



## NEWS RELEASE

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FOR IMMEDIATE RELEASE

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### **CENTURY BANCORP, INC. ANNOUNCES EARNINGS FOR Q1 2015, UP 0.5%; ASSET GROWTH TO RECORD SIZE OF \$3.8 BB; REGULAR DIVIDEND DECLARED**

**Medford, MA, April 14, 2015**---Century Bancorp, Inc. (NASDAQ:CNBKA) ([www.centurybank.com](http://www.centurybank.com)) (“the Company”) today announced net income of \$4,959,000 for the quarter ended March 31, 2015, or \$0.89 per Class A share diluted, an increase of 0.5% compared to net income of \$4,932,000, or \$0.89 per Class A share diluted, for the same period a year ago. Total assets increased 4.1% from \$3.6 billion at December 31, 2014 to \$3.8 billion at March 31, 2015. Earnings are up slightly compared to the same period last year; however, the harsh winter caused increased expenses and lower revenues during the first quarter of 2015 compared to the same period a year ago.

Net interest income totaled \$16.4 million for the quarter ended March 31, 2015 compared to \$16.5 million for the same period in 2014. The 0.6% decrease in net interest income for the period is primarily due to a decrease in the net interest margin. The net interest margin decreased from 2.27% on a fully taxable equivalent basis in 2014 to 2.12% on the same basis for 2015. This was primarily the result of a decrease in rates on earning assets. Also, interest expense increased slightly as a result of an increase in deposit balances and there was a 7.8% increase in the average balances of earning assets, combined with a similar increase in average deposits.

The provision for loan losses decreased by \$400,000 from \$600,000 for the quarter ended March 31, 2014 to \$200,000 for the same period in 2015, primarily as a result of stable loan balances and low charge-off levels. The Company’s effective tax rate decreased from 5.6% in 2014 to 4.2% in 2015 primarily as a result of an increase in tax-exempt income.

At March 31, 2015, total equity was \$197.8 million compared to \$192.5 million at December 31, 2014. The Company’s equity increased primarily as a result of earnings and a decrease in other comprehensive loss, net of taxes, offset somewhat by dividends paid. Other comprehensive loss, net of taxes, decreased as a result of a decrease in unrealized losses on securities available-for-sale and securities transferred from available-for-sale to held-to-maturity and amortization of the pension liability. During the third quarter of 2013, \$987.0 million of securities available-for-sale with unrealized losses of \$25.3 million were transferred to securities held-to-maturity. This was done in response to rising interest rates.

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The Company's leverage ratio stood at 6.60% at March 31, 2015, compared to 6.91% at December 31, 2014. The decrease in the leverage ratio was due to an increase in quarterly average assets, offset somewhat by an increase in stockholders' equity. Book value as of March 31, 2015 was \$35.53 per share compared to \$34.57 at December 31, 2014.

The Company's allowance for loan losses was \$22.5 million or 1.68% of loans outstanding at March 31, 2015, compared to \$22.3 million or 1.68% of loans outstanding at December 31, 2014 and \$21.3 million or 1.68% of loans outstanding at March 31, 2014. The increase in the allowance for loan losses was due to the increase in the size of the loan portfolio. Non-performing assets totaled \$4.3 million at March 31, 2015, compared to \$4.1 million at December 31, 2014 and \$1.6 million at March 31, 2014.

The Company's Board of Directors voted a regular quarterly dividend of 12.00 cents (\$0.12) per share on the Company's Class A common stock, and 6.00 cents (\$0.06) per share on the Company's Class B common stock. The dividends were declared payable May 15, 2015 to stockholders of record on May 1, 2015.

The Company, through its subsidiary bank, Century Bank and Trust Company, a state chartered full service commercial bank, operating twenty-six full-service branches in the Greater Boston area, offers a full range of Business, Personal and Institutional Services.

Century Bank and Trust Company is a member of the FDIC and is an Equal Housing Lender.

This press release contains certain "forward-looking statements" with respect to the financial condition, results of operations and business of the Company. Actual results may differ from those contemplated by these statements. The Company wishes to caution readers not to place undue reliance on any forward-looking statements. The Company disclaims any intent or obligation to update publicly any such forward-looking statements, whether in response to new information, future events or otherwise.

Century Bancorp, Inc. and Subsidiaries  
Consolidated Comparative Statements of Condition (unaudited)  
(in thousands)

<u>Assets</u>	March 31, 2015	December 31, 2014
Cash and Due From Banks	\$ 59,680	\$ 43,367
Federal Funds Sold and Interest-bearing Deposits In Other Banks	5,945	261,991
Short-term Investments	2,139	2,131
Securities Available-For-Sale (AFS)	455,931	448,390
Securities Held-to-Maturity	1,773,607	1,406,792
Federal Home Loan Bank of Boston stock, at cost	24,916	24,916
Loans:		
Commercial & Industrial	157,637	149,732
Municipal	41,406	41,850
Construction & Land Development	25,347	22,744
Commercial Real Estate	691,811	696,272
Residential Real Estate	258,558	257,305
Consumer and Other	10,508	12,188
Home Equity	156,063	151,275
Total Loans	1,341,330	1,331,366
Less: Allowance for Loan Losses	22,529	22,318
Net Loans	1,318,801	1,309,048
Bank Premises and Equipment, net	24,179	24,182
Accrued Interest Receivable	6,913	6,241
Goodwill	2,714	2,714
Other Assets	98,498	94,264
Total Assets	<u>\$ 3,773,323</u>	<u>\$ 3,624,036</u>
<u>Liabilities</u>		
Demand Deposits	\$ 508,820	\$ 484,928
Interest Bearing Deposits:		
Savings and NOW Deposits	1,063,551	978,619
Money Market Accounts	960,668	890,899
Time Deposits	382,456	383,145
Total Interest Bearing Deposits	2,406,675	2,252,663
Total Deposits	2,915,495	2,737,591
Borrowed Funds:		
Securities Sold Under Agreements to Repurchase	260,390	212,360
Other Borrowed Funds	307,642	395,500
Total Borrowed Funds	568,032	607,860
Other Liabilities	55,885	50,002
Subordinated Debentures	36,083	36,083
Total Liabilities	3,575,495	3,431,536
Total Stockholders' Equity	197,828	192,500
Total Liabilities & Stockholders' Equity	<u>\$ 3,773,323</u>	<u>\$ 3,624,036</u>

Century Bancorp, Inc. and Subsidiaries  
Consolidated Comparative Statements of Income (unaudited)  
For the Quarter ended March 31, 2015 and 2014  
(in thousands)

	Quarter ended March 31,	
	2015	2014
Interest Income:		
Loans	\$ 12,076	\$ 12,449
Securities Held-to-Maturity	8,168	7,780
Securities Available-for-Sale	732	820
Federal Funds Sold and Interest-bearing Deposits In Other Banks	<u>196</u>	<u>82</u>
Total Interest Income	21,172	21,131
Interest Expense:		
Savings and NOW Deposits	628	609
Money Market Accounts	782	639
Time Deposits	1,156	1,085
Securities Sold Under Agreements to Repurchase	114	101
Other Borrowed Funds and Subordinated Debentures	<u>2,085</u>	<u>2,183</u>
Total Interest Expense	<u>4,765</u>	<u>4,617</u>
Net Interest Income	16,407	16,514
Provision For Loan Losses	<u>200</u>	<u>600</u>
Net Interest Income After Provision for Loan Losses	16,207	15,914
Other Operating Income		
Service Charges on Deposit Accounts	1,913	2,034
Lockbox Fees	788	777
Net Gain on Sales of Loans	99	7
Other Income	<u>705</u>	<u>652</u>
Total Other Operating Income	3,505	3,470
Operating Expenses		
Salaries and Employee Benefits	9,134	8,875
Occupancy	1,605	1,442
Equipment	593	572
FDIC Assessment	503	480
Other	<u>2,703</u>	<u>2,790</u>
Total Operating Expenses	<u>14,538</u>	<u>14,159</u>
Income Before Income Taxes	5,174	5,225
Income Tax Expense	<u>215</u>	<u>293</u>
Net Income	<u>\$ 4,959</u>	<u>\$ 4,932</u>

Century Bancorp, Inc. and Subsidiaries  
Consolidated Year-to-Date Average Comparative Statements of Condition (unaudited)  
(in thousands)

	March 31, 2015	March 31, 2014
<u>Assets</u>		
Cash and Due From Banks	\$ 71,131	\$ 65,827
Federal Funds Sold and Interest-Bearing Deposits in Other Banks	300,638	121,093
Securities Available-For-Sale (AFS)	466,673	494,242
Securities Held-to-Maturity (HTM)	1,530,383	1,492,839
Total Loans	1,338,433	1,265,049
Less: Allowance for Loan Losses	<u>22,511</u>	<u>21,193</u>
Net Loans	1,315,922	1,243,856
Unrealized (Loss)Gain on Securities AFS and HTM Transfers	(16,432)	(23,077)
Bank Premises and Equipment	24,244	23,336
Accrued Interest Receivable	7,071	7,195
Goodwill	2,714	2,714
Other Assets	<u>96,015</u>	<u>86,313</u>
Total Assets	<u>\$ 3,798,359</u>	<u>\$ 3,514,338</u>
<u>Liabilities</u>		
Demand Deposits	\$ 490,020	\$ 468,623
Interest Bearing Deposits:		
Savings and NOW Deposits	1,096,744	1,072,313
Money Market Accounts	999,901	904,036
Time Deposits	<u>377,433</u>	<u>376,793</u>
Total Interest Bearing Deposits	<u>2,474,078</u>	<u>2,353,142</u>
Total Deposits	2,964,098	2,821,765
Borrowed Funds:		
Securities Sold Under Agreements to Repurchase	248,508	226,927
Other Borrowed Funds	<u>303,024</u>	<u>216,212</u>
Total Borrowed Funds	551,532	443,139
Other Liabilities	51,639	33,610
Subordinated Debentures	<u>36,083</u>	<u>36,083</u>
Total Liabilities	3,603,352	3,334,597
Total Stockholders' Equity	<u>195,007</u>	<u>179,741</u>
Total Liabilities & Stockholders' Equity	<u>\$ 3,798,359</u>	<u>\$ 3,514,338</u>
Total Average Earning Assets - YTD	<u>\$ 3,636,127</u>	<u>\$ 3,373,223</u>

Century Bancorp, Inc. and Subsidiaries  
Consolidated Selected Key Financial Information (unaudited)  
(in thousands, except share data)

	March 31, 2015	March 31, 2014
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**Performance Measures:**

Earnings per average Class A share, diluted, quarter	\$ 0.89	\$ 0.89
Return on average assets, year-to-date	0.53%	0.57%
Return on average stockholders' equity, year-to-date	10.31%	11.13%
Net interest margin (taxable equivalent), quarter	2.12%	2.27%
Efficiency ratio, year-to-date	64.6%	63.3%
Book value per share	\$ 35.53	\$ 32.77
Tangible book value per share	\$ 35.04	\$ 32.28
Tangible capital / tangible assets	5.17%	5.13%

Common Share Data:

Average Class A shares outstanding, diluted, quarter	5,567,909	5,558,177
Shares outstanding Class A	3,600,729	3,582,479
Shares outstanding Class B	1,967,180	1,974,180
Total shares outstanding at period end	<u>5,567,909</u>	<u>5,556,659</u>

**Asset Quality and Other Data:**

Allowance for loan losses / loans	1.68%	1.68%
Nonaccrual loans	\$ 4,260	\$ 1,560
Nonperforming assets	\$ 4,260	\$ 1,560
Loans 90 days past due and still accruing	\$ 34	\$ -
Accruing troubled debt restructures	\$ 3,238	\$ 5,811
Net (recoveries)charge-offs, year-to-date	\$ (11)	\$ 282
Leverage ratio	6.60% *	6.57%
Common equity tier 1 risk weighted capital ratio	11.00% *	n/a
Tier 1 risk weighted capital ratio	12.78% *	13.84%
Total risk weighted capital ratio	13.93% *	15.09%
Total risk weighted assets	\$ 1,965,046 *	\$ 1,672,745

\* computed utilizing recently implemented Basel III regulatory capital framework.