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2018 ANNUAL REPORT

CENTURY FINANCIAL CORPORATION

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Century Financial Corporation

CENTURY FINANCIAL CORPORATION

The Annual Meeting of the shareholders of Century Financial Corporation will be held March 19, 2019 at 4:00 p.m., at the Dearth Community Center, Garfield Road, Coldwater, Michigan.

Financial Highlights

Century Financial Corporation

		2018		2017
For the Year				
Net Income	$	**3,823,000**	$	**1,146,000**
Cash Dividends		**1,145,000**		**1,037,000**
Return on Average Assets		**1.24%**		**0.38%**
Return on Average Equity		**10.27%**		**3.24%**
At Year End				
Assets	$	**315,568,000**	$	**301,539,000**
Deposits		**273,539,000**		**258,184,000**
Net Loans		**203,474,000**		**189,423,000**
Shareholders' Equity		**37,957,000**		**36,501,000**
Per Share				
Basic and Diluted Earnings	$	**2.00**	$	**0.60**
Cash Dividends		**0.60**		**0.54**
Book Value -- December 31		**20.01**		**19.00**

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,

It is my pleasure to announce the annual performance for Century Financial Corporation and its subsidiary Century Bank and Trust in 2018. Our company reported net income of $3,823,000 or basic earnings per share of $2.00 for the year. This compares to net income of $1,146,000 and earnings per share of $0.60 reported to you in 2017.

The 2018 performance represents a return on average assets (ROA) of 1.24% and a return on average equity (ROE) of 10.27%. In 2017, ROA and ROE were 0.38% and 3.24%, respectively.

As a reminder, the skewed trend-line you notice when comparing 2018 to 2017 results is primarily related to the one-time, pre-tax expense associated with terminating and settling the Bank's defined benefit pension plan in 2017. A final distribution of plan assets were made to participants in December 2017 – resulting in a pension related expense for 2017 totaling $2,838,000. Additionally in 2017, the entire banking industry had to adjust for the corporate tax code approved late in the year. After accounting for the new tax code based on the Corporation's net deferred tax assets, the Bank recorded $196,000 more in income tax for 2017 than it normally would have. When 2017 is adjusted for these unusual events, net income would have been $3,076,000 or $1.60 per share with a ROA of 1.03% and ROE of 8.47%.

As you've come to recognize in my communications with you, I firmly believe in giving credit where credit is due. Your company's results in 2018 were – without doubt – driven by our dedicated and talented team of employees. Their daily passion and work ethic in serving our customers, communities and shareholders is truly remarkable. I enthusiastically welcome the chance to once again echo my sincere gratitude for the privilege of working alongside each of them.

Strong capital, liquidity and core deposit funding continue to be key details describing Century Bank and Trust's balance sheet. Total assets grew $14,029,000 or 4.65% ending 12-31-18 at $315,568,000. At 12-31-17, asset levels of $301,539,000 were reported.

The loan portfolio grew $14,426,000, or 7.53%, on an annual basis. Both our commercial and residential lending teams contributed to the growth. At 12-31-18, total loans were $206,050,000 with an allowance for loan loss reserve of $2,575,000 or 1.25% of the loan portfolio. For the same period in 2017, loans totaled $191,624,000 with an allowance for loan loss reserve of $2,201,000 or 1.15% of the loan portfolio. Century Bank and Trust continues to service our customers' residential mortgage loans that are sold to the secondary market. This off-balance sheet portfolio was $116,580,000 at 12-31-18 compared to $111,331,000 at 12-31-17. Net loan loss in 2018, as a percentage of average loans was 0.23%, compared to 0.17% in 2017. At December 31, 2018, nonaccrual loans totaled $1,762,000 and Other Real Estate Owned was $283,000. At December 2017, these categories stood at $1,942,000 and $305,000, respectively.

Total deposits grew, ending 2018 at $273,539,000 – this compares to total deposits of $258,184,000 at 12-31-17. Our deposit service teams continue their strong work on maintaining and growing important core deposit products of personal and business checking and savings accounts.

Century Bank and Trust's capital levels soundly exceed requirements to be considered "well capitalized" by bank regulatory agencies. At 12-31-18, the core capital ratios banking institutions are measured by stood at: Total capital/risk weighted assets – 16.68%, Tier 1 capital/risk weighted assets – 15.66% and Tier 1 capital/average assets – 13.08%. These measures at 12-31-17 were 16.60%, 15.67% and 12.52%, respectively.

The continued strong local and national economy along with the reduced corporate tax rate in 2018 were both welcomed and contributed positively as the year progressed. For the year, the Bank's federal income tax was $340,000 lower than what was paid in 2017. Additionally, with four rate increases by the Federal Open Market Committee in 2018, the Bank's growing loan portfolio saw a nice adjustment in yield. Net interest margin for the year was 4.01% compared to 3.69% in 2017.

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.

Century Financial Corporation

Operating highlights for the year are:

- Net operating revenue, defined as net interest and non-interest income combined, increased 8.54% totaling $16,313,000 for 2018. Net operating revenue was $15,030,000 in 2017.

- The revenue mix for 2018 was 69.09% from net interest (spread) income and 30.91% from non-interest (fee) income. For 2017 the components were: 67.09% net interest income and 32.91% fee income.

- Net interest income, before provision expense, increased $1,187,000 or 11.77%. Net interest income for 2018 was $11,270,000 compared to $10,083,000 in 2017.

- The provision for loan losses for 2018 was $830,000 compared to $250,000 in 2017.

- Commercial lending remained the largest segment of the loan portfolio. This lending team finished the year up $10,647,000 or 8.40%. The commercial loan portfolio totaled $137,358,000 and $126,711,000 at 12-31-18 and 12-31-17, respectively.

- Total interest expense increased, ending the year at $618,000 versus $353,000 in 2017 – an increase of $265,000.

- Overall fee income grew $96,000 or 1.94%. Fee income totaled $5,043,000 for 2018 compared to $4,947,000 for 2017.

- Trust and Investment Management revenue continues as the single largest component of fee income. This team again produced record results in 2018, generating revenue of $1,979,000 compared to $1,925,000 in 2017. This constitutes an increase of $54,000 or 2.78%.

- Fee income from Deposit Services components of service charges and fees and exchanges increased 2.53%, or $45,000 in 2018 with aggregate revenue of $1,795,000 versus $1,750,000 in 2017.

- The gain on sale of mortgage loans increased $9,000 in 2018 compared to 2017. Total gain was $604,000 for 2018 compared to $595,000 the year prior. Additionally, the rebounding housing market and tight inventory led to year-over loan portfolio growth associated with home construction. The combined residential and consumer loan portfolio at 12-31-18 was $68,691,000. This compares to $64,913,000 at 12-31-17.

- Non-interest expense for 2018 totaled $10,833,000 compared to $13,147,000 in 2017. As mentioned previously, the dramatic decrease is related to the one-time expense associated with terminating the Bank's pension plan. Core operating expenses, net of employee-related items, for the year were $4,586,000 compared to $4,366,000 in 2017 – an increase of $220,000 or 5.04%.

Strong execution by managers and teams in all our core lines of business coupled with conservative balance sheet management again drove the Bank's core performance in 2018. This consistency 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 2018 of $0.60 per share. This compares to a $0.54 per share annual payout for 2017. The market share price of CFC stock (ticker symbol CYFL) was $19.75 at 12-31-18 and $20.00 at 12-31-17. Book values for these same time periods were $20.01 and $19.00, respectively.

In conclusion, I thank you for your continued support and confidence as a shareholder, your business as a client and making those ever-important referrals of friends, family and associates to Century Bank and Trust. As we take aim on 2019, I believe we do it with encouraging factors not seen for some time in the economy. This continued positive economic activity and a rate environment carefully managed to this point by the Federal Reserve, should provide a strong operating situation for well-managed banking organizations. A phrase I whole-heartedly agree with and strongly believe applies to our organization no matter the environment ~ "successful banking is the result of doing a lot of little things right". Our long-term vision remains the same – unwavering focus on daily actions that build successful communities, clients and the Bank.

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, 2018 and 2017, 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 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, 2018 and 2017, 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
March 1, 2019

Consolidated Balance Sheets

Century Financial Corporation

	December 31, 2018	December 31, 2017
Assets		
Cash and due from banks	$ 7,556,700	$ 7,415,966
Short term investments	25,579,305	19,153,020
Total cash and cash equivalents	33,136,005	26,568,986
Time deposits in other financial institutions	2,992,803	3,242,439
Securities available for sale	46,168,733	48,651,288
Securities held to maturity (Fair value of $12,390,635 in 2018 and $16,177,770 in 2017)	12,245,817	16,210,020
Other investments	414,354	414,354
Loans held for sale	-	74,000
Loans, net	203,474,401	189,422,862
Premises and equipment, net	5,015,457	5,084,214
Bank owned life insurance	8,783,039	8,550,877
Accrued interest receivable	1,087,641	1,022,097
Other assets	2,249,525	2,297,386
Total Assets	$ 315,567,775	$ 301,538,523
Liabilities		
Deposits		
Noninterest-bearing	$ 88,676,854	$ 81,405,550
Time deposits of $100,000 or more	12,455,057	13,257,745
Other time deposits	12,157,286	8,350,111
Other interest-bearing deposits	160,249,591	155,171,006
Total deposits	273,538,788	258,184,412
Accrued interest payable	15,709	8,347
FHLB Advances	2,500,000	5,000,000
Other liabilities	1,556,526	1,844,318
Total Liabilities	277,611,023	265,037,077
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 -- 1,896,608 in 2018 and 1,921,140 in 2017	1,896,608	1,921,140
Paid in capital	18,528,663	19,003,810
Retained earnings	18,922,298	16,134,491
Accumulated other comprehensive loss	(1,390,817)	(557,995)
Total Shareholders' Equity	37,956,752	36,501,446
Total Liabilities and Shareholders' Equity	$ 315,567,775	$ 301,538,523

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

Consolidated Statements of Income

Century Financial Corporation

	Year Ended December 31, 2018	2017
Interest Income		
Loans, including fees	$ 10,219,321	$ 8,701,528
Securities		
Taxable	1,061,085	1,163,739
Non-taxable	312,715	366,951
Other investments	295,297	202,912
Total interest income	11,888,418	10,435,130
Interest Expense		
Deposits	574,480	306,115
Other borrowings	43,836	46,403
Total interest expense	618,316	352,518
Net Interest Income	11,270,102	10,082,612
Provision for loan losses	830,000	250,000
Net interest income after provision for loan losses	10,440,102	9,832,612
Non-interest Income		
Service charges on deposit accounts	1,794,576	1,750,317
Trust and investment management revenue	1,979,001	1,925,409
Gain on sale of mortgage loans	603,671	594,950
Gain on sale of securities	-	41,346
Other income	665,955	635,300
Total non-interest income	5,043,204	4,947,322
Non-interest Expense		
Salaries and employee benefits	6,247,081	8,780,392
Occupancy and equipment expense	2,106,592	1,974,833
Other	2,479,789	2,391,347
Total non-interest expense	10,833,461	13,146,572
Income Before Income Taxes	4,649,845	1,633,362
Income Taxes	826,991	487,410
Net Income	$ 3,822,853	$ 1,145,952
Basic Earnings Per Share	$ 2.00	$ 0.60

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

Consolidated Statements of Comprehensive Income

Century Financial Corporation

	Year Ended December 31, 2018	2017
Net Income Available to Shareholders	$ 3,822,853	$ 1,145,952
Other Comprehensive Income		
Reclassification adjustment for net realized (gains)/losses on sales of securities (A)	-	(41,346)
Unrealized gains/(losses) on securities		
Unrealized holding gain/(loss)	(914,929)	170,788
Tax effect (C)	192,135	(44,009)
Net of tax	(722,794)	85,433
Defined benefit pension plan		
Net gain/(loss)		-
Reclassification adjustment for realized pension (gains)/losses (B)	-	3,217,147
Tax effect (C)	-	(1,093,831)
Net of tax	-	2,123,316
Total other comprehensive income/(loss)	(722,794)	2,208,749
Comprehensive Income	$ 3,100,059	$ 3,354,701

(A) Included in gain/(loss) on sale of securities
(B) Included in salaries and employee benefits
(C) Income taxes for 2018 and 2017 include benefits of $0 and $1,079,773 related to reclassification adjustments

Consolidated Statements of Changes in Shareholders' Equity

Century Financial Corporation

	Common Stock	Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total
Balance, January 1, 2017	$ 1,923,757	$ 19,047,749	$ 16,025,930	$ (2,766,744)	$ 34,230,692
Net income	-	-	1,145,952	-	1,145,952
Other comprehensive income	-	-	-	2,208,749	2,208,749
Cash dividends, $.54 per share	-	-	(1,037,391)	-	(1,037,391)
Repurchase of shares	(2,617)	(43,939)	-	-	(46,556)
Balance, December 31, 2017	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

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

Consolidated Statements of Cash Flows

Century Financial Corporation

	Year Ended December 31, 2018	2017
Cash Flows from Operating Activities		
Net Income	$ 3,822,853	$ 1,145,952
Adjustments to Reconcile Net Income to Net Cash from Operating Activities		
Depreciation	461,543	451,525
Net (accretion)/amortization on securities	135,189	97,521
Provision for loan losses	830,000	250,000
Gain on sales of mortgage loans	(603,671)	(594,950)
Proceeds from sales of mortgage loans	21,048,397	18,750,489
Mortgage loans originated for sale	(20,370,726)	(17,789,089)
Gain on sales of securities	-	(41,346)
Loss/(gain) on sales of other real estate owned	77,725	(55,583)
Earnings on bank owned life insurance	(232,162)	(232,197)
Net Change in Assets and Liabilities		
Interest receivable	(65,544)	(35,991)
Interest payable	7,362	(1,026)
Other assets	246,410	809,074
Other liabilities	(287,792)	831,666
Net cash from operating activities	5,069,584	3,586,045
Cash Flows from Investing Activities		
Redemption of Federal Home Loan Bank stock	-	-
Purchases of securities available for sale	-	(7,080,000)
Proceeds from sales, calls and maturities of securities available for sale	1,465,000	14,276,346
Purchases of securities held to maturity	(786,000)	(6,660,000)
Proceeds from calls, prepayment and maturities of securities held to maturity	4,717,276	5,787,448
Proceeds from maturities of time deposits in other financial institutions	250,000	-
Purchase of time deposits in other financial institutions	-	(1,494,000)
Proceeds from sales of time deposits in other financial institutions	-	1,743,000
Net change in portfolio loans	(15,015,037)	(11,872,259)
Proceeds from sales of other real estate owned	49,359	434,417
Premises and equipment expenditures, net	(392,786)	(509,705)
Net cash from investing activities	(9,712,188)	(5,374,753)
Cash Flows from Financing Activities		
Net change in time deposits of $100,000 or more	(802,688)	(1,480,348)
Net change in other deposits	16,157,064	2,339,084
Repurchase of stock	(499,679)	(46,556)
Proceeds from FHLB Advances	4,000,000	8,000,000
Repayment on FHLB Advances	(6,500,000)	(3,000,000)
Cash dividends paid	(1,145,074)	(1,037,391)
Net cash from financing activities	11,209,623	4,774,789
Net Change in Cash and Cash Equivalents	6,567,019	2,986,081
Cash and cash equivalents at beginning of year	26,568,986	23,582,905
Cash and Cash Equivalents at End of Year	$ 33,136,005	$ 26,568,986
Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Year for	*2018*	*2017*
Interest	$ 610,954	$ 353,544
Income taxes paid (refunded)	441,000	1,070,000
Supplemental Disclosures of Non-Cash Financing and Investing Activities		
Transfers of loans to other real estate owned	$ 133,498	$ 150,222

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 Corporation has evaluated subsequent events for recognition and disclosure through March 1, 2019, 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. Overnight investments can be liquidated to cash within seven days. 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. For equity securities, the entire amount of impairment is recognized through earnings. 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 $250,000 (2019), $750,000 (2021), $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 business 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 $311,000 and $290,000 for the years ended December 31, 2018 and 2017. 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 $283,000 and $305,000 of foreclosed assets at December 31, 2018 and 2017.

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, and changes in the funded status of the pension plan, 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.

Revenue Recognition - Effective January 1, 2018, the Corporation adopted ASU 2014-09, Revenue from Contracts with Customers (ASC Topic 606), and subsequent related Updates (collectively, ASU 2014-09). ASU 2014-09 modifies the guidance used to recognize revenue from contracts with customers for transfers of goods or services and transfers of non-financial assets, unless those contracts are within the scope of other guidance. The Corporation elected the modified retrospective approach for adoption of this standard which had no impact to its financial condition upon adoption. The Corporation determined that all interest revenues from loans and investments should be excluded from ASU 2014-09, as guidance from ASC Topic 310, Receivables (ASC Topic 310), and ASC Topic 320, Investments-Debt and Equity Securities (ASC Topic 320), respectively, address these revenues. Non-interest revenues from loan fees, bank-owned life insurance (BOLI) and gains and losses on sale of loans, securities and fixed assets are also excluded from the scope of ASU 2014-09. The Corporation's principal revenue streams that are within the scope of ASC 606 include deposit service charges and fees, interchange income and trust income. These revenues are generally recognized immediately upon the completion of the service or over time as services are performed. Any services performed over time generally require that the Corporation renders services each period, for example monthly, therefore the Corporation measures progress in completing these services based upon the passage of time. Adoption of the new standard did not change the manner or timing of revenue recognition with respect to these services as the Corporation's performance obligations are completed at the time that revenue is recognized.

Financial Instruments - Effective January 1, 2018, the Corporation adopted ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities, and related Updates (collectively, ASU 2016-01). ASU 2016-01 makes revisions to several elements of Subtopic 825-10, which include: (1) equity investments with readily determinable fair values are to be measured at fair value with changes in fair value recognized in net income, (2) the impairment assessment of equity investments without readily determinable fair values is simplified, and (3) public business entities are required to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes. Adoption of this standard had no impact on the Corporation's financial condition or results of operations. The requirement to utilize the exit price notion affected the Corporation's fair value disclosures which are presented in Note 5.

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 did not have a significant effect of the Corporation's financial condition on January 1, 2019.

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, 2018 and 2017.

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:

2018	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
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
2017				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 22,995,760	$ 201	$ (531,264)	$ 22,464,697
Corporate Securities	26,501,127	86,342	(400,878)	26,186,591
	$ 49,496,887	$ 86,543	$ (932,142)	$ 48,651,288

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

2018	Carrying Amount	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
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
2017				
Obligations of states and political subdivisions	$ 16,207,789	$ 4,686	$ (36,908)	$ 16,175,567
Mortgage-backed securities, residential	2,231	-	(28)	2,203
Totals	$ 16,210,020	$ 4,686	$ (36,936)	$ 16,177,770

Securities with unrealized losses at year end 2018 and 2017, 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	
2018	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
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)
2017						
U.S. Treasury	$ 1,577,308	$ (31,713)	$ 21,004,131	$ (499,551)	$ 22,581,439	$ (531,264)
Mortgage-backed securities	2,203	(28)	-	-	2,203	(28)
Obligations of states and political subdivisions	451,255	(4,893)	2,081,567	(32,015)	2,532,822	(36,908)
Corporate securities	6,621,432	(62,555)	12,758,462	(338,323)	19,379,894	(400,878)
Total temporarily impaired	$ 8,652,198	$ (99,189)	$ 35,844,160	$ (869,889)	$ 44,496,358	$ (969,078)

3. SECURITIES (continued)

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 gains or losses as a result of the sale or call of securities in 2018. Sales of securities in 2017 generated proceeds of $13,680,000 and resulted in gains of $78,176 and losses of $36,830 for a net gain of $41,346.

The fair value of debt securities and carrying amount, if different at year end 2018 by contractual maturity were as follows. Securities not due at a single maturity date, primarily mortgage-backed securities, are shown separately.

	Held-to-maturity Carrying Amount	Fair Value	Available for sale Amortized Cost	Fair Value
Due in one year or less	$ 3,172,371	3,166,138	$ -	-
Due from one to five years	3,950,500	3,979,408	33,169,373	32,294,494
Due from five to ten years	2,412,909	2,496,251	12,759,889	12,003,580
Due after ten years	2,708,084	2,746,922	2,000,000	1,870,659
Mortgage-backed, residential	1,953	1,916	-	-
Totals	$ 12,245,817	$ 12,390,635	$ 47,929,262	$ 46,168,733

Securities pledged at year end 2018 and 2017 had a carrying amount of $7,997,617 and $11,996,559 and were pledged to secure public deposits.

4. LOANS

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

	2018	2017
Commercial:		
Commercial real estate	$ 92,799,101	$ 84,250,852
Other	44,559,230	42,459,948
Residential real estate:		
One to four family	49,779,649	47,068,418
Home equity lines of credit	11,340,894	10,518,098
Consumer	7,570,955	7,326,608
Subtotal	206,049,829	191,623,924
Allowance for loan losses	(2,575,428)	(2,201,062)
Loans, net	$ 203,474,401	$ 189,422,862

At December 31, 2018 and 2017, certain officers and directors, and companies in which they are principal owners, were indebted to the Corporation in the aggregate of $1,258,907 and $1,783,427, respectively.

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

	Commercial	Real Estate	Consumer	Unallocated	Total
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
2017					
Allowance for loan losses:					
Beginning balance	$ 1,177,280	$ 242,362	$ 72,868	$ 776,547	$ 2,269,057
Provision for loan losses	112,060	(20,166)	30,038	128,068	250,000
Loans charged-off	(271,315)	(38,125)	(98,368)	-	(407,808)
Recoveries	17,808	10,394	61,611	-	89,813
Total ending balance	$ 1,035,833	$ 194,465	$ 66,149	$ 904,615	$ 2,201,062

Notes to Consolidated Financial Statements (continued)

Century Financial Corporation

4. LOANS (continued)

The following table presents 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
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
2017					
Allowance for loan losses:					
Ending allowance balance attributable to loans:					
Individually evaluated for impairment	$ 250,000	$ -	$ -	$ -	$ 250,000
Collectively evaluated for impairment	785,833	194,465	66,149	904,615	1,951,062
Total ending allowance balance	$ 1,035,833	$ 194,465	$ 66,149	$ 904,615	$ 2,201,062
Loans:					
Individually evaluated for impairment	$ 3,243,967	$ 509,814	$ -	$ -	$ 3,753,781
Collectively evaluated for impairment	123,466,833	57,076,702	7,326,608	-	187,870,143
Total ending loans balance	$ 126,710,800	$ 57,586,516	$ 7,326,608	$ -	$ 191,623,924

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
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	-	-	-	-	-	-
Subotal	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
2017						
With no related allowance recorded:						
Commercial:						
Commercial real estate	$ 1,609,453	$ 1,609,453	$ -	$ 1,680,799	$ 95,117	$ 36,018
Other	177,183	177,183	-	167,178	13,700	14,600
Residential real estate	509,814	509,814	-	514,292	23,995	24,147
Consumer	-	-	-	-	-	-
Subtotal	2,296,450	2,296,450	-	2,362,269	132,812	74,765
With an allowance recorded:						
Commercial:						
Commercial real estate	2,681,009	1,457,331	250,000	1,652,828	2,002	675
Other	-	-	-	-	-	-
Residential real estate	-	-	-	-	-	-
Subotal	2,681,009	1,457,331	250,000	1,652,828	2,002	675
Total	$ 4,977,459	$ 3,753,781	$ 250,000	$ 4,015,097	$ 134,814	$ 75,440

4. LOANS (continued)

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	
	2018	2017	2018	2017
Commercial:				
Commercial real estate	$ 1,311,524	$ 1,521,325	$ -	$ -
Other	324,396	73,006	-	-
Residential real estate:				
One to four family	96,076	250,261	212,690	23,880
Home equity lines of credit	16,443	66,966	-	-
Consumer	13,996	30,732	-	-
Total	$ 1,762,435	$ 1,942,290	$ 212,690	$ 23,880

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
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
2017					
Commercial:					
Commercial real estate	$ 437,324	$ 1,116,620	$ 1,553,944	$ 82,696,908	$ 84,250,852
Other	1,205,943	73,006	1,278,949	41,180,999	42,459,948
Residential real estate:					
One to four family	1,875,431	262,793	2,138,224	44,930,194	47,068,418
Home equity lines of credit	319,897	25,324	345,221	10,172,877	10,518,098
Consumer	124,623	18,274	142,897	7,178,511	7,326,608
Total	$ 3,963,218	$ 1,496,017	$ 5,459,235	$ 186,159,489	$ 191,623,924

Troubled Debt Restructurings:

The Corporation has allocated $305,000 and $250,000 of specific reserve to customers whose loan terms have been modified in troubled debt restructurings as of December 31, 2018 and 2017. No additional amounts are committed to be lent to these borrowers.

During the years ended December 31, 2018 and 2017, the terms of certain loans were modified as troubled debt restructurings.The modification of the terms of such loans included a reduction of the stated interest rate of the loan or an extension of the maturity date at a stated rate of interest lower than the current market rate for new debt with similar risk.

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 12 months.

4. LOANS (continued)

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*
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
2017			
Commercial:			
Commercial real estate	1	$ 153,181	$ 137,000
Other	-	-	-
Commercial other	-	-	-
Residential real estate:			
One to four family	-	-	-
Consumer	3	9,895	8,915
Total	4	$ 163,076	$ 145,915

The troubled debt restructurings described above did not increase the allowance for loan losses and did not result in charge offs in the years 2018 or 2017. 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 2018 or 2017 for which there was a payment default within twelve months following the restructuring.

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
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
2017					
Commercial:					
Commercial real estate	$ 80,032,502	$ 2,209,026	$ 625,000	$ 1,384,325	$ -
Other	40,464,681	1,857,821	64,440	73,006	-
Residential real estate					
One to four family	-	-	-	-	47,068,418
Home equity lines of credit	-	-	-	-	10,518,098
Consumer	-	-	-	-	7,326,608
Total	$ 120,497,183	$ 4,066,847	$ 689,440	$ 1,457,331	$ 64,913,124

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 2018 or 2017 was being measured at fair value on a non-recurring basis.

5. FAIR VALUE (continued)

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.

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		
	Quoted Prices in Active Markets for Identical (Level 1)	*Significant Other Observable (Level 2)*	*Significant Unobservable (Level 3)*
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	$ -
2017			
Assets:			
Available for sale securities			
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ -	$ 22,464,697	$ -
Corporate Securities	-	26,186,591	-
Total Securities	$ -	$ 48,651,288	$ -

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		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	*Significant Other Observable Inputs (Level 2)*	*Significant Unobservable Inputs (Level 3)*
2018			
Assets:			
Impaired loans:			
Commercial:			
Commercial real estate	$ -	$ -	$ 966,524
Other	-	-	259,396
Residential real estate	-	-	-
Total	$ -	$ -	$ 1,225,920
2017			
Assets:			
Impaired loans:			
Commercial:			
Commercial real estate	$ -	$ -	$ 1,207,331
Other	-	-	-
Residential real estate	-	-	-
Total	$ -	$ -	$ 1,207,331

5. FAIR VALUE (continued)

The following represent impairment charges recognized during the period:

Impaired loans, which are measured for impairment using the fair value of the collateral for collateral-dependent loans, had a recorded investment of $1,635,920, before a valuation allowance of $410,000 at year-end 2018, resulting in a $180,000 provision for loan losses for 2018. At December 31, 2017 impaired loans had a recorded investment of $1,457,331, before a valuation allowance of $250,000, resulting in no significant provision for loan losses for 2017.

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:

2018		*Fair Value*	*Valuation Technique(s)*	*Unobservable Input*	*Discount Rate (Range and Average)*
Impaired loans:					
Commercial:					
Commercial real estate	$	966,524	Sales comparison	Management discount for property type and recent market volatility	10%
2017					
Impaired loans:					
Commercial:					
Commercial real estate	$	1,207,331	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:

		2018		*2017*	
	Fair Value Level	*Carrying Amount*	*Fair Value*	*Carrying Amount*	*Fair Value*
Financial assets					
Cash and cash equivalents	**1**	**$ 33,136**	**$ 33,136**	$ 26,569	$ 26,569
Securities held to maturity	**2**	**12,246**	**12,391**	16,210	16,178
Time deposits with other institutions	**2**	**2,993**	**2,898**	3,242	3,211
Loans held for sale	**1**	**-**	**-**	74	75
Loans, net	**3**	**203,474**	**200,501**	189,423	190,427
FHLB and FAMC stock	**N/A**	**414**	**N/A**	414	N/A
Accrued interest receivable	**2**	**1,088**	**1,088**	1,022	1,022
Financial liabilities					
Time Deposits	**2**	**$ 24,612**	**$ 24,443**	$ 21,608	$ 21,554
Non-Maturity Deposits	**1**	**248,927**	**248,927**	236,576	236,576
Federal Home Loan Bank advances	**2**	**2,500**	**2,500**	5,000	5,000
Accrued interest payable	**2**	**16**	**16**	8	8

5. FAIR VALUE (continued)

The estimated fair value approximates carrying amount for all items except those described below. Fair value for net loans as of December 31, 2018 is estimated on an exit price basis incorporating discounts for credit, liquidity and marketability factors. This is not comparable with the fair values disclosed at December 31, 2017, which were based on current market rates for new loans with similar maturities, applied until the loan is assumed to reprice or be paid. 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

Major classifications of premises and equipment were as follows at December 31:

	2018	*2017*
Land	$ **1,385,439**	$ **1,385,439**
Buildings	**8,685,950**	**8,399,048**
Furniture, fixtures and equipment	**5,069,133**	**4,964,821**
Total cost	**15,140,522**	**14,749,308**
Less accumulated depreciation	**(10,125,065)**	**(9,665,094)**
Total	**$ 5,015,457**	**$ 5,084,214**

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:

	2018	*2017*
Mortgage loan portfolios serviced for:		
FHLMC	**$ 81,582,100**	**$ 84,006,568**
FHLBI	**34,997,840**	**27,324,107**
	$ 116,579,940	**$ 111,330,675**

Custodial escrow balances maintained in connection with serviced loans were $273,470 and $278,173 at December 31, 2018 and 2017, respectively.

Activity for loan servicing rights follows:

	2018	*2017*
Servicing rights		
Beginning of year	**$ 467,743**	**$ 493,854**
Additions	**227,013**	**201,854**
Amortized to expense	**(212,222)**	**(227,965)**
End of year	**$ 482,534**	**$ 467,743**

The fair value of servicing rights at year-end 2018 and 2017 were approximately $1,368,013 and $1,173,311

8. DEPOSITS

At December 31, 2018, scheduled maturities of time deposits were as follows:

2019	**$ 17,436,515**
2020	**5,309,202**
2021	**1,599,472**
2022	**267,154**
Total	**$ 24,612,343**

Related party deposits totaled $25,205,259 and $23,391,737 at December 31, 2018 and 2017, respectively.
Time deposits that meet or exceed the FDIC Insurance limit of $250,000 at year-end 2018 and 2017 were $3,697,834 and $3,338,993, respectively. At year-end 2018 and 2017, time deposits included brokered deposits of $5,450,000 and $0, respectively.

9. INCOME TAX

On December 22, 2017, H.R.1, commonly known as the Tax Cuts and Jobs Act (the "Act") was signed into law. Among other things, the Act reduced the corporate federal tax rate from 34% to 21% effective January 1, 2018. As a result, the Corporation was required to re-measure all of the deferred tax assets and liabilities using the enacted rate at which they are expected to be recovered or settled which is now the reduced federal tax rate. The adjustment required from that re-measurement resulted in additional income tax expense of $195,602 in 2017.

Income tax expense consists of:

	2018	2017
Current liability	$ 952,974	$ 273,796
Deferred (benefit) liability	(125,983)	18,012
Expense due to enactment of federal tax reform	-	195,602
Total income tax expense	$ 826,991	$ 487,410

Deferred tax assets and liabilities at December 31 consist of:

	2018	2017
Deferred tax assets		
Allowance for loan losses	$ 519,624	$ 442,050
Nonaccrual loans	28,379	23,547
Unrealized loss on securities available for sale	369,711	177,576
Accrued liabilities	47,250	10,500
Other	21,293	13,559
Total deferred tax assets	986,257	667,232
Deferred tax liabilities		
Deferred loan fees/costs	(59,892)	(59,396)
Depreciation	(173,094)	(172,104)
Mortgage servicing rights	(101,332)	(98,226)
Other	(17,848)	(21,533)
Total deferred tax liabilities	(352,166)	(351,259)
Net deferred tax assets	634,091	315,973
Valuation allowance	-	-
Total deferred tax assets	$ 634,091	$ 315,973

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 2018 or 2017.

The difference between the financial statement tax expense and amounts computed by applying the statutory federal tax rate of 21% (34% in 2017) to pretax income is reconciled as follows:

	2018	2017
Statutory rate applied to income before taxes	$ 976,467	$ 555,343
Add (deduct):		
Non-taxable income	(106,741)	(184,935)
Bank owned life insurance	(48,754)	(78,947)
Expense due to enactment of federal tax reform	-	195,602
Other	6,019	347
Total income tax expense	$ 826,991	$ 487,410

9. INCOME TAX (continued)

There were no unrecognized tax benefits at December 31, 2018 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 2015.

No amounts of interest, penalties, and/or accruals were recorded during or for the years ended December 31, 2018 and 2017.

10. EARNINGS PER SHARE

A reconciliation of the numerators and denominators for earnings per share for the years ended December 31 are as follows:

	2018	*2017*
Basic earnings per share		
Net income available to common shareholders	**$ 3,822,853**	**$ 1,145,952**
Weighted average common shares outstanding	**1,910,289**	**1,921,785**
Basic earnings per share	**$ 2.00**	**$ 0.60**

11. EMPLOYEE BENEFIT PLANS

Defined Benefit Pension Plan

In December 2016, the Board of Directions approved terminating and settling the Corporation's funded noncontributory defined benefit pension plan as of January 31, 2017. The pension plan was frozen as of December 31, 2009 and no employee could become a participant of the plan or earn additional benefits under the plan after that date. Upon receipt of the required regulatory approvals in December 2017, the plan was terminated and all of its obligations to participants were settled. Pension expense, which is included in salaries and employee benefits on the consolidated statments of operations, was $0 in 2018 and $2,837,750 in 2017. At year-end 2017, the Corporation has no remaining obligation or liability related to the plan.

Employee Stock Ownership Plan (ESOP)

A non-contributory ESOP is maintained for the benefit of all qualified employees. At year-end 2018 and 2017, the ESOP owned 161,977 and 142,961 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 2018 aggregated to approximately $3,426,000. Annual contributions are made at the discretion of the Board of Directors and were $235,935 and $194,275 for 2018 and 2017.

12. 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 $37,665,000 and $37,776,000 December 31, 2018 and 2017, respectively. Commitments under letters of credit were $2,409,000 and $2,092,000 at December 31, 2018 and 2017, 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.

13. 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 assuming full phase-in of these new requirements. Management believes as of December 31, 2018, 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, 2018 and 2017, 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*	
2018	***Amount***	***Ratio***	***Amount***	***Ratio***	***Amount***	***Ratio***
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%**
2017						
Total Capital (to risk weighted assets)	$ 39,223	16.6%	$ 24,812	10.5%	$ 23,630	10.0%
Tier 1 (Core) Capital (to risk weighted assets)	37,022	15.7%	20,086	8.5%	18,904	8.0%
Common Tier 1 (CET1)	37,022	15.7%	16,541	7.0%	15,360	6.5%
Tier 1 (Core) Capital (to average assets)	37,022	12.5%	11,826	4.0%	14,782	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.

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,
Norman & Paulsen, P.C.

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
Senior 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

AnnMarie L. Sanders
Vice President

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

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

Mashaun M. Schabloski
Assistant Vice President &
Marketing Director

Andrea J. Strong
Assistant Vice President &
Teller Operations Officer

Jason C. Dozeman
Commercial Loan Officer

Heather E. Eldridge
Trust Operations Officer

Alicia A. Finnerman
Mortgage Loan Officer

Sergio Gomez
Mortgage Loan Officer

Joshua D. Jones
Mortgage Loan Officer

Tracy A. Richer
Trust Officer

Ryan J. Saddler
Cash Management Officer

Erik L. Schaeffer
Trust Officer

Kathy A. Tomson
Mortgage Loan 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
Coldwater Fairfield ATM
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 S 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

2018 HIGHLIGHTS

1890
YEAR CB&T WAS ESTABLISHED

COMMUNITY SUPPORT
$75,000 +
THROUGH SPONSORSHIPS AND DONATIONS

PRIMARY SERVICES

LOANS
Business, Mortgage, Consumer

TRUST AND INVESTMENT MANAGEMENT GROUP

CHECKING AND SAVINGS
Business and Consumer

11 ATMs

1 Loan Office

10 Branches

STOCK PERFORMANCE

$20.01 Book Value per Share

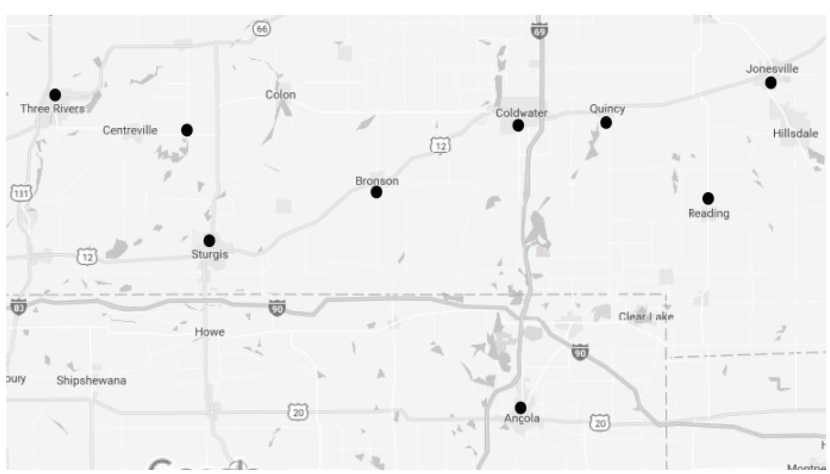
3.03% Annual Dividend Return

$315,567,775 TOTAL ASSETS

21,026 +
TOTAL DEPOSIT ACCOUNTS

122 EMPLOYEES

BRANCH AND ATM LOCATIONS



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