419,000 at June 30, 2014. Key factors producing this result:

- Interest income - \$45,000 increase
- Interest expense - \$41,000 decrease
- Trust and Investment Management revenue - \$101,000 increase
- Gain on sale of mortgage loans - \$143,000 increase

Non-interest expense for the six months ended June 30, 2015 totaled \$4,928,000 versus \$4,891,000 at June 30, 2014. Operating costs, net of employee related expenses, are down \$112,000 when comparing June 2015 and 2014.

Briefly to the national economic topic of interest rates. It is widely expected the Federal Open Market Committee (FOMC) will begin increasing rates under their control in the second-half of this year. They have strategically been communicating this message and indicate actions with rates will be measured. As a banking industry participant, we welcome this event. Though navigating from historic low interest rates will undoubtedly present some challenges, we feel well positioned to appropriately manage and benefit from the action.

We close the first half of 2015 with solid momentum created by the hard work of each CB&T team member. With positive economic activity continuing in our markets, we remain focused on being the trusted resource every customer and client relationship, existing or new, should expect. This has been our focus for the past 125 years and a key element to our long-term success.

As always, I thank each of you for your support and loyalty as a shareholder, your business as a customer, and your continued referrals to Century Bank and Trust.



Eric H. Beckhusen
Chairman & CEO

Directors & Officers

Century Financial Corporation Directors

Eric H. Beckhusen <i>Chairman & CEO, Century Bank and Trust</i>	Caroline P. Lowe <i>Certified Public Accountant</i>
Robert P. Brothers <i>Attorney-at-Law</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>

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>
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Jared E. Hoffmaster <i>Assistant Vice President & Investment Officer</i>	



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Second Quarter
Report to Shareholders
June 30, 2015

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

Consolidated Balance Sheet

	June 30,	
	2015	2014
Assets		
Cash and due from banks	\$ 3,154,860	\$ 5,284,210
Short term investments	500,000	500,000
Investment securities available for sale	46,176,454	50,084,530
Investment securities (market value of \$13,970,784 in 2015 and \$11,259,170 in 2014) held to maturity	14,220,858	11,727,252
Federal funds sold and other overnight investments	20,459,000	24,074,000
Loans	172,621,030	163,387,746
Less: Allowance for loan loss	(2,201,206)	(2,888,276)
Loans, Net	170,419,824	160,499,470
Bank premises and equipment, net	5,240,719	5,472,434
Bank owned life insurance	7,966,578	7,737,580
Accrued interest receivable and other assets	3,498,269	3,575,570
Total Assets	\$ 271,636,561	\$ 268,955,045
Liabilities		
Deposits		
Non-interest bearing	\$ 46,826,737	\$ 46,488,493
Interest bearing	189,509,891	189,640,686
Total Deposits	236,336,628	236,129,179
Accrued interest payable and other liabilities	3,426,468	2,549,761
Total Liabilities	\$ 239,763,096	\$ 238,678,940
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2015 and 2014;		
issued and outstanding: 1,932,757 in 2015 and		
1,934,757 in 2014	\$ 1,932,757	\$ 1,934,757
Paid in capital	19,176,109	19,202,709
Retained earnings	13,460,948	11,768,955
Accumulated other comprehensive loss	(2,696,348)	(2,630,316)
Total Shareholders' Equity	\$ 31,873,466	\$ 30,276,105
Total Liabilities and Shareholder's Equity	\$ 271,636,562	\$ 268,955,045
Book Value Per Share	\$ 16.49	\$ 15.65

Consolidated Statement of Income

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Interest Income				
Loans, including fees	\$ 1,891,354	\$ 1,867,542	\$ 3,780,424	\$ 3,647,557
Securities				
Taxable	277,618	317,147	566,182	656,065
Non-Taxable	79,392	73,281	151,899	151,533
Federal funds sold and other overnight investments	16,156	13,664	29,542	27,445
Short term investments	4,363	4,371	8,678	9,300
Total Interest Income	\$ 2,268,883	\$ 2,276,005	\$ 4,536,725	\$ 4,491,900
Interest Expense				
Interest on other deposits	43,512	54,928	87,687	118,158
Interest on time deposits over \$100,000	10,810	17,223	23,725	34,081
Other interest expense	3	3	7	7
Total Interest Expense	\$ 54,325	\$ 72,155	\$ 111,419	\$ 152,247
Net Interest Income	2,214,558	2,203,850	4,425,306	4,339,653
Provision for Loan Losses	105,000	30,000	180,000	30,000
Net Interest Income after Provision for Loan Losses	2,109,558	2,173,850	4,245,306	4,309,653
Non-interest Income				
Trust and investment management revenue	462,854	404,717	903,257	802,375
Service charges on deposit accounts	415,351	413,780	793,582	785,526
Gain on sale of mortgage loans	209,168	118,105	357,117	213,921
Other income	129,610	144,090	269,820	277,358
Total Non-interest Income	\$ 1,216,983	\$ 1,080,692	\$ 2,323,776	\$ 2,079,180
Non-interest Expense				
Salaries	941,932	858,245	1,933,081	1,794,951
Employee benefits	453,771	432,459	919,524	908,441
Occupancy and equipment expense	516,271	508,740	1,035,346	1,109,341
Other expense	518,495	571,644	1,039,719	1,078,133
Total Non-interest Expense	\$ 2,430,469	\$ 2,371,088	\$ 4,927,670	\$ 4,890,866
Income Before Income Taxes	896,072	883,454	1,641,412	1,497,967
Income Taxes	243,184	245,653	435,537	394,803
Net Income	\$ 652,888	\$ 637,801	\$ 1,205,875	\$ 1,103,164
Basic & Diluted Earnings Per Share	\$ 0.34	\$ 0.33	\$ 0.62	\$ 0.57

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