

To Our Shareholders

I am pleased to report solid first quarter performance results for Century Financial Corporation and its subsidiary Century Bank and Trust.

For the opening three months ending March 31, 2013, your company is reporting net income of \$694,000 or earnings per share of \$0.35. This compares nicely to March 31, 2012 when net income of \$494,000 and earnings per share of \$0.25 were obtained.

The overall balance sheet continues to exhibit strength and growth.

Total assets ended the quarter at \$263 million – an increase of \$5 million when compared to the same period in 2012. Deposits also continue to expand, with March 31, 2013 levels at \$231 million. Total deposits were \$228 million at March 31, 2012. The bank's capital and resulting ratios remain extremely strong and are increased from March 31, 2012 levels.

The positive trend in profitability we have seen in the first quarter is the balanced contribution of increased total revenue and reduction in operating expenses.

First quarter total revenue, the combination of net interest and non-interest income, was \$3,237,000 compared to \$3,141,000 at March 31, 2012. Total operating expenses at March 31, 2013 were \$2,262,000 – a decrease of \$231,000 when compared to the same period in 2012.

When comparing the respective first quarters, net interest income is down approximately \$52,000 for 2013 and total loans ended the period 2.75 percent lower than at March 31, 2012. However, the loan portfolio has remained consistent with the September 30, 2012 and December 31, 2012 levels previously reported to you.

Our Trust and Investment Management Group and Mortgage lending team continued their strong contribution to overall non-interest income. Total non-interest income increased \$149,000 from 2012 results. Trust and investment management revenue for the quarter was \$375,000 compared to \$363,000 at March 31, 2012. Likewise, a favorable comparison of gain on sale of mortgage loan income was recognized – \$315,000 at March 31, 2013 versus \$143,000 at March 31, 2012.

As I discussed at our Shareholder Meeting on March 19, 2013, long-term shareholder return continues to be a priority of your Management Team and Board of Directors. At this meeting, we announced the Board of Directors' decision to increase the quarterly dividend rate from \$0.06 per share to \$0.08 per share payable March 20, 2013. We also continue our stock repurchase program as an additional way to enhance shareholder value. At March 31, 2013, Century Financial Corporation stock price closed at \$11.55 per share compared to \$6.80 at March 31, 2012.

We close the first quarter of 2013 with a respectable performance and positive momentum. As a shareholder, I thank you for the three main ways you contribute to our success: (1) your support and loyalty as an investor, (2) your business as a customer and (3) your referrals of new customers and relationships 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> | Donna L. Penick <i>Auditor</i> |
| Eric J. Wynes <i>President</i> | Katherine L. Sexton-Deck <i>Controller</i> |
| Dylan M. Foster <i>First Vice President</i> | Corey L. Collins <i>Deposit Services Officer</i> |
| Gaylene S. Adams <i>Vice President</i> | W. Samuel Davenport III <i>Loan Officer</i> |
| Donna M. Hobday <i>Vice President</i> | Rebecca R. Duke <i>Marketing Director</i> |
| Ginger J. Kesler <i>Vice President</i> | Heather E. Eldridge <i>Trust Operations Officer</i> |
| Ron H. Uhl <i>Vice President</i> | Jessica A. Handy <i>Commercial Loan Officer</i> |
| David L. Wright <i>Vice President</i> | Jared E. Hoffmaster <i>Investment Officer</i> |
| Julie A. Andrews <i>Assistant Vice President & Senior Trust Officer</i> | Jeffrey S. Holbrook <i>Commercial Loan Officer</i> |
| Alicia K. Cole <i>Assistant Vice President & Trust Officer</i> | AnnMarie L. Sanders <i>Commercial Loan Officer</i> |
| Michael D. Eddy <i>Assistant Vice President</i> | Raymond A. Sterling <i>Commercial Loan Officer</i> |
| Barry R. Miller <i>Assistant Vice President & Mortgage Loan Officer</i> | Andrea J. Strong <i>Teller Operations Officer</i> |
| Vicki R. Morris <i>Assistant Vice President & Mortgage Loan Officer</i> | Adam M. Wright <i>Commercial Loan Officer</i> |



CenturyBankandTrust.com

(866) 680-BANK

First Quarter
Report to Shareholders
March 31, 2013

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

Consolidated Balance Sheet

| | March 31, | |
|--|-----------------------|-----------------------|
| | 2013 | 2012 |
| Assets | | |
| Cash and due from banks | \$ 5,268,136 | \$ 3,268,182 |
| Short term investments | 1,510,000 | 2,400,000 |
| Investment securities available for sale | 66,987,918 | 54,055,258 |
| Investment securities (market value of \$9,967,208 in 2013 and \$7,527,491 in 2012) held to maturity | 10,811,477 | 6,366,726 |
| Federal funds sold and other overnight investments | 18,092,000 | 28,186,000 |
| Loans | 146,727,533 | 150,879,491 |
| Less: Allowance for loan loss | (3,098,390) | (3,006,053) |
| Loans, Net | 143,629,143 | 147,873,438 |
| Bank premises and equipment, net | 5,794,717 | 5,397,765 |
| Bank owned life insurance | 7,449,767 | 7,211,220 |
| Accrued interest receivable and other assets | 3,679,987 | 2,955,496 |
| Total Assets | \$ 263,223,145 | \$ 257,714,085 |
| Liabilities | | |
| Deposits | | |
| Non-interest bearing | \$ 43,310,798 | \$ 38,751,097 |
| Interest bearing | 187,759,126 | 189,127,066 |
| Total Deposits | 231,069,924 | 227,878,163 |
| Accrued interest payable and other liabilities | 3,023,898 | 2,488,438 |
| Long-term borrowings | 0 | 0 |
| Total Liabilities | \$ 234,093,822 | \$ 230,366,601 |
| Shareholders' Equity | | |
| Common stock - \$1 par value; | | |
| Shares authorized: 3,000,000 in 2013 and 2012; | | |
| issued and outstanding: 1,961,060 in 2013 | | |
| and 1,979,460 in 2012 | \$ 1,961,060 | \$ 1,979,460 |
| Paid in capital | 19,515,351 | 19,652,705 |
| Retained earnings | 9,839,885 | 8,002,159 |
| Accumulated other comprehensive loss | (2,186,973) | (2,286,840) |
| Total Shareholders' Equity | \$ 29,129,323 | \$ 27,347,484 |
| Total Liabilities and Shareholder's Equity | \$ 263,223,145 | \$ 257,714,085 |
| Book Value Per Share | \$ 14.85 | \$ 13.82 |

Consolidated Statement of Income

| | Three Months Ended | |
|---|--------------------|-------------------|
| | March 31, | |
| | 2013 | 2012 |
| Interest Income | | |
| Loans, including fees | \$ 1,728,845 | \$ 1,891,640 |
| Securities | | |
| Taxable | 337,234 | 273,328 |
| Non-Taxable | 68,576 | 75,102 |
| Federal funds sold and other overnight investments | 14,826 | 16,626 |
| Short term investments | 5,065 | 8,916 |
| Total Interest Income | 2,154,546 | 2,265,612 |
| Interest Expense | | |
| Interest on other deposits | 74,386 | 107,731 |
| Interest on time deposits over \$100,000 | 38,270 | 63,637 |
| Other interest expense | 4 | 45 |
| Total Interest Expense | 112,660 | 171,413 |
| Net Interest Income | 2,041,886 | 2,094,199 |
| Provision for Loan Losses | 0 | 0 |
| Net Interest Income after Provision for Loan Losses | 2,041,886 | 2,094,199 |
| Non-interest Income | | |
| Trust and investment management revenue | 375,234 | 363,161 |
| Service charges on deposit accounts | 367,591 | 395,581 |
| Gain on sale of mortgage loans | 315,160 | 142,665 |
| Other income | 137,471 | 145,154 |
| Total Non-interest Income | 1,195,456 | 1,046,561 |
| Non-interest Expense | | |
| Salaries | 867,170 | 871,577 |
| Employee benefits | 452,629 | 403,079 |
| Occupancy and equipment expense | 454,347 | 471,073 |
| Other expense | 488,255 | 747,860 |
| Total Non-interest Expense | 2,262,401 | 2,493,589 |
| Income Before Income Taxes | 974,941 | 647,171 |
| Income Taxes | 281,275 | 153,043 |
| Net Income | \$ 693,666 | \$ 494,128 |
| Basic Earnings Per Share | \$ 0.35 | \$ 0.25 |
| Diluted Earnings Per Share | \$ 0.35 | \$ 0.25 |

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