

TO OUR SHAREHOLDERS

Greetings fellow shareholders. It is my pleasure to report the third-quarter results for Century Financial Corporation and its subsidiary Century Bank and Trust.

For the nine months ending September 30, 2024, Century Bank and Trust reported net income of \$6,657,000 or earnings per share of \$4.00. This compares to net income of \$5,910,000 or earnings per share of \$3.47 for the same period ending September 30, 2023. Return on Average Assets (ROA) and Return on Average Equity (ROE) were 1.93% and 17.12%, respectively. This compares to year-to-date ROA of 1.70%, with ROE of 17.71% at September 30, 2023.

Income Statement

The bank reported total revenues of \$18,623,000 at September 30, 2024. This constitutes a \$1,296,000 increase over September 30, 2023 revenues of \$17,327,000.

Net income is \$747,000 or 13.00%, higher when comparing September 30, 2024 to the same period in 2023.

When comparing September 30, 2024 to September 30, 2023, net interest income was higher by \$1,055,000 or 8%. For the same period, total non-interest income was \$4,093,000 and \$3,852,000, respectively.

Non-interest expense for the nine months ended September 30, 2024 totaled \$10,160,000 versus \$10,025,000 at September 30, 2023.

For the quarter, the bank reported net income of \$2,562,000 or \$1.54 earnings per share. This compares to net income of \$2,287,000 and earnings per share of \$1.29 for the same three-month period in 2023.

Balance Sheet

The bank had total assets of \$468,139,000 at September 30, 2024 compared to \$456,000,000 at September 30, 2023.

Total loans at the end of the third quarter 2024 were \$239,070,000 compared to \$219,113,000 for the same period in 2023.

The allowance for credit loss (as a percent of the loan portfolio) at September 30, 2024 was 1.48%. This compares to 1.52% at September 30, 2023. No provision for credit loss expense was made for either third quarter period in 2024 or 2023.

Total deposits were \$403,542,000, up modestly from September 30, 2023 levels of \$400,966,000.

Total Shareholder Equity at September 30, 2024 was \$57,231,000 compared to \$46,486,000 at September 30, 2023. Capital ratios at September 30, 2024 remain extremely strong and well above minimum regulatory requirements.

With the calendar turning to the fourth quarter of the year, your management team maintains its dual focus of executing on final 2024 initiatives, while beginning our 2025 planning. As we do so, the economic fundamentals within our markets appear to still be indicating strength, and resiliency. We will continue to monitor and couple these signals with the FOMC's changing interest rate posture, and the upcoming election cycle. Regardless of these macro-economic facets, our emphasis will remain committed to establishing, growing, and retaining long-term client relationships. The cornerstones of a successful community banking model. I thank you for your business, referrals, and loyalty as a shareholder.

Eric H. Beckhusen

Eric H. Beckhusen
Chairman & CEO

DIRECTORS & OFFICERS

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Century Bank and Trust

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RYAN J. SADDLER

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CENTURY

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THIRD QUARTER
REPORT TO SHAREHOLDERS
SEPTEMBER 30, 2024

BRONSON • COLDWATER • NOTTAWA
QUINCY • READING • STURGIS
THREE RIVERS

CONSOLIDATED BALANCE SHEET

	SEPTEMBER 30,	
	2024	2023
ASSETS		
Cash and due from banks	\$ 13,272,862	\$ 15,765,658
Interest bearing deposits in other financial institutions	1,250,000	1,750,000
Investment securities available for sale	115,377,709	142,286,193
Investment securities (market value of \$15,006,809 in 2024 and \$14,983,542 in 2023) held to maturity	17,064,951	17,587,339
Federal funds sold and other overnight investments	68,118,424	43,258,038
Loans	239,069,447	219,112,507
Less: Allowance for loan loss	(3,545,741)	(3,327,508)
Loans, Net	235,523,707	215,784,999
Bank premises and equipment, net	4,202,201	4,117,986
Bank owned life insurance	9,198,044	8,959,404
Accrued interest receivable and other assets	4,131,208	6,468,615
TOTAL ASSETS	\$ 468,139,107	\$ 455,978,232
LIABILITIES		
Deposits		
Non-interest bearing	\$ 150,745,391	\$ 155,603,973
Interest bearing	252,796,569	245,362,235
TOTAL DEPOSITS	403,541,960	400,966,208
Accrued interest payable and other liabilities	2,365,891	3,025,996
Other borrowings	5,000,000	5,500,000
TOTAL LIABILITIES	\$ 410,907,850	\$ 409,492,204
SHAREHOLDERS' EQUITY		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2024 and 2023;		
issued and outstanding: 1,660,860 in 2024 and 1,693,378 in 2023	\$ 1,660,860	\$ 1,693,378
Paid in capital	12,866,409	13,698,845
Retained earnings	45,733,363	38,984,988
Accumulated other comprehensive loss	(3,029,376)	(7,891,183)
TOTAL SHAREHOLDERS' EQUITY	\$ 57,231,257	\$ 46,486,028
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 468,139,107	\$ 455,978,232
BOOK VALUE PER SHARE	\$ 34.46	\$ 27.45

CONSOLIDATED STATEMENT OF INCOME

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30,		SEPTEMBER 30,	
	2024	2023	2024	2023
INTEREST INCOME				
Loans, including fees	\$ 3,897,233	\$ 3,250,185	\$ 11,185,511	\$ 8,991,872
Securities				
Taxable	1,141,572	1,328,982	3,729,628	3,910,645
Non-Taxable	127,476	210,950	321,119	305,202
Federal funds sold and other overnight investments	947,338	676,060	2,693,828	2,350,744
Interest on deposits in other financial institutions	8,759	13,532	\$32,099	40,682
TOTAL INTEREST INCOME	\$ 6,122,378	\$ 5,479,710	\$ 17,962,185	\$ 15,599,146
INTEREST EXPENSE				
Interest on other deposits	1,058,603	811,097	3,187,096	1,960,393
Interest on time deposits over \$100,000	44,940	43,301	153,615	82,169
Other interest expense	44,086	27,688	92,026	82,164
TOTAL INTEREST EXPENSE	\$ 1,147,630	\$ 882,086	\$ 3,432,737	\$ 2,124,726
Net Interest Income	4,974,748	4,597,624	14,529,448	13,474,420
PROVISION FOR LOAN LOSSES				
Net Interest Income after Provision for Loan Losses	4,974,748	4,597,624	14,254,448	13,474,420
NON-INTEREST INCOME				
Trust and investment management revenue	720,086	628,374	2,098,868	1,823,675
Service charges on deposit accounts	414,307	425,732	1,250,079	1,295,990
Gain on sale of mortgage loans	49,946	182,944	261,784	324,543
Other income	165,093	134,028	482,538	407,924
TOTAL NON-INTEREST INCOME	\$ 1,349,433	\$ 1,371,078	\$ 4,093,270	\$ 3,852,132
NON-INTEREST EXPENSE				
Salaries	1,316,243	1,371,575	4,653,783	4,572,010
Employee benefits	400,195	440,685	1,279,397	1,337,357
Occupancy and equipment expense	547,544	571,509	1,680,533	1,698,912
Other expense	901,510	794,446	2,545,909	2,416,882
TOTAL NON-INTEREST EXPENSE	\$ 3,165,492	\$ 3,178,214	\$ 10,159,623	\$ 10,025,160
INCOME BEFORE INCOME TAXES	3,158,689	2,790,487	8,188,095	7,301,391
INCOME TAXES	596,538	503,064	1,531,217	1,391,718
NET INCOME	\$ 2,562,151	\$ 2,287,422	\$ 6,656,878	\$ 5,909,672
BASIC & DILUTED EARNINGS PER SHARE	\$ 1.54	\$ 1.29	\$ 4.00	\$ 3.47

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