

## 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, 2023, Century Bank and Trust reported net income of \$5,910,000 or earnings per share of \$3.47. This compares to net income of \$4,213,000 or earnings per share of \$2.37 for the same period ending September 30, 2022. Return on Average Assets (ROA) and Return on Average Equity (ROE) were 1.70% and 17.71%, respectively. This compares to year-to-date ROA of 1.21%, with ROE of 12.50% at September 30, 2022.

### Income Statement

The bank reported total revenues of \$17,327,000 at September 30, 2023. This constitutes a \$3,613,000 increase over September 30, 2022 revenues of \$13,714,000.

Net income is \$1,696,000 higher when comparing September 30, 2023 to the same period in 2022.

When comparing September 30, 2023 to September 30, 2022, net interest income increased by \$4,162,000. For the same period, total non-interest income was \$3,852,000 and \$4,402,000, respectively.

Non-interest expense for the nine months ended September 30, 2023 totaled \$10,025,000 versus \$8,593,000 at September 30, 2022. Core operating expenses, net of employee related costs, for the same year-over comparison were \$4,116,000 and \$3,693,000, respectively.

For the quarter, the bank reported net income of \$2,287,000 or \$1.29 earnings per share. This compares to net income of \$1,567,000 and earnings per share of \$0.88 for the same three-month period in 2022.

### Balance Sheet

The bank had total assets of \$455,978,000 at September 30, 2023 compared to \$475,604,000 at September 30, 2022. Total assets at December 31, 2022 were \$454,393,000.

Total loans at the end of the third quarter 2023 were \$219,113,000 compared to \$200,285,000 for the same period in 2022. Loans totaled \$201,592,000 at December 31, 2022.

The allowance for credit loss (as a percent of the loan portfolio) at September 30, 2023 was 1.52%. This compares to 1.65% at September 30, 2022. No provision for credit loss expense was made for either third quarter period in 2023 or 2022.

Total deposits at September 30, 2023 were \$400,966,000 compared to \$425,508,000 at September 30, 2022. Deposits at December 31, 2022 were \$403,644,000.

Total Shareholder Equity at September 30, 2023 was \$46,486,000 compared to \$42,481,000 at September 30, 2022. Capital ratio measures remain extremely strong and well above minimum regulatory requirements.

As we move into the fourth quarter, your bank team is concentrated on wrapping up our 2023 goals, while beginning planning for 2024. Within both objectives, the underlying focus is to take-action, and undertake initiatives that serve in the best interest of all our stakeholders – and the long-term performance of the bank. I look forward to reporting to you in early-2024. As always, thank you for your business, referrals, and loyalty as a shareholder.



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>	Brian D. 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>	Sergio Gomez <i>Assistant Vice President &amp; Mortgage Loan Officer</i>
Eric J. Wynes <i>President</i>	Elisa Manley <i>Assistant Trust 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>	Mashaun M. Schabloski <i>Assistant Vice President &amp; Marketing Director</i>
Julie A. Andrews <i>Vice President &amp; Senior Trust Officer</i>	Erik L. Schaeffer <i>Assistant Vice President &amp; Trust Officer</i>
Alicia K. Kulpinski <i>Vice President &amp; Senior Trust Officer</i>	Kathy A. Tomson <i>Assistant Vice President &amp; Mortgage Loan Officer</i>
Jared E. Hoffmaster <i>Vice President &amp; Investment Officer</i>	Melinda G. Dean <i>Retail Loan Officer</i>
Jeffrey S. Holbrook <i>Vice President</i>	Tiffany F. Dickey <i>Retail Loan Officer</i>
Donna L. Penick <i>Vice President &amp; Risk Officer</i>	Michael C. Lauraine <i>Business Development &amp; Commercial Loan Officer</i>
Tracy A. Richer <i>Vice President &amp; Trust 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>	Samantha L. Fergison <i>Digital Products Officer</i>
Michael D. Eddy <i>Assistant Vice President &amp; Mortgage Loan Officer</i>	Tiffany R. Moore <i>Deposit Services Officer</i>
Alicia A. Finnerman <i>Assistant Vice President &amp; Mortgage Loan Officer</i>	Ryan J. Saddler <i>Cash Management Officer</i>



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Third Quarter  
Report to Shareholders  
September 30, 2023

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

### Consolidated Balance Sheet

	September 30,	
	2023	2022
<b>Assets</b>		
Cash and due from banks	\$ 15,765,658	\$ 14,629,993
Interest bearing deposits in other financial institutions	1,750,000	2,747,000
Investment securities available for sale	142,286,193	153,263,107
Investment securities (market value of \$14,983,542 in 2023 and \$17,952,588 in 2022) held to maturity	17,587,339	19,522,217
Federal funds sold and other overnight investments	43,258,038	69,649,154
Loans	219,112,507	200,285,088
Less: Allowance for credit losses	(3,327,508)	(3,310,619)
Loans, Net	215,784,999	196,974,469
Bank premises and equipment, net	4,117,986	4,325,361
Bank owned life insurance	8,959,404	8,739,527
Accrued interest receivable and other assets	6,468,615	5,752,674
<b>Total Assets</b>	<b>\$ 455,978,232</b>	<b>\$ 475,603,502</b>
<b>Liabilities</b>		
Deposits		
Non-Interest bearing	\$ 155,603,973	\$ 175,534,815
Interest bearing	245,362,235	249,972,798
<b>Total Deposits</b>	<b>400,966,208</b>	<b>425,507,613</b>
Accrued interest payable and other liabilities	3,025,996	2,114,654
Other borrowings	5,500,000	5,500,000
<b>Total Liabilities</b>	<b>\$ 409,492,204</b>	<b>\$ 433,122,266</b>
<b>Shareholders' Equity</b>		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2023 and 2022;		
issued and outstanding: 1,693,378 in 2023 and 1,713,026 in 2022	\$ 1,693,378	\$ 1,713,026
Paid in capital	13,698,845	14,194,960
Retained earnings	38,984,988	32,943,207
Accumulated other comprehensive loss	(7,891,183)	(6,369,958)
<b>Total Shareholders' Equity</b>	<b>\$ 46,486,028</b>	<b>\$ 42,481,236</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 455,978,232</b>	<b>\$ 475,603,502</b>
<b>Book Value Per Share</b>	<b>\$ 27.45</b>	<b>\$ 24.80</b>

### Consolidated Statement of Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Interest Income</b>				
Loans, including fees	\$ 3,250,185	\$ 2,321,414	\$ 8,991,872	\$ 6,677,809
Securities				
Taxable	1,328,982	1,086,167	3,910,645	1,779,819
Non-Taxable	210,950	91,268	305,202	253,159
Federal funds sold and other overnight investments	676,060	556,002	2,350,744	967,575
Interest on deposits in other financial institutions	13,532	19,182	40,682	42,146
<b>Total Interest Income</b>	<b>\$ 5,479,710</b>	<b>\$ 4,074,034</b>	<b>\$ 15,599,146</b>	<b>\$ 9,720,507</b>
<b>Interest Expense</b>				
Interest on other deposits	811,097	159,619	1,960,393	296,479
Interest on time deposits over \$100,000	43,301	9,588	82,169	29,529
Other interest expense	27,688	27,689	82,164	82,165
<b>Total Interest Expense</b>	<b>\$ 882,086</b>	<b>\$ 196,897</b>	<b>\$ 2,124,726</b>	<b>\$ 408,174</b>
Net Interest Income	4,597,624	3,877,138	13,474,420	9,312,333
<b>Provision for Loan Losses</b>				
Net Interest Income after Provision for Loan Losses	4,597,624	3,877,138	13,474,420	9,312,333
<b>Non-Interest Income</b>				
Trust and investment management revenue	628,374	566,365	1,823,675	1,732,134
Service charges on deposit accounts	425,732	442,991	1,295,990	1,311,120
Gain on sale of mortgage loans	182,944	153,362	324,543	660,146
Other income	134,028	127,926	407,924	698,350
<b>Total Non-Interest Income</b>	<b>\$ 1,371,078</b>	<b>\$ 1,290,644</b>	<b>\$ 3,852,132</b>	<b>\$ 4,401,750</b>
<b>Non-Interest Expense</b>				
Salaries	1,371,575	1,569,952	4,572,010	3,640,115
Employee benefits	440,685	396,953	1,337,357	1,259,318
Occupancy and equipment expense	571,509	519,052	1,698,912	1,544,248
Other expense	794,446	745,848	2,416,882	2,149,151
<b>Total Non-Interest Expense</b>	<b>\$ 3,178,214</b>	<b>\$ 3,231,805</b>	<b>\$ 10,025,160</b>	<b>\$ 8,592,832</b>
<b>Income Before Income Taxes</b>	<b>2,790,487</b>	<b>1,935,976</b>	<b>7,301,391</b>	<b>5,121,251</b>
<b>Income Taxes</b>	<b>503,064</b>	<b>369,112</b>	<b>1,391,718</b>	<b>907,914</b>
<b>Net Income</b>	<b>\$ 2,287,422</b>	<b>\$ 1,566,864</b>	<b>\$ 5,909,672</b>	<b>\$ 4,213,337</b>
<b>Basic &amp; Diluted Earnings Per Share</b>	<b>\$ 1.29</b>	<b>\$ 0.88</b>	<b>\$ 3.47</b>	<b>\$ 2.37</b>

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