

To Our Shareholders

Century Financial Corporation and its subsidiary Century Bank and Trust had a successful and eventful first quarter of 2012.

We are able to report to you increased earnings in the first quarter, announcement of a management transition for the bank, and the resumption of cash dividends to shareholders in April.

FIRST QUARTER OPERATING RESULTS

Net income for the three months ended March 31, 2012 totaled \$494,000 or \$.25 per share. This compares favorably with net income of \$319,000 or \$.16 per share for the same period a year ago.

We are pleased with our first quarter financial results. In my Annual Report letter to shareholders, I stressed the importance of community banks growing revenue. We were able to report for 2011 that Century Bank and Trust boosted revenue over the prior year, and that the increase came from both net interest income and fee income. We happily can report a continuation of those trends.

In the 2012 first quarter, Century again grew total revenue with the increase coming from growth in both net interest income and fee income. While many factors contributed to the revenue progress, we would particularly note a strong quarter in fee income from mortgage lending, and from asset and fee growth in the CB&T Trust Department. We are further encouraged that our balance sheet at March 31, 2012 reflected growth in both total deposits and total loans from the 2011 year-end date.

MANAGEMENT TRANSITION ANNOUNCED

At the March 20 Annual Shareholders meeting, Board Chairman Bob Shedd spoke on behalf of the entire Board in announcing a senior management transition plan that will carry Century Bank and Trust strongly into the future. Eric Beckhusen, currently Executive Vice President, will become Chief Executive Officer (CEO) of the bank on July 1, 2012. Mr. Beckhusen has also been appointed to the Board of Directors. Ronald Reed, who has served Century Bank and Trust as President and CEO since January of 2011, will continue as President through the end of 2012.

Along with reporting the management succession plan, Bob Shedd expressed gratitude to Ron Reed, Eric Beckhusen and numerous others in the organization for their hard work in returning Century to a growing and profitable status. Also at the Annual Shareholder Meeting, Ron Reed, Eric Wynes and Eric Beckhusen all made informative presentations to the shareholders.

DIVIDENDS RESUMED

We expressed at year-end 2011 that the resumption of cash dividends to shareholders would be a priority of the Board of Directors in 2012. Once it was confirmed that the first quarter of 2012 represented a continuation of the bank's progress in 2011, the time was right to resume dividends.

On April 25, 2012, shareholders of Century Financial Corporation received a dividend of \$.06 per share. The dividend was paid to shareholders of record April 12, 2012.

Century has traditionally paid dividends on a March-June-September-December quarterly cycle. Accordingly, it is expected the next dividend will occur in June of this year.

CONCLUDING COMMENTS

As reflected in the paragraphs above, there have been numerous positive developments for Century Bank and Trust during this first part of 2012. We very much appreciate the loyal support of our shareholders, customers and employees as we continue our progress.



Robert W. Shedd
Chairman & CEO

Directors & Officers

Century Financial Corporation

Directors

Eric H. Beckhusen
*Senior Vice President,
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 & CEO,
Century Bank & Trust*

Robert W. Shedd
*Northshore Asset Mgt.
Chairman & CEO,
Century Financial
Corporation*

Stanley R. Welch
*President,
Bronson Plating Co.*

Century Bank and Trust Officers

Ronald R. Reed
President & CEO

Eric H. Beckhusen
Executive Vice 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



CenturyBankandTrust.com

(866) 680-BANK

First Quarter
Report to Shareholders
March 31, 2012

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

Consolidated Balance Sheet

	March 31,	
	2012	2011
Assets		
Cash and due from banks	\$ 3,268,182	\$ 6,644,721
Short term investments	2,400,000	2,455,000
Investment securities available for sale	54,055,258	32,891,050
Investment securities (market value of \$7,527,491 in 2012 and \$12,103,181 in 2011) held to maturity	6,366,726	12,119,688
Federal funds sold and other overnight investments	28,186,000	31,951,000
Loans	150,879,491	162,214,013
Less: Allowance for loan loss	(3,006,053)	(3,730,974)
Loans, Net	147,873,438	158,483,039
Bank premises and equipment, net	5,397,765	5,623,035
Bank owned life insurance	7,211,220	6,966,991
Accrued interest receivable and other assets	2,955,496	3,107,871
Total Assets	\$ 257,714,085	\$ 260,242,395
Liabilities		
Deposits		
Non-interest bearing	\$ 38,751,097	\$ 36,471,564
Interest bearing	189,127,066	195,453,352
Total Deposits	227,878,163	231,924,916
Accrued interest payable and other liabilities	2,488,438	1,455,811
Total Liabilities	\$ 230,366,601	\$ 233,380,727
Shareholders' Equity		
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	8,002,159	6,832,897
Accumulated other comprehensive loss	(2,286,840)	(1,603,393)
Total Shareholders' Equity	\$ 27,347,484	\$ 26,861,669
Total Liabilities and Shareholder's Equity	\$ 257,714,085	\$ 260,242,396
Book Value Per Share	\$ 13.82	\$ 13.57

Consolidated Statement of Income

	Three Months Ended	
	2012	2011
Interest Income		
Loans, including fees	\$ 1,892,103	\$ 2,080,059
Securities		
Taxable	273,328	168,133
Non-Taxable	75,102	98,005
Federal funds sold and other overnight investments	16,626	16,649
Short term investments	8,916	9,437
Total Interest Income	2,266,075	2,372,283
Interest Expense		
Interest on other deposits	107,731	203,207
Interest on time deposits over \$100,000	63,637	126,749
Other interest expense	45	88
Total Interest Expense	171,413	330,044
Net Interest Income	2,094,662	2,042,239
Provision for Loan Losses	0	185,000
Net Interest Income after Provision for Loan Losses	2,094,662	1,857,239
Non-interest Income		
Trust and investment management revenue	363,161	337,913
Service charges on deposit accounts	395,581	358,163
Gain on sale of mortgage loans	142,665	45,450
Other income	144,691	141,443
Total Non-interest Income	1,046,098	882,969
Non-interest Expense		
Salaries	871,577	853,591
Employee benefits	403,079	390,646
Occupancy and equipment expense	471,073	493,357
Other expense	747,860	681,164
Total Non-interest Expense	2,493,589	2,418,758
Income Before Income Taxes	647,171	321,450
Income Taxes	153,043	2,453
Net Income	\$ 494,128	\$ 318,997
Basic Earnings Per Share	\$ 0.25	\$ 0.16
Diluted Earnings Per Share	\$ 0.25	\$ 0.16

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