

To Our Shareholders

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

For the first three months ending March 31, 2015, your company earned net income of \$553,000 or earnings per share of \$0.29. This compares to March 31, 2014 when net income of \$465,000 and earnings per share of \$0.24 were reported. The return on average equity (ROE) for the first-quarter was 7.23% with a return on assets (ROA) of 0.79%. This compares to ROE and ROA for the same period in 2014 of 6.37% and 0.69%, respectively.

At March 31, 2015, net interest income before loan provision expense is up \$75,000 from March 31, 2014 results. This positive trend was driven by an increase in interest income of \$52,000 and reduction in interest expense of \$23,000.

For the three months ending March 31, 2015, total non-interest income is \$1,107,000 compared to \$998,000 at March 31, 2014. Every component of this revenue source is up when comparing first quarter 2015 to 2014. Our teams in Trust and Investment Management, deposit services and mortgage lending continue their solid efforts in serving our clients.

The bank's total revenue at March 31, 2015 is \$3,318,000 compared to \$3,134,000 at March 31, 2014 - - an increase of approximately 5.9%.

Total operating expense for the first three months of 2015 totals \$2,497,000 compared to \$2,520,000 at March 31, 2014.

The balance sheet continues to exhibit growth and a strong capital position.

Total assets at March 31, 2015 are \$282,000,000 compared to \$275,500,000 at March 31, 2014. Total assets at December 31, 2014 were \$272,000,000. Total deposits are \$247,100,000 at March 31, 2015. They were \$244,100,000 at March 31, 2014 and \$236,300,000 at December 31, 2014.

The loan portfolio continues to see growth and nice opportunities within our markets. Total loans at March 31, 2015 are 3.9% higher than March 31, 2014 levels. Loans closed the quarter at \$167,900,000 compared to \$161,600,000 a year earlier. The loan portfolio at December 31, 2014 was \$169,700,000.

The allowance for loan loss at March 31, 2015 is \$2,196,000 or 1.31% of the loan portfolio compared to \$2,989,000 or 1.85% of the loan portfolio at March 31, 2014. As a percent of the loan portfolio, the provision at 12-31-14 was 1.25%. There was a \$75,000 provision for loan loss expense in the first-quarter of 2015. No provision expense was recognized at 3-31-14.

Shareholder equity at March 31, 2015 and March 31, 2014 is \$31,880,000 and \$29,314,000, respectively. The bank's key regulatory risk based capital ratios at 3-31-15 are: Tier 1 capital ratio – 17.05%, Total capital ratio – 18.15% and Tier 1 leverage ratio – 12.33%.

The first-quarter results of 2015 are positive due to the diligent and balanced efforts of each member of our bank team. They will continue their focus over the upcoming quarters - - expanding existing and establishing new customer relationships that support long-term growth and proper control of risk and expenses.

I would like to thank each of you for your continued support and loyalty, your business as a customer, and your continued referrals of friends, family and associates to Century Bank and Trust. I look forward to reporting to you in the upcoming quarters of 2015.



Eric H. Beckhusen
Chairman & CEO

Directors & Officers

Century Financial Corporation Directors

Eric H. Beckhusen Chairman & CEO, Century Bank and Trust	Caroline P. Lowe Certified Public Accountant
Robert P. Brothers Attorney-at-Law	Kelly B. Murphy President, Murphy Oil Co., Inc.
Bruce S. A. Gosling Certified Public Accountant, Norman and Paulsen, P.C.	Robert W. Shedd Northshore Asset Mgt.
John D. Hutchinson Attorney-at-Law	Stanley R. Welch Chairman of the Board, Bronson Plating Co.
Thomas G. Kramer Executive Director, ADAPT, Incorporated	Eric J. Wynes President, Century Bank and Trust

Century Bank and Trust Officers

Eric H. Beckhusen Chairman & CEO	Jeffrey S. Holbrook Assistant Vice President & Commercial Loan Officer
Eric J. Wynes President	Barry R. Miller Assistant Vice President & Mortgage Loan Officer
Dylan M. Foster Senior Vice President	Vicki R. Morris Assistant Vice President & Mortgage Loan Officer
Gaylene S. Adams Vice President	Andrea J. Strong Assistant Vice President & Teller Operations Officer
Julie A. Andrews Vice President & Senior Trust Officer	Adam M. Wright Assistant Vice President & Commercial Loan Officer
Jessica A. Handy-Drewek Vice President & Commercial Loan Officer	Donna L. Penick Auditor
Donna M. Hobday Vice President	Katherine L. Sexton-Deck Controller
Ginger J. Kesler Vice President	W. Samuel Davenport III Loan Officer
Ronald H. Uhl Vice President	Heather E. Eldridge Trust Operations Officer
David L. Wright Vice President	Tracy A. Richer Trust Officer
Alicia K. Cole Assistant Vice President & Trust Officer	AnnMarie L. Sanders Commercial Loan Officer
Corey L. Collins Assistant Vice President & Deposit Services Officer	Erik L. Schaeffer Trust Officer
Michael D. Eddy Assistant Vice President & Mortgage Loan Officer	Kathy A. Tomson Mortgage Loan Officer
Jared E. Hoffmaster Assistant Vice President & Investment Officer	



CenturyBankandTrust.com

(866) 680-BANK

First Quarter
Report to Shareholders
March 31, 2015

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

Consolidated Balance Sheet

	March 31,	
	2015	2014
Assets		
Cash and due from banks	\$ 10,042,861	\$ 4,719,562
Short term investments	500,000	1,500,000
Investment securities available for sale	49,306,902	55,003,989
Investment securities (market value of \$13,638,393 in 2015 and \$11,517,498 in 2014) held to maturity	13,876,597	12,119,832
Federal funds sold and other overnight investments	25,965,000	26,582,000
Loans	167,888,183	161,600,384
Less: Allowance for loan loss	(2,195,661)	(2,989,079)
Loans, Net	165,692,522	158,611,305
Bank premises and equipment, net	5,369,272	5,587,523
Bank owned life insurance	7,909,262	7,680,585
Accrued interest receivable and other assets	3,382,873	3,666,853
Total Assets	\$ 282,045,289	\$ 275,471,649
Liabilities		
Deposits		
Non-interest bearing	\$ 45,719,881	\$ 47,637,645
Interest bearing	201,366,875	196,502,384
Total Deposits	247,086,756	244,140,029
Accrued interest payable and other liabilities	3,078,465	2,017,965
Total Liabilities	\$ 250,165,221	\$ 246,157,994
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2015 and 2014;		
issued and outstanding: 1,934,757 in 2015 and 2014		
	\$ 1,934,757	\$ 1,934,757
Paid in capital	19,202,709	19,202,709
Retained earnings	13,020,881	11,324,630
Accumulated other comprehensive loss	(2,278,279)	(3,148,441)
Total Shareholders' Equity	\$ 31,880,068	\$ 29,313,655
Total Liabilities and Shareholder's Equity	\$ 282,045,289	\$ 275,471,649
Book Value Per Share	\$ 16.48	\$ 15.15

Consolidated Statement of Income

	Three Months Ended	
	March 31,	
	2015	2014
Interest Income		
Loans, including fees	\$ 1,889,070	\$ 1,780,015
Securities		
Taxable	288,564	338,918
Non-Taxable	72,507	78,252
Federal funds sold and other overnight investments	13,386	13,781
Short term investments	4,315	4,929
Total Interest Income	\$ 2,267,842	\$ 2,215,895
Interest Expense		
Interest on other deposits	44,175	63,230
Interest on time deposits over \$100,000	12,915	16,858
Other interest expense	4	4
Total Interest Expense	\$ 57,094	\$ 80,092
Net Interest Income	2,210,748	2,135,803
Provision for Loan Losses	75,000	0
Net Interest Income after Provision for Loan Losses	2,135,748	2,135,803
Non-interest Income		
Trust and investment management revenue	440,403	397,658
Service charges on deposit accounts	378,231	371,746
Gain on sale of mortgage loans	147,949	95,816
Other income	140,210	133,268
Total Non-interest Income	\$ 1,106,793	\$ 998,488
Non-interest Expense		
Salaries	991,149	936,706
Employee benefits	465,753	475,982
Occupancy and equipment expense	519,075	600,601
Other expense	521,224	506,489
Total Non-interest Expense	\$ 2,497,201	\$ 2,519,778
Income Before Income Taxes	745,340	614,513
Income Taxes	192,353	149,150
Net Income	\$ 552,987	\$ 465,363
Basic & Diluted Earnings Per Share	\$ 0.29	\$ 0.24

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