



## CENTRIC FINANCIAL CORPORATION

January 31, 2015

Dear Shareholder:

We are pleased to share our financial results and highlights with you for the year ended 2014. *Smart banking. Smarter business growth.<sup>SM</sup>* is our promise to you, and it is illustrated in the success stories of our borrowers—the men and women who are powering the GDP. I hope you've noticed the increase in "**Financing Provided By Centric Bank**" signs appearing on so many commercial properties throughout central Pennsylvania. And thanks to our customers' confidence in our people, products, and services, the Bank exceeded the budgeted 2014 goal for earnings. Net income after taxes for the year totaled \$1,230,000, as compared to \$436,000; a 182.1% increase over the prior year's financial results.

Earnings per share for 2014 were .38, as compared to .12 for 2013. Return on equity increased from 2.96% at year end 2013 to 7.87% at 2014; and return on assets increased from .14% to .40% for the year ending 2014. Net interest margin for 2014 was 3.44% as compared to 3.17% for 2013. The provision for loan losses totaled \$401,000 for the current year as compared to \$1,354,000 in 2013, a decrease of \$953,000. The decrease in the provision for loan losses is a result of the pristine credit quality of the loan portfolio. At year-end, total past due and non-performing loans amount to .72% as compared to 1.14% in the prior year: one of the lowest levels of delinquencies and non-performing assets in the Commonwealth of Pennsylvania.

Our year-end financial highlights are as follows:

- **Total loans** at December 31, 2014 increased to \$254 million, an increase of \$23.7 million or 10.3%;
- **Total deposits** at December 31, 2014 were \$276 million, an increase of \$8.2 million or 3.1% from the prior year;
- **Total assets** at December 31, 2014 are \$312 million, an increase of \$7.4 million or 2.4% year over year.

Smart banking begins with our own carefully planned growth, and during 2014 we invited more shareholders and businesses to "**Be the Difference Maker**" with us through our common stock offering. The proceeds from the Offering will be invested in organic growth opportunities, expanding our workforce with new business development and lender roles, as well as pursuing long-term strategic goals. We raised over \$5.1 million in new capital through our Offering and are well-positioned to execute our strategic initiatives. The pending mergers of Susquehanna Bank with BB&T and Integrity Bank with S&T Bank in 2015 provide significant opportunities for Centric Bank to capture a larger portion of the market share and develop more banking relationships in our central Pennsylvania communities.

We thank you for the trust and confidence you have placed in Centric Bank. If you have business colleagues who would also benefit from our relationship-banking services, we would appreciate an introduction. In the meantime, please visit our social media channels often to stay abreast of smart banking and community news.

The Bank's annual shareholder meeting will be held on Thursday, April 16, 2015, at 9 a.m. at Colonial Golf and Tennis Club located at 4901 Linglestown Road. We look forward to sharing more Centric Bank "Smarter business growth" stories and connecting with you in person.

In every transaction, opportunity, and touch point, **We Revolve Around You.**

Sincerely,

Patricia A. Husic  
President & CEO

[CentricBank.com](http://CentricBank.com) | [DrCentricBank.com](http://DrCentricBank.com)

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