

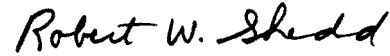
## To Our Shareholders

I'm pleased to offer this brief message with the Quarterly Report following from Eric Beckhusen.

In the first quarter 2012 interim report, I shared with you the good news of a management transition for Century Bank and Trust involving CB&T President Ronald Reed and Eric Beckhusen, with Eric becoming Chief Executive Officer (CEO) of the bank on July 1, 2012.

I'm now pleased to report a similar transition for Century Financial Corporation. In August 2010, the Board of Directors asked me to take the position of CEO of the holding company. As of July 1, 2012, I have reverted to my prior position of non-executive Chairman, and Eric Beckhusen has assumed the position of CEO of Century Financial Corporation.

Century had a very encouraging first half of 2012. I commend all of the management team and staff for their work, and I'm delighted with the evolving leadership our company will have in the years ahead.



Robert W. Shedd  
Chairman

Before commencing with the bank's performance, I would like to expand on the above message from Bob Shedd. First of all, I want to thank Bob for his outstanding leadership and hard work when asked to step back into the role of holding company CEO. His unwavering commitment to the company, shareholders, directors and employees during that time of near-term challenges is very much appreciated. As the shared nature of this letter and Bob's comments indicate - - this cohesive transition is part of our management succession plan. But most importantly to me, it is occurring with a gentleman that has been a significant mentor in my career.

As this report marks my inaugural role in this position, I am pleased for the opportunity to share the mid-year 2012 operating results for Century Financial Corporation and its subsidiary Century Bank and Trust with fellow shareholders.

For the second quarter, we continued to generate the positive trends in operating results shared with you in our March 30, 2012 report. Net income for the six months ended June 30, 2012 totaled \$1,164,000 or \$0.59 per share. This compares favorably to net income of \$813,000 or \$0.41 per share for the same period a year ago.

Century's revenue growth when comparing the quarter and combined six months was nicely balanced between our net interest income and fee income components. Net interest income year-to-date was \$141,000 ahead of 2011 levels while our fee income increased \$343,000. The bank's Trust and Investment Management Group and mortgage lending and deposit services teams continued their strong contributions to overall fee income.

The balance sheet continues to exhibit stability with especially strong capital and liquidity positions. Total assets ended the quarter at \$256,657,000 compared to \$258,014,000 in 2011. The loan portfolio grew \$2,343,000 since 12-31-11, ending the quarter at \$151,583,000 while deposits continue at historically high levels totaling \$226,276,000.

As we move into the second half of 2012 with strong, positive momentum, I anticipate the familiar headwinds that now have become commonplace in our industry to continue. However as I commented at our Annual Shareholders' meeting, there are always opportunities within challenges. Century's management team and staff are focused on not only navigating these headwinds but sensibly taking advantage of opportunities they present - - to strengthen and grow existing client relationships and establish new ones.

I look forward to reporting to you in the upcoming quarters. Thank you for your loyalty and support of Century Financial Corporation and your continued efforts in referring Century Bank and Trust as the banking choice in our market areas.



Eric H. Beckhusen  
Chief Executive Officer

## Directors & Officers

### Century Financial Corporation

#### Directors

Eric H. Beckhusen  
*Chief Executive Officer,  
Century Bank and Trust*

Robert P. Brothers  
*Attorney-at-Law*

Bruce S.A. Gosling  
*Certified Public Accountant,  
Norman and Paulsen, P.C.*

John D. Hutchinson  
*Attorney-at-Law*

Thomas G. Kramer  
*Executive Director,  
ADAPT, Incorporated*

Caroline P. Lowe  
*Certified Public Accountant*

Kelly B. Murphy  
*President,  
Murphy Oil Co., Inc.*

Michael D. Pidgeon  
*Pidgeon Farms, LLC*

Ronald R. Reed  
*President,  
Century Bank and Trust*

Robert W. Shedd  
*Northshore Asset Mgt.  
Chairman,*

*Century Financial  
Corporation*

Stanley R. Welch  
*Chairman of the Board,  
Bronson Plating Co.*

### Century Bank and Trust Officers

Eric H. Beckhusen  
*Chief Executive Officer*

Ronald R. Reed  
*President*

Eric J. Wynes  
*Senior Vice President*

Dylan M. Foster  
*First Vice President*

Gaylene S. Adams  
*Vice President*

Donna M. Hobday  
*Vice President*

Ginger J. Kesler  
*Vice President*

Ron H. Uhl  
*Vice President*

David L. Wright  
*Vice President*

Julie A. Andrews  
*Assistant Vice President &  
Senior Trust Officer*

Alicia K. Cole  
*Assistant Vice President &  
Trust Officer*

Michael D. Eddy  
*Assistant Vice President*

Barry R. Miller  
*Assistant Vice President &  
Mortgage Loan Officer*

Vicki R. Morris  
*Assistant Vice President &  
Mortgage Loan Officer*

Donna L. Penick  
*Auditor*

Katherine L. Sexton-Deck  
*Controller*

Corey L. Collins  
*Deposit Services Officer*

W. Samuel Davenport III  
*Loan Officer*

Rebecca R. Duke  
*Marketing Director*

Heather E. Eldridge  
*Trust Operations Officer*

Jessica A. Handy  
*Commercial Loan Officer*

Jared E. Hoffmaster  
*Investment Officer*

Jeffrey S. Holbrook  
*Commercial Loan Officer*

AnnMarie L. Sanders  
*Commercial Loan Officer*

Raymond A. Sterling  
*Commercial Loan Officer*

Andrea J. Strong  
*Teller Operations Officer*

Adam M. Wright  
*Commercial Loan Officer*



CenturyBankandTrust.com

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Second Quarter  
Report to Shareholders  
June 30, 2012

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

**Consolidated Balance Sheet**

	June 30,	
	2012	2011
<b>Assets</b>		
Cash and due from banks	\$ 6,490,139	\$ 12,577,210
Short term investments	2,380,000	2,435,000
Investment securities available for sale	48,166,815	26,586,500
Investment securities (market value of \$6,194,645 in 2012 and \$9,681,178 in 2011) held to maturity	6,507,974	9,627,988
Federal funds sold and other overnight investments	28,722,000	31,553,000
Loans	151,582,810	162,978,707
Less: Allowance for loan loss	(3,402,522)	(3,757,245)
<b>Loans, Net</b>	<b>148,180,288</b>	<b>159,221,462</b>
Bank premises and equipment, net	5,444,280	5,548,140
Bank owned life insurance	7,271,904	7,027,788
Accrued interest receivable and other assets	3,494,057	3,436,633
<b>Total Assets</b>	<b>\$ 256,657,457</b>	<b>\$ 258,013,721</b>
<b>Liabilities</b>		
Deposits		
Non-interest bearing	\$ 40,901,300	\$ 36,621,480
Interest bearing	185,374,961	192,347,591
<b>Total Deposits</b>	<b>226,276,261</b>	<b>228,969,071</b>
Accrued interest payable and other liabilities	2,449,770	1,649,005
Long-term borrowings	0	0
<b>Total Liabilities</b>	<b>\$ 228,726,031</b>	<b>\$ 230,618,076</b>
<b>Shareholders' Equity</b>		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2012 and 2011;		
issued and outstanding: 1,979,460 in 2012		
and 1,979,460 in 2011	\$ 1,979,460	\$ 1,979,460
Paid in capital	19,652,705	19,652,705
Retained earnings	8,553,283	7,327,233
Accumulated other comprehensive loss	(2,254,022)	(1,563,753)
<b>Total Shareholders' Equity</b>	<b>\$ 27,931,426</b>	<b>\$ 27,395,645</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$ 256,657,457</b>	<b>\$ 258,013,721</b>
<b>Book Value Per Share</b>	<b>\$ 14.11</b>	<b>\$ 13.84</b>

**Consolidated Statement of Income**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
<b>Interest Income</b>				
Loans, including fees	\$ 1,891,532	\$ 2,013,509	\$ 3,783,635	\$ 4,093,568
Securities				
Taxable	315,625	202,624	588,953	370,757
Non-Taxable	56,153	81,501	131,255	179,506
Federal funds sold and other overnight investments	14,902	18,182	31,528	34,831
Short term investments	8,810	9,192	17,726	18,629
<b>Total Interest Income</b>	<b>2,287,022</b>	<b>2,325,008</b>	<b>4,553,097</b>	<b>4,697,291</b>
<b>Interest Expense</b>				
Interest on other deposits	99,302	169,399	207,033	372,606
Interest on time deposits over \$100,000	53,485	110,102	117,122	236,851
Other interest expense	6	60	51	148
<b>Total Interest Expense</b>	<b>152,793</b>	<b>279,561</b>	<b>324,206</b>	<b>609,605</b>
Net Interest Income	2,134,229	2,045,447	4,228,891	4,087,686
<b>Provision for Loan Losses</b>	<b>0</b>	<b>155,000</b>	<b>0</b>	<b>340,000</b>
Net Interest Income after Provision for Loan Losses	2,134,229	1,890,447	4,228,891	3,747,686
<b>Non-interest Income</b>				
Trust and investment management revenue	363,520	337,912	726,681	675,825
Service charges on deposit accounts	422,805	388,424	818,386	746,587
Gain on sale of mortgage loans	187,887	65,987	330,552	111,437
Other income	138,234	140,719	282,925	282,162
<b>Total Non-interest Income</b>	<b>1,112,446</b>	<b>933,042</b>	<b>2,158,544</b>	<b>1,816,011</b>
<b>Non-interest Expense</b>				
Salaries	812,744	732,868	1,684,321	1,586,459
Employee benefits	402,941	398,872	806,020	789,518
Occupancy and equipment expense	534,240	444,989	1,005,313	938,346
Other expense	548,000	628,141	1,295,860	1,309,305
<b>Total Non-interest Expense</b>	<b>2,297,925</b>	<b>2,204,870</b>	<b>4,791,514</b>	<b>4,623,628</b>
<b>Income Before Income Taxes</b>	<b>948,750</b>	<b>618,619</b>	<b>1,595,921</b>	<b>940,069</b>
<b>Income Taxes</b>	<b>278,862</b>	<b>124,279</b>	<b>431,905</b>	<b>126,732</b>
<b>Net Income</b>	<b>\$ 669,888</b>	<b>\$ 494,340</b>	<b>\$ 1,164,016</b>	<b>\$ 813,337</b>
<b>Basic Earnings Per Share</b>	<b>\$ 0.34</b>	<b>\$ 0.25</b>	<b>\$ 0.59</b>	<b>\$ 0.41</b>
<b>Diluted Earnings Per Share</b>	<b>\$ 0.34</b>	<b>\$ 0.25</b>	<b>\$ 0.59</b>	<b>\$ 0.41</b>

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