

## 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, 2021, your company earned net income of \$1,364,000 or earnings per share of \$0.75. This compares to March 31, 2020 when net income of \$1,219,000 and earnings per share of \$0.65 were reported. The return on average equity (ROE) for the first quarter was 12.49% with a return on assets (ROA) of 1.44%. ROE and ROA for the same period in 2020 were 12.07% and 1.52%, respectively.

The bank's total revenue at March 31, 2021 is \$4,599,000 versus \$4,191,000 at March 31, 2020. Other performance measures when comparing first quarter 2021 against first quarter 2020 are: net interest income of \$2,675,000 compared to \$2,952,000; total non-interest income of \$1,925,000 compared to \$1,238,000; and total operating expense of \$2,922,000 compared to \$2,701,000.

Total assets at March 31, 2021 are \$435,500,000 compared to \$323,919,000 at March 31, 2020. Deposits closed the quarter at \$382,147,000 – this compares to \$272,980,000 at March 31, 2020.

Loans totaled \$227,421,000 at March 31, 2021 compared to \$212,711,000 a year earlier. Our Business Services team continue to assist commercial borrowers with navigating the Small Business Administration's (SBA) Paycheck Protection Program (PPP). At March 31, 2021, the loan portfolio included \$15,848,000 in PPP loans. This government backed loan program was not in place at March 31, 2020. Paycheck Protection Program loans were \$8,822,000 at December 31, 2020. The allowance for loan loss is \$3,377,000 or 1.48% of the loan portfolio compared to \$2,656,000 or 1.25% of the loan portfolio at March 31, 2020. There was no provision for loan loss expense in the first quarter of 2021 or the first quarter of 2020.

Trust and Investment Management and Residential Mortgage teams reported solid first quarter results. Their collective contribution to fee income increased \$679,000 when compared to March 31, 2020.

Shareholder equity at March 31, 2021 and March 31, 2020 is \$45,932,000 and \$41,443,000, respectively. Capital ratios are strong and well above minimum regulatory requirements.

The Board of Directors announced a \$0.01 per share dividend increase at the Annual Shareholders' Meeting on March 16, 2021. Qualifying shareholders saw this reflected in their March 22, 2021 payment. The new quarterly dividend of \$0.20 per share sets the annual payout rate at \$0.80. Based on a \$23.50 stock price at March 31, 2021, this equates to a dividend yield of 3.40%.

The phrase "what a difference a year makes" seems impactful looking back at my March 31, 2020 message to you. At that time, we all were rapidly adjusting and searching for answers on how best to navigate the health, social and economic impact emerging from the COVID-19 pandemic. Though challenges linger, as we conclude the first quarter of 2021, our country, state and the communities we serve have taken major, positive strides toward returning to a familiar level of normalcy.

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>	Thomas G. Kramer <i>Retired Executive Director, ADAPT, Incorporated</i>
Jeffrey W. Budd <i>CPA, Utility Director, Coldwater Board of Public Utilities</i>	William G. Pridgeon <i>Partner, Pridgeon Farms, LLC</i>
James W. Gordon <i>Certified Public Accountant, James W. Gordon, CPA, P.C.</i>	Eric J. Wynes <i>President, Century Bank and Trust</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>	Jared E. Hoffmaster <i>Assistant Vice President &amp; Investment Officer</i>
Dylan M. Foster <i>Executive Vice President</i>	Vicki R. Morris <i>Assistant Vice President &amp; Mortgage Loan Officer</i>
Rebecca S. Crabill <i>Chief Financial Officer</i>	Tracy A. Richer <i>Assistant Vice President &amp; Trust Officer</i>
Julie A. Andrews <i>Vice President &amp; Senior Trust Officer</i>	Mashaun M. Schabloski <i>Assistant Vice President &amp; Marketing Director</i>
Jeffrey S. Holbrook <i>Vice President</i>	Kathy A. Tomson <i>Assistant Vice President &amp; 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 &amp; Risk Officer</i>	Karen A. Dunn <i>Human Resource Manager</i>
Andrea J. Strong <i>Vice President</i>	Jennifer J. Ewers <i>Auditor</i>
Ronald H. Uhl <i>Vice President</i>	Alicia A. Finnerman <i>Mortgage Loan Officer</i>
Adam M. Wright <i>Vice President</i>	Sergio Gomez <i>Mortgage Loan Officer</i>
Alicia K. Cole <i>Assistant Vice President &amp; Trust Officer</i>	Tiffany R. Moore <i>Deposit Services Officer</i>
Corey L. Collins <i>Assistant Vice President &amp; Commercial Loan Officer</i>	Ryan J. Saddler <i>Cash Management Officer</i>
Jason C. Dozeman <i>Assistant Vice President &amp; Commercial Loan Officer</i>	Erik L. Schaeffer <i>Trust Officer</i>



CenturyBankandTrust.com

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First Quarter  
Report to Shareholders  
March 31, 2021

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

**Consolidated Balance Sheet**

	March 31,	
	2021	2020
<b>Assets</b>		
Cash and due from banks	\$ 14,490,464	\$ 6,752,414
Interest bearing deposits in other financial institutions	1,494,000	2,493,000
Investment securities available for sale	37,264,969	47,115,906
Investment securities (market value of \$15,007,218 in 2021 and \$13,522,129 in 2020) held to maturity	14,901,817	14,387,361
Federal funds sold and other overnight investments	126,547,203	26,357,693
Loans	227,421,478	212,710,794
Less: Allowance for loan loss	(3,376,926)	(2,656,164)
Loans, Net	224,044,552	210,054,631
Bank premises and equipment, net	4,540,711	4,932,861
Bank owned life insurance	9,295,239	9,078,848
Accrued interest receivable and other assets	2,921,528	2,746,464
<b>Total Assets</b>	<b>\$ 435,500,482</b>	<b>\$ 323,919,177</b>
<b>Liabilities</b>		
Deposits		
Non-interest bearing	\$ 147,967,628	\$ 93,391,876
Interest bearing	234,179,761	179,588,536
<b>Total Deposits</b>	<b>382,147,389</b>	<b>272,980,412</b>
Accrued interest payable and other liabilities	1,920,963	1,495,737
Other borrowings	5,500,000	8,000,000
<b>Total Liabilities</b>	<b>\$ 389,568,351</b>	<b>\$ 282,476,149</b>
<b>Shareholders' Equity</b>		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2021 and 2020;		
issued and outstanding: 1,822,273 in 2021 and 1,848,861 in 2020	\$ 1,822,273	\$ 1,848,861
Paid in capital	17,023,455	17,495,341
Retained earnings	26,973,282	23,086,632
Accumulated other comprehensive loss	113,121	(987,807)
<b>Total Shareholders' Equity</b>	<b>\$ 45,932,131</b>	<b>\$ 41,443,027</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$ 435,500,482</b>	<b>\$ 323,919,177</b>
<b>Book Value Per Share</b>	<b>\$ 25.21</b>	<b>\$ 22.42</b>

**Consolidated Statement of Income**

	Three Months Ended	
	March 31,	
	2021	2020
<b>Interest Income</b>		
Loans, including fees	\$ 2,489,153	\$ 2,682,075
Securities		
Taxable	161,732	236,313
Non-Taxable	82,689	84,535
Federal funds sold and other overnight investments	28,949	110,469
Interest on deposits in other financial institutions	9,025	14,199
<b>Total Interest Income</b>	<b>\$ 2,771,548</b>	<b>\$ 3,127,591</b>
<b>Interest Expense</b>		
Interest on other deposits	51,558	110,870
Interest on time deposits over \$100,000	18,272	27,474
Other interest expense	27,088	36,755
<b>Total Interest Expense</b>	<b>\$ 96,918</b>	<b>\$ 175,099</b>
Net Interest Income	2,674,631	2,952,492
<b>Provision for Loan Losses</b>		
Net Interest Income after Provision for Loan Losses	2,674,631	2,952,492
<b>Non-interest Income</b>		
Trust and investment management revenue	577,739	470,296
Service charges on deposit accounts	412,009	417,874
Gain on sale of mortgage loans	789,545	217,564
Other income	145,555	132,689
<b>Total Non-interest Income</b>	<b>\$ 1,924,848</b>	<b>\$ 1,238,422</b>
<b>Non-interest Expense</b>		
Salaries	1,236,154	1,289,976
Employee benefits	524,267	426,157
Occupancy and equipment expense	537,566	507,301
Other expense	624,349	477,716
<b>Total Non-interest Expense</b>	<b>\$ 2,922,336</b>	<b>\$ 2,701,150</b>
<b>Income Before Income Taxes</b>	<b>1,677,142</b>	<b>1,489,764</b>
<b>Income Taxes</b>	<b>313,156</b>	<b>271,255</b>
<b>Net Income</b>	<b>\$ 1,363,987</b>	<b>\$ 1,218,509</b>
<b>Basic &amp; Diluted Earnings Per Share</b>	<b>\$ 0.75</b>	<b>\$ 0.65</b>

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