

To Our Shareholders

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

For the three months ending March 31, 2020, your company earned net income of \$1,219,000 or earnings per share of \$0.65. This compares to March 31, 2019 when net income of \$1,131,000 and earnings per share of \$0.60 were reported. The return on average equity (ROE) for the first quarter was 12.07% with a return on assets (ROA) of 1.52%. ROE and ROA for the same period in 2019 were 11.95% and 1.47%, respectively.

The bank's total revenue at March 31, 2020 is \$4,191,000 versus \$4,198,000 at March 31, 2019. Other performance measures when comparing first quarter 2020 against first quarter 2019 are: net interest income of \$2,952,000 compared to \$2,994,000; total non-interest income of \$1,238,000 compared to \$1,205,000; and total operating expense of \$2,701,000 compared to \$2,771,000.

Total assets at March 31, 2020 are \$323,919,000 compared to \$318,894,000 at March 31, 2019. Deposits closed the quarter at \$272,980,000 – this compares to \$275,556,000 at March 31, 2019.

Loans totaled \$212,711,000 at March 31, 2020 compared to \$208,646,000 a year earlier. The allowance for loan loss is \$2,656,000 or 1.25% of the loan portfolio compared to \$2,612,000 or 1.25% of the loan portfolio at March 31, 2019. There was no provision for loan loss expense in the first quarter of 2020 compared to provision expense of \$45,000 at March 31, 2019.

Shareholder equity at March 31, 2020 and March 31, 2019 is \$41,443,000 and \$39,313,000, respectively. Capital ratios are strong and well above minimum regulatory requirements.

The Board of Directors announced a \$0.02 per share dividend increase at the Annual Shareholders' Meeting on March 17, 2020. Qualifying shareholders saw this reflected in their March 20, 2020 payment. The new quarterly dividend of \$0.19 per share sets the annual payout rate at \$0.76. Based on an \$18.00 stock price at March 31, 2020, this equates to a dividend yield of 4.22%.

The first quarter for our company was solid. However, as we know, the severe health crisis created by COVID-19 began materializing in mid-February and has precipitated an unprecedented and rapid economic slowdown. Our focus since this historic situation began has been to provide uninterrupted financial service to our communities in a way that protects the health and safety of our clients and employees. We have also proactively engaged in our responsibility to facilitate quick and knowledgeable access to the government stimulus programs – particularly the Payroll Protection Program (PPP) loans to businesses. I encourage you to visit our website for further details on our efforts during this unique time.

I cannot fully express my admiration for our team. They have swiftly adjusted to all the altered ways required to serve, assist and counsel our customers right now. They are truly remarkable.

Though the coming months of 2020 will present hurdles, our bank and team are well positioned to navigate them with strength. Thank you for your continued support, loyalty, business and referrals to Century Bank and Trust. I look forward to reporting to you in the upcoming quarters.

Eric H. Beckhusen

Eric H. Beckhusen
Chairman & CEO

Directors & Officers

Century Financial Corporation Directors

Eric H. Beckhusen <i>Chairman & CEO, Century Bank and Trust</i>	Bruce S. A. Gosling, <i>Certified Public Accountant, Gabridge & Company, PLC</i>
Robert P. Brothers <i>Attorney at Law, Brothers Law Office, PLLC</i>	Thomas G. Kramer <i>Retired Executive Director, ADAPT, Incorporated</i>
Jeffrey W. Budd <i>CPA, Utility Director, Coldwater Board of Public Utilities</i>	Caroline P. Lowe <i>Certified Public Accountant, Caroline P. Lowe, CPA, PLC</i>
James W. Gordon <i>Certified Public Accountant, James W. Gordon, CPA, P.C.</i>	William G. Pridgeon <i>Partner, Pridgeon Farms, LLC</i>
	Eric J. Wynes <i>President, Century Bank and Trust</i>

Century Bank and Trust Officers

Eric H. Beckhusen <i>Chairman & CEO</i>	Michael D. Eddy <i>Assistant Vice President & Mortgage Loan Officer</i>
Eric J. Wynes <i>President</i>	Jared E. Hoffmaster <i>Assistant Vice President & Investment Officer</i>
Dylan M. Foster <i>Executive Vice President</i>	Vicki R. Morris <i>Assistant Vice President & Mortgage Loan Officer</i>
Rebecca S. Crabill <i>Chief Financial Officer</i>	Tracy A. Richer <i>Assistant Vice President & Trust Officer</i>
Julie A. Andrews <i>Vice President & Senior Trust Officer</i>	Mashaun M. Schabloski <i>Assistant Vice President & Marketing Director</i>
Jeffrey S. Holbrook <i>Vice President</i>	Andrea J. Strong <i>Assistant Vice President & Teller Operations Officer</i>
Ginger J. Kesler <i>Vice President</i>	Kathy A. Tomson <i>Assistant Vice President & Mortgage Loan Officer</i>
Barry R. Miller <i>Vice President</i>	Melinda G. Dean <i>Retail Loan Officer</i>
Donna L. Penick <i>Vice President & Auditor</i>	Karen A. Dunn <i>Human Resource Manager</i>
Ronald H. Uhl <i>Vice President</i>	Heather E. Eldridge <i>Trust Operations Officer</i>
Adam M. Wright <i>Vice President</i>	Alicia A. Finnerman <i>Mortgage Loan Officer</i>
Alicia K. Cole <i>Assistant Vice President & Trust Officer</i>	Sergio Gomez <i>Mortgage Loan Officer</i>
Corey L. Collins <i>Assistant Vice President & Commercial Loan Officer</i>	Ryan J. Saddler <i>Cash Management Officer</i>
Jason C. Dozeman <i>Assistant Vice President & Commercial Loan Officer</i>	Erik L. Schaeffer <i>Trust Officer</i>



CenturyBankandTrust.com

(866) 680-BANK

First Quarter
Report to Shareholders
March 31, 2020

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

Consolidated Balance Sheet

	March 31,	
	2020	2019
Assets		
Cash and due from banks	\$ 6,752,414	\$ 7,691,394
Interest bearing deposits in other financial institutions	2,493,000	2,992,901
Investment securities available for sale	47,115,906	46,195,716
Investment securities (market value of \$13,522,129 in 2020 and \$12,613,594 in 2019) held to maturity	14,387,361	12,302,278
Federal funds sold and other overnight investments	26,357,693	26,593,705
Loans	212,710,794	208,646,266
Less: Allowance for loan loss	(2,656,164)	(2,612,092)
Loans, Net	210,054,631	206,034,173
Bank premises and equipment, net	4,932,861	4,997,752
Bank owned life insurance	9,078,848	8,840,426
Accrued interest receivable and other assets	2,746,464	3,245,257
Total Assets	\$ 323,919,177	\$ 318,893,602
Liabilities		
Deposits		
Non-interest bearing	\$ 93,391,876	\$ 92,550,426
Interest bearing	179,588,536	183,005,899
Total Deposits	272,980,412	275,556,324
Accrued interest payable and other liabilities	1,495,737	1,524,270
Other borrowings	8,000,000	2,500,000
Total Liabilities	\$ 282,476,149	\$ 279,580,595
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2020 and 2019;		
issued and outstanding: 1,848,861 in 2020 and 1,893,908 in 2019	\$ 1,848,861	\$ 1,893,908
Paid in capital	17,495,341	18,477,863
Retained earnings	23,086,632	19,731,747
Accumulated other comprehensive loss	(987,807)	(790,511)
Total Shareholders' Equity	\$ 41,443,027	\$ 39,313,007
Total Liabilities and Shareholder's Equity	\$ 323,919,177	\$ 318,893,602
Book Value Per Share	\$ 22.42	\$ 20.76

Consolidated Statement of Income

	Three Months Ended	
	March 31,	2019
	2020	2019
Interest Income		
Loans, including fees	\$ 2,682,075	\$ 2,701,826
Securities		
Taxable	236,313	264,718
Non-Taxable	84,535	73,219
Federal funds sold and other overnight investments	110,469	150,120
Interest on deposits in other financial institutions	14,199	15,207
Total Interest Income	\$ 3,127,591	\$ 3,205,091
Interest Expense		
Interest on other deposits	110,870	158,843
Interest on time deposits over \$100,000	27,474	43,008
Other interest expense	36,755	9,518
Total Interest Expense	\$ 175,099	\$ 211,368
Net Interest Income	2,952,492	2,993,722
Provision for Loan Losses	-	45,000
Net Interest Income after Provision for Loan Losses	2,952,492	2,948,722
Non-interest Income		
Trust and investment management revenue	470,296	509,725
Service charges on deposit accounts	417,874	437,068
Gain on sale of mortgage loans	217,564	108,688
Other income	132,689	149,074
Total Non-interest Income	\$ 1,238,422	\$ 1,204,555
Non-interest Expense		
Salaries	1,289,976	1,348,862
Employee benefits	426,157	430,422
Occupancy and equipment expense	507,301	496,096
Other expense	477,716	495,355
Total Non-interest Expense	\$ 2,701,150	\$ 2,770,735
Income Before Income Taxes	1,489,763	1,382,542
Income Taxes	271,255	251,128
Net Income	\$ 1,218,509	\$ 1,131,414
Basic & Diluted Earnings Per Share	\$ 0.65	\$ 0.60

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