

## 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, 2022, your company earned net income of \$1,119,000 or earnings per share of \$0.63. This compares to March 31, 2021 when net income of \$1,364,000 and earnings per share of \$0.75 were reported. The return on average equity (ROE) for the first quarter was 9.68% with a return on assets (ROA) of 0.98%. ROE and ROA for the same period in 2021 were 12.49% and 1.44%, respectively.

The bank's total revenue at March 31, 2022 was \$4,068,000 versus \$4,599,000 at March 31, 2021. Other performance measures when comparing first quarter 2022 against first quarter 2021 are: net interest income of \$2,598,000 compared to \$2,675,000 and total non-interest income of \$1,470,000 compared to \$1,925,000. The anticipated decrease in the gain on sale of residential mortgage loans – from record levels during 2020 and 2021 – was the contributing factor to the variance in non-interest income. Total first-quarter operating expense was \$2,696,000 and \$2,922,000 for 2022 and 2021, respectively.

Total assets at March 31, 2022 were \$478,342,000 compared to \$435,500,000 at March 31, 2021. Deposits closed the quarter at \$424,355,000 – this compares to \$382,147,000 at March 31, 2021.

Loans totaled \$198,359,000 at March 31, 2022 compared to \$227,421,000 a year earlier. The noticeable decrease in total loans, year-over, is related to the final forgiveness phase of Paycheck Protection Program (PPP) loans. At 3-31-21, the bank's commercial loan portfolio contained \$15,848,000 in PPP loans. As of 3-31-22, all PPP loans have been forgiven. The allowance for loan loss was \$3,318,000 or 1.67% of the loan portfolio compared to \$3,377,000 or 1.48% of the loan portfolio at March 31, 2021. There was no provision for loan loss expense in the first quarter of 2022 or the first quarter of 2021.

Shareholder equity at March 31, 2022 and March 31, 2021 was \$46,482,000 and \$45,932,000, respectively. Capital ratios are strong and well above minimum regulatory requirements.

The Board of Directors announced a \$0.015 per share dividend increase at the Annual Shareholders' Meeting on March 15, 2022. Qualifying shareholders saw this reflected in their March 21, 2022 payment. The new quarterly dividend of \$0.215 per share sets the annual payout rate at \$0.86. Based on a \$29.42 stock price at March 31, 2022, this equates to a dividend yield of 2.92%.

As we close the first quarter, two significant themes in the economy and banking industry for the past two years are “turning the corner” – unprecedented federal stimulus and historically low interest rates. Both provided challenges and unique performance metrics. As 2022 further unfolds, we welcome the projected rate increases by the Federal Open Market Committee (FOMC). This coupled with strong economic fundamentals within our footprint should provide continued opportunities.

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  
Chairman & CEO

## Directors & Officers

### Century Financial Corporation Directors

Eric H. Beckhusen <i>Chairman &amp; CEO, Century Bank and Trust</i>	Bruce S. A. Gosling, <i>Certified Public Accountant, Gabridge &amp; Company, PLC</i>
Robert P. Brothers <i>Attorney at Law, Brothers Law Office, PLLC</i>	William G. Pridgeon <i>Partner, Pridgeon Farms, LLC</i>
Jeffrey W. Budd <i>CPA, Chief Finance Officer, Sekisui Voltek, LLC</i>	Eric J. Wynes <i>President, Century Bank and Trust</i>
James W. Gordon <i>Certified Public Accountant, James W. Gordon, CPA, P.C.</i>	

### Century Bank and Trust Officers

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



CenturyBankandTrust.com

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First Quarter  
Report to Shareholders  
March 31, 2022

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

**Consolidated Balance Sheet**

	March 31,	
	2022	2021
<b>Assets</b>		
Cash and due from banks	\$ 12,442,835	\$ 14,490,464
Interest bearing deposits in other financial institutions	1,744,000	1,494,000
Investment securities available for sale	52,705,971	37,264,969
Investment securities (market value of \$17,282,042 in 2022 and \$15,007,218 in 2021) held to maturity	18,735,744	14,901,817
Federal funds sold and other overnight investments	180,100,884	126,547,203
Loans	198,358,503	227,421,478
Less: Allowance for loan loss	(3,318,114)	(3,376,926)
Loans, Net	195,040,389	224,044,552
Bank premises and equipment, net	4,389,144	4,540,711
Bank owned life insurance	9,545,862	9,295,239
Accrued interest receivable and other assets	3,636,746	2,921,528
<b>Total Assets</b>	<b>\$ 478,341,575</b>	<b>\$ 435,500,482</b>
<b>Liabilities</b>		
Deposits		
Non-interest bearing	\$ 167,153,840	\$ 147,967,628
Interest bearing	257,200,657	234,179,761
<b>Total Deposits</b>	<b>424,354,497</b>	<b>382,147,389</b>
Accrued interest payable and other liabilities	2,005,106	1,920,963
Other borrowings	5,500,000	5,500,000
<b>Total Liabilities</b>	<b>\$ 431,859,603</b>	<b>\$ 389,568,351</b>
<b>Shareholders' Equity</b>		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2022 and 2021;		
issued and outstanding: 1,782,411 in 2022 and 1,822,273 in 2021	\$ 1,782,411	\$ 1,822,273
Paid in capital	16,051,269	17,023,455
Retained earnings	30,600,058	26,973,282
Accumulated other comprehensive loss	(1,951,766)	113,121
<b>Total Shareholders' Equity</b>	<b>\$ 46,481,972</b>	<b>\$ 45,932,131</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$ 478,341,575</b>	<b>\$ 435,500,482</b>
<b>Book Value Per Share</b>	<b>\$ 26.08</b>	<b>\$ 25.21</b>

**Consolidated Statement of Income**

	Three Months Ended	
	March 31,	
	2022	2021
<b>Interest Income</b>		
Loans, including fees	\$ 2,288,434	\$ 2,489,153
Securities		
Taxable	232,628	161,732
Non-Taxable	80,037	82,689
Federal funds sold and other overnight investments	82,607	28,949
Interest on deposits in other financial institutions	9,734	9,025
<b>Total Interest Income</b>	<b>\$ 2,693,440</b>	<b>\$ 2,771,548</b>
<b>Interest Expense</b>		
Interest on other deposits	58,289	51,558
Interest on time deposits over \$100,000	10,175	18,272
Other interest expense	27,088	27,088
<b>Total Interest Expense</b>	<b>\$ 95,551</b>	<b>\$ 96,918</b>
Net Interest Income	2,597,888	2,674,631
<b>Provision for Loan Losses</b>		
Net Interest Income after Provision for Loan Losses	2,597,888	2,674,631
<b>Non-interest Income</b>		
Trust and investment management revenue	616,016	577,739
Service charges on deposit accounts	421,568	412,009
Gain on sale of mortgage loans	256,725	789,545
Other income	176,014	145,555
<b>Total Non-interest Income</b>	<b>\$ 1,470,322</b>	<b>\$ 1,924,848</b>
<b>Non-interest Expense</b>		
Salaries	1,034,396	1,236,154
Employee benefits	459,249	524,267
Occupancy and equipment expense	514,977	537,566
Other expense	687,368	624,349
<b>Total Non-interest Expense</b>	<b>\$ 2,695,990</b>	<b>\$ 2,922,336</b>
<b>Income Before Income Taxes</b>	<b>1,372,220</b>	<b>1,677,142</b>
<b>Income Taxes</b>	<b>253,600</b>	<b>313,156</b>
<b>Net Income</b>	<b>\$ 1,118,620</b>	<b>\$ 1,363,987</b>
<b>Basic &amp; Diluted Earnings Per Share</b>	<b>\$ 0.63</b>	<b>\$ 0.75</b>

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