

To Our Shareholders

We are pleased to share mid-year results for Century Financial Corporation and its subsidiary Century Bank and Trust with you.

For the first six-months ending June 30, 2013, Century Bank and Trust reported net income of \$1,422,000 representing an increase of \$258,000 or 22%, compared to net income of \$1,164,000 for the same period in 2012. Earnings per share for the six-months ended June 30, 2013 were \$0.73 versus \$0.59 at June 30, 2012.

From a quarterly perspective, the bank’s net income was \$729,000 for the three-months ended June 30, 2013 reflecting an increase of \$59,000 compared to net income of \$670,000 for the three-months ended June 30, 2012. Quarterly earnings per share were \$0.37 and \$0.34 for June 30, 2013 and June 30, 2012, respectively.

At the six-month mark ending June 30, 2013, the return on average equity was 10.03% and the return on average assets was 1.09%. Comparably at June 30, 2012, return on average equity was 8.42% and return on average assets was 0.91%.

Balance Sheet

The bank had total assets of \$263,000,000 at June 30, 2013, compared to \$257,000,000 at June 30, 2012 -- an increase of \$6,000,000 or slightly more than 2%.

Net loans were \$148,800,000 at June 30, 2013 and \$148,200,000 at June 30, 2012.

Total deposits ended the six months at \$231,500,000 compared to \$226,300,000 at June 30, 2012.

When measured against the first quarter, total assets and total deposits remained stable with net loans reflecting a respectable increase. March 31, 2013 balances were: total assets - \$263,200,000, total deposits - \$231,100,000 and net loans - \$143,600,000.

Net Interest Income

For the six-months ended June 30, 2013, net interest income was \$4,232,000 compared to \$4,227,000 at June 30, 2012. Net interest income for the quarters ended June 30, 2013 and June 30, 2012 was \$2,190,000 and \$2,133,000, respectively.

Non-Interest Income

The bank’s non-interest income for the six-months ended June 30, 2013 was \$2,428,000, reflecting a \$268,000 or 12% increase over the June 30, 2012 level of \$2,160,000. For the quarter, non-interest income was \$1,233,000 compared to \$1,113,000 at the quarter ended June 30, 2012.

Non-Interest Expense

For the six-month period ending June 30, 2013, non-interest expense was \$4,561,000, a decrease of \$230,000 from the June 30, 2012 amount of \$4,791,000. For the quarter, non-interest expense is comparable to the prior period at \$2,299,000 versus \$2,298,000.

Capital

The bank’s capital remains at very healthy levels. At June 30, 2013, shareholder’s equity totaled \$28,800,000 compared to \$27,900,000 at June 30, 2012. At June 30, 2013, the key capital ratios for the bank were: risk-based capital – 17.59%; tier one capital – 16.34% and leverage ratio – 11.95%.

In summary, the favorable mid-year results summarized in this report come from the balanced effort of all our teams – business services, mortgage/retail lending, trust and investment management and the operations areas. We will continue our strong focus on servicing and growing our customer relationships in a way that drives top-line revenues and mindfully manages risks and expenses.

As we roll our sleeves up to tackle goals for the second-half of 2013, I again thank shareholders for your support and loyalty as an investor, your business as a customer and your customer referrals to Century Bank and Trust.

Eric H. Beckhusen

Eric H. Beckhusen  
Chairman & CEO

Directors & Officers

Century Financial Corporation  
Directors

Eric H. Beckhusen <i>Chairman &amp; 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

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CenturyBankandTrust.com

(866) 680-BANK

Second Quarter  
Report to Shareholders  
June 30, 2013

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

Consolidated Balance Sheet			
	June 30,		
	2013	2012	
<b>Assets</b>			
Cash and due from banks	\$ 10,366,379	\$ 6,490,139	
Short term investments	1,510,000	2,380,000	
Investment securities available for sale	62,347,861	48,166,815	
Investment securities (market value of \$12,506,783 in 2013 and \$6,194,645 in 2012) held to maturity	13,284,707	6,507,974	
Federal funds sold and other overnight investments	9,984,000	28,722,000	
Loans	151,645,793	151,582,810	
Less: Allowance for loan loss	(2,813,116)	(3,402,522)	
Loans, Net	148,832,677	148,180,288	
Bank premises and equipment, net	5,746,401	5,444,280	
Bank owned life insurance	7,508,018	7,271,904	
Accrued interest receivable and other assets	3,491,707	3,494,057	
<b>Total Assets</b>	<b>\$ 263,071,750</b>	<b>\$ 256,657,457</b>	
<b>Liabilities</b>			
Deposits			
Non-interest bearing	\$ 45,600,353	\$ 40,901,300	
Interest bearing	185,865,611	185,374,961	
<b>Total Deposits</b>	<b>231,465,964</b>	<b>226,276,261</b>	
Accrued interest payable and other liabilities	2,805,315	2,449,770	
Long-term borrowings	0	0	
<b>Total Liabilities</b>	<b>\$ 234,271,279</b>	<b>\$ 228,726,031</b>	
<b>Shareholders' Equity</b>			
Common stock - \$1 par value;			
Shares authorized: 3,000,000 in 2013 and 2012;			
issued and outstanding: 1,939,260 in 2013			
and 1,979,460 in 2012	\$ 1,939,260	\$ 1,979,460	
Paid in capital	19,258,101	19,652,705	
Retained earnings	10,413,330	8,553,283	
Accumulated other comprehensive loss	(2,810,218)	(2,254,022)	
<b>Total Shareholders' Equity</b>	<b>\$ 28,800,473</b>	<b>\$ 27,931,426</b>	
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$ 263,071,752</b>	<b>\$ 256,657,457</b>	
<b>Book Value Per Share</b>	<b>\$ 14.85</b>	<b>\$ 14.11</b>	

Consolidated Statement of Income					
	Three Months Ended June 30,			Six Months Ended June 30,	
	2013	2012	2013	2012	
Interest Income					
Loans, including fees	\$	1,821,165	\$	1,890,570	\$ 3,550,010 \$ 3,782,210
Securities					
Taxable		373,944		315,625	711,178 588,953
Non-Taxable		79,618		56,153	148,194 131,255
Federal funds sold and other overnight investments		7,095		14,902	21,921 31,528
Short term investments		5,364		8,810	10,429 17,726
Total Interest Income		2,287,186		2,286,060	4,441,732 4,551,672
Interest Expense					
Interest on other deposits		66,749		99,302	141,135 207,033
Interest on time deposits over \$100,000		30,005		53,485	68,275 117,122
Other interest expense		24		6	28 51
Total Interest Expense		96,778		152,793	209,438 324,206
Net Interest Income		2,190,408		2,133,267	4,232,294 4,227,466
Provision for Loan Losses					
		100,000		0	100,000 0
Net Interest Income after Provision for Loan Losses		2,090,408		2,133,267	4,132,294 4,227,466
Non-interest Income					
Trust and investment management revenue		377,479		363,520	752,713 726,681
Service charges on deposit accounts		405,210		422,805	772,801 818,386
Gain on sale of mortgage loans		335,365		187,887	650,525 330,552
Other income		114,928		139,196	252,399 284,350
Total Non-interest Income		1,232,982		1,113,408	2,428,438 2,159,969
Non-interest Expense					
Salaries		917,219		812,744	1,784,389 1,684,321
Employee benefits		439,992		402,941	892,621 806,020
Occupancy and equipment expense		515,942		534,240	970,289 1,005,313
Other expense		425,851		548,000	914,106 1,295,860
Total Non-interest Expense		2,299,004		2,297,925	4,561,405 4,791,514
Income Before Income Taxes		1,024,386		948,750	1,999,327 1,595,921
Income Taxes		295,799		278,862	577,074 431,905
Net Income	\$	728,587	\$	669,888	\$ 1,422,253 \$ 1,164,016
Basic Earnings Per Share	\$	0.37	\$	0.34	\$ 0.73 \$ 0.59
Diluted Earnings Per Share	\$	0.37	\$	0.34	\$ 0.73 \$ 0.59

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