

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, 2024, your company earned net income of \$1,977,000 or earnings per share of \$1.18. This compares to March 31, 2023 when net income of \$1,660,000 and earnings per share of \$0.97 were reported. The return on average equity (ROE) for the first quarter was 16.37% with a return on assets (ROA) of 1.69%. ROE and ROA for the same period in 2023 were 14.41% and 1.41%, respectively.

The bank's total revenue at March 31, 2024 was \$6,049,000 versus \$5,637,000 at March 31, 2023. Other performance measures when comparing first quarter 2024 against first quarter 2023 are: net interest income of \$4,717,000 compared to \$4,431,000 and total non-interest income of \$1,332,000 compared to \$1,206,000. The major component driving the positive year-over variance in non-interest income is attributable to the bank's Trust and Investment Management group's first-quarter revenue of \$682,900 – an increase of \$106,000 over March 31, 2023 results. Total first-quarter operating expenses were \$3,572,000 versus \$3,586,000 a year earlier.

Total assets at March 31, 2024 were \$473,458,000 compared to \$466,154,000 at March 31, 2023. Deposits closed the quarter at \$414,192,000 – this compares to \$412,429,000 at March 31, 2023. Total deposits at 12-31-23 were \$415,981,000.

Loans totaled \$226,789,000 at March 31, 2024 compared to \$202,360,000 a year earlier. The allowance for credit loss was \$3,319,000 or 1.46% of the loan portfolio compared to \$3,299,000 or 1.63% of the loan portfolio at March 31, 2023. There was a \$50,000 provision for loan loss expense made in the first quarter of 2024 compared to no provision expense in the first quarter of 2023.

Shareholder equity at March 31, 2024 and March 31, 2023 was \$50,920,000 and \$45,671,000, 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 19, 2024. Qualifying shareholders saw this reflected in their March 20, 2024 payment. The new quarterly dividend of \$0.24 per share sets the annual payout rate at \$0.96. Based on a \$28.55 stock price at March 31, 2024, this equates to a dividend yield of 3.36%.

As Fed rate action and inflationary trends have stabilized, economic fundamentals that support and measure strength for the consumer and businesses within our geographic footprints appear to be continuing on a sound basis. This has reflected in appropriate opportunities for long-term relationship expansion for the bank, in all lines of business, as we close the first quarter. As the calendar gets deeper into the year, our dedicated team looks forward to further executing on our 2024 initiatives – while doggedly taking daily action to serve our clients and communities in the exemplary manner we expect from ourselves.

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

Chairman & CEO,
Century Bank and Trust

ROBERT P. BROTHERS

Attorney at Law,
Brothers Law Office, PLLC

JEFFREY W. BUDD

CPA, Chief Finance Officer,
Sekisui Voltek, LLC

JAMES W. GORDON

Certified Public Accountant,
James W. Gordon, CPA, P.C.

BRUCE S. A. GOSLING,

Certified Public Accountant,
Phillips & Company

BRIAN D. PRIDGEON

Partner,
Pridgeon Farms, LLC

ERIC J. WYNES

President,
Century Bank and Trust

CENTURY BANK AND TRUST OFFICERS

ERIC H. BECKHUSEN

Chairman & CEO

ERIC J. WYNES

President

DYLAN M. FOSTER

Executive Vice President

REBECCA S. CRABILL

Chief Financial Officer

JULIE A. ANDREWS

Vice President &
Senior Trust Officer

ALICIA K. KULPINSKI

Vice President &
Senior Trust Officer

JARED E. HOFFMASTER

Vice President &
Investment Officer

JEFFREY S. HOLBROOK

Vice President

DONNA L. PENICK

Vice President &
Risk Officer

ANDREA J. STRONG

Vice President

RONALD H. UHL

Vice President

MICHAEL D. EDDY

Assistant Vice President
& Mortgage Loan Officer

ALICIA A. FINNERMAN

Assistant Vice President &
Mortgage Loan Officer

SERGIO GOMEZ

Assistant Vice President &
Mortgage Loan Officer

ELISA MANLEY

Assistant Trust Officer

MASHAUN M. SCHABLOSKI

Assistant Vice President &
Marketing Director

ERIK L. SCHAEFFER

Assistant Vice President &
Trust Officer

KATHY A. TOMSON

Assistant Vice President &
Mortgage Loan Officer

MELINDA G. DEAN

Retail Loan Officer

TEFFANY F. DICKEY

Retail Loan Officer

MICHAEL C. LAURAINÉ

Business Development &
Commercial Loan Officer

KAREN A. DUNN

Human Resource Manager

JENNIFER J. EWERS

Auditor

TIFFANY R. MOORE

Deposit Services Officer

RYAN J. SADDLER

Cash Management Officer

CENTURY

FINANCIAL CORPORATION

[CENTURYBANKANDTRUST.COM](https://www.centurybankandtrust.com)

(866) 680-BANK

FIRST QUARTER
REPORT TO SHAREHOLDERS
MARCH 31, 2024

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

CONSOLIDATED BALANCE SHEET

	MARCH 31,	
	2024	2023
ASSETS		
Cash and due from banks	\$ 16,490,315	\$ 12,731,160
Interest bearing deposits in other financial institutions	1,750,000	2,000,000
Investment securities available for sale	130,641,544	149,452,614
Investment securities (market value of \$13,360,173 in 2024 and \$15,852,053 in 2023) held to maturity	15,641,273	17,991,489
Federal funds sold and other overnight investments	66,087,980	66,201,489
Loans	226,789,101	202,360,136
Less: Allowance for credit losses	(3,318,957)	(3,298,632)
Loans, Net	223,470,144	199,061,505
Bank premises and equipment, net	4,256,573	4,188,444
Bank owned life insurance	9,077,092	8,848,028
Accrued interest receivable and other assets	6,042,841	5,678,829
TOTAL ASSETS	\$ 473,457,762	\$ 466,153,557
LIABILITIES		
Deposits		
Non-interest bearing	\$ 147,263,945	\$ 162,580,356
Interest bearing	266,928,414	249,848,674
TOTAL DEPOSITS	414,192,360	412,429,030
Accrued interest payable and other liabilities	2,845,833	2,553,609
Other borrowings	5,500,000	5,500,000
TOTAL LIABILITIES	\$ 422,538,192	\$ 420,482,639
SHAREHOLDERS' EQUITY		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2024 and 2023;		
issued and outstanding: 1,663,121 in 2024 and 1,711,341 in 2023	\$ 1,663,121	\$ 1,711,341
Paid in capital	12,931,581	14,152,835
Retained earnings	41,851,183	35,496,976
Accumulated other comprehensive loss	(5,526,314)	(5,690,235)
TOTAL SHAREHOLDERS' EQUITY	\$ 50,919,570	\$ 45,670,918
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 473,457,762	\$ 466,153,557
BOOK VALUE PER SHARE	\$ 30.62	\$ 26.69

CONSOLIDATED STATEMENT OF INCOME

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
INTEREST INCOME		
Loans, including fees	\$ 3,578,203	\$ 2,742,344
Securities		
Taxable	1,363,322	1,293,760
Non-Taxable	94,156	92,090
Federal funds sold and other overnight investments	811,223	691,559
Interest on deposits in other financial institutions	12,216	13,500
TOTAL INTEREST INCOME	\$ 5,859,121	\$ 4,833,252
Interest Expense		
Interest on other deposits	1,062,700	357,628
Interest on time deposits over \$100,000	52,109	17,596
Other interest expense	27,389	27,132
TOTAL INTEREST EXPENSE	\$ 1,142,198	\$ 402,357
Net Interest Income	4,716,923	4,430,895
PROVISION FOR LOAN LOSSES	50,000	-
Net Interest Income after Provision for Loan Losses	4,666,923	4,430,895
Non-interest Income		
Trust and investment management revenue	682,909	576,922
Service charges on deposit accounts	411,030	428,064
Gain on sale of mortgage loans	68,208	50,186
Other income	169,664	150,605
TOTAL NON-INTEREST INCOME	\$ 1,331,812	\$ 1,205,776
Non-interest Expense		
Salaries	1,707,936	1,771,519
Employee benefits	466,322	462,611
Occupancy and equipment expense	576,995	568,347
Other expense	821,244	783,288
TOTAL NON-INTEREST EXPENSE	\$ 3,572,497	\$ 3,585,765
INCOME BEFORE INCOME TAXES	2,426,238	2,050,907
INCOME TAXES	449,649	391,312
NET INCOME	\$ 1,976,590	\$ 1,659,595
BASIC & DILUTED EARNINGS PER SHARE	\$ 1.18	\$ 0.97

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