

January 25, 2010

To our Century Bank shareholders,

2009 has been a very challenging year for all business and as a primarily business bank, Century Bank is also impacted.

We in Lane County continue to be mired in a weak local and national economy. The Bank Management team has been closely monitoring the slowdown in business in our area for the past year and making adjustments to our operation as needed. We have managed our own expenses responsibly and have been able to report profits for the first three quarters of the year.

Some of the things we have done are:

- Reduced our salary expense for 2009 to 3% less than in 2008. Due to the poor economy and modest profits, there were no incentives paid for 2009, even though our dedicated staff continues to work very hard.
- Our employees are our greatest asset. We have had a very committed staff with virtually no turnover since we started the Bank six years ago. Century Bank was recently recognized by The Oregon Business magazine as one of the "100 Best Places to Work" for 2010. This is the second time in three years that we have received this honor. This is a great tribute to our team effort.

During the fourth quarter of 2009, Bank management and the Board have set aside a substantial provision for loan losses. We would like to emphasize that while we did not incur any actual losses in 2009, we believe setting additional funds aside in the reserve for loan losses is a prudent step given the stresses we see our business customers facing.

We continue to meet all regulatory requirements for a "well capitalized" bank. We want to be certain that any deterioration of our loan portfolio can be dealt with in an appropriate manner without eroding our strong capital base.

This additional provision will bring our loan loss reserve to \$2.1 million, more than doubling the reserve over a year ago. Even with this significant addition to the reserve, the Bank will still report a modest profit for the year of \$141,610, or \$.14 per share.

We continue to have funds available to loan, but with the uncertainty of the economy, demand has been reduced. We, like most other lenders, have reviewed and tightened our underwriting requirements to adjust to this economy. We are working closely with our business borrowers, helping them to make necessary changes and to face some very tough decisions.

Our loan portfolio remains solid, but even some of our strongest borrowers are having to make major changes in their operations to withstand this tumultuous time we are experiencing. Early 2010 will continue to be uncertain and it is unlikely that we will see meaningful recovery in the economy until late 2010 or early 2011.

We ask for your continued support by bringing more of your deposit business to Century Bank. Increasing an already strong deposit base will give the Bank the strength and liquidity that we need to be "at the front of the line" among banks in this market as we emerge from this difficult time.

We will provide a full annual report to each of you within the next 45 days, well ahead of our annual shareholder meeting in April. If you have any questions in the meantime, please give me a call or stop by the Bank.

Our Management team and Board of Directors are working very hard to keep your Bank strong.

We thank you for your continued support.

Best regards,

Marty Smith
Chairman of the Board

Thomas P. Widmer
President & C.E.O.