



## NEWS RELEASE

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FOR IMMEDIATE RELEASE

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**CENTURY BANCORP, INC. ANNOUNCES INCREASED EARNINGS FOR Q1 2018, UP SIGNIFICANTLY, 26.5%; ASSETS AT \$4.8 BB; REGULAR DIVIDEND DECLARED**

**Medford, MA, April 10, 2018---**Century Bancorp, Inc. (NASDAQ:CNBKA) ([www.centurybank.com](http://www.centurybank.com)) (“the Company”) today announced net income of \$7,709,000 for the quarter ended March 31, 2018, or \$1.38 per Class A share diluted, an increase of 26.5% compared to net income of \$6,096,000, or \$1.09 per Class A share diluted, for the same period a year ago. Total assets decreased 0.2% from \$4.79 billion at December 31, 2017 to \$4.78 billion at March 31, 2018.

Net interest income totaled \$22.5 million for the quarter ended March 31, 2018 compared to \$20.5 million for the same period in 2017. The 9.8% increase in net interest income for the period is primarily due to an increase in average earning assets and an increase in the net interest margin. The net interest margin increased from 2.16% on a fully taxable equivalent basis in 2017 to 2.19% for the same period in 2018. This was primarily the result of an increase in rates on earning assets. The average balances of earning assets increased by 1.8% combined with a similar increase in average deposits. Also, interest expense increased 44.9% primarily as a result of an increase in rates on deposit balances.

The Company’s effective tax rate increased from 2.3% for the first quarter of 2017 to 6.1% for the same period in 2018, primarily as a result of an increase in taxable income offset, somewhat, by a decrease in the federal tax rate from 34% to 21% as a result of the Tax Cuts and Jobs Act.

At March 31, 2018, total equity was \$268.2 million compared to \$260.3 million at December 31, 2017. The Company’s equity increased primarily as a result of earnings, offset somewhat by dividends paid.

The Company’s leverage ratio stood at 6.77% at March 31, 2018, compared to 6.70% at December 31, 2017. The increase in the leverage ratio was due to an increase in stockholders’ equity, offset somewhat by an increase in quarterly average assets. Book value as of March 31, 2018 was \$48.17 per share compared to \$46.75 at December 31, 2017.

The Company's allowance for loan losses was \$26.7 million or 1.22% of loans outstanding at March 31, 2018, compared to \$26.3 million or 1.21% of loans outstanding at December 31, 2017, and \$24.8 million or 1.22% of loans outstanding at March 31, 2017. The ratio of the allowance for loan losses to loans outstanding has remained relatively stable. Non-performing assets totaled \$1.4 million at March 31, 2018, compared to \$1.7 million at December 31, 2017 and \$810,000 at March 31, 2017.

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, 2018 to stockholders of record on May 1, 2018.

The Company, through its subsidiary bank, Century Bank and Trust Company, a state chartered full service commercial bank, operating twenty-seven 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)

	March 31, 2018	December 31, 2017
<u>Assets</u>		
Cash and Due From Banks	\$ 64,544	\$ 77,199
Federal Funds Sold and Interest-bearing Deposits In Other Banks	186,125	279,231
Securities Available-for-Sale (AFS)	372,601	397,475
Securities Held-to-Maturity	1,817,633	1,701,233
Federal Home Loan Bank of Boston stock, at cost	20,050	21,779
Loans:		
Commercial & Industrial	758,621	763,807
Municipal	104,044	106,599
Construction & Land Development	17,583	18,931
Commercial Real Estate	726,440	732,491
Residential Real Estate	300,941	287,731
Consumer and Other	19,339	19,040
Home Equity	260,179	247,345
Total Loans	2,187,147	2,175,944
Less: Allowance for Loan Losses	26,695	26,255
Net Loans	2,160,452	2,149,689
Bank Premises and Equipment, net	23,220	23,527
Accrued Interest Receivable	10,844	11,179
Goodwill	2,714	2,714
Other Assets	118,499	121,546
Total Assets	<u>\$ 4,776,682</u>	<u>\$ 4,785,572</u>
<u>Liabilities</u>		
Demand Deposits	\$ 715,032	\$ 736,020
Interest Bearing Deposits:		
Savings and NOW Deposits	1,409,157	1,367,358
Money Market Accounts	1,195,785	1,188,228
Time Deposits	615,822	625,361
Total Interest Bearing Deposits	3,220,764	3,180,947
Total Deposits	3,935,796	3,916,967
Borrowed Funds:		
Securities Sold Under Agreements to Repurchase	141,560	158,990
Other Borrowed Funds	317,054	347,778
Total Borrowed Funds	458,614	506,768
Other Liabilities	77,989	65,457
Subordinated Debentures	36,083	36,083
Total Liabilities	4,508,482	4,525,275
Total Stockholders' Equity	268,200	260,297
Total Liabilities & Stockholders' Equity	<u>\$ 4,776,682</u>	<u>\$ 4,785,572</u>

Century Bancorp, Inc. and Subsidiaries  
Consolidated Comparative Statements of Income (unaudited)  
For the Quarter ended March 31, 2018 and 2017  
(in thousands)

	Quarter ended March 31,	
	2018	2017
Interest Income:		
Loans	\$ 18,267	\$ 15,100
Securities Held-to-Maturity	10,288	9,535
Securities Available-for-Sale	1,992	1,611
Federal Funds Sold and Interest-bearing Deposits In Other Banks	<u>883</u>	<u>393</u>
Total Interest Income	31,430	26,639
Interest Expense:		
Savings and NOW Deposits	2,223	1,227
Money Market Accounts	2,453	1,274
Time Deposits	2,363	1,651
Securities Sold Under Agreements to Repurchase	181	103
Other Borrowed Funds and Subordinated Debentures	<u>1,742</u>	<u>1,928</u>
Total Interest Expense	<u>8,962</u>	<u>6,183</u>
Net Interest Income	22,468	20,456
Provision For Loan Losses	<u>450</u>	<u>400</u>
Net Interest Income After Provision for Loan Losses	22,018	20,056
Other Operating Income		
Service Charges on Deposit Accounts	2,067	2,016
Lockbox Fees	791	771
Net Gain on Sales of Loans	-	101
Net Gain on Sales of Securities	197	-
Other Income	<u>1,138</u>	<u>1,021</u>
Total Other Operating Income	4,193	3,909
Operating Expenses		
Salaries and Employee Benefits	11,225	10,865
Occupancy	1,637	1,741
Equipment	794	706
FDIC Assessment	383	438
Other	<u>3,962</u>	<u>3,975</u>
Total Operating Expenses	<u>18,001</u>	<u>17,725</u>
Income Before Income Taxes	8,210	6,240
Income Tax Expense	<u>501</u>	<u>144</u>
Net Income	<u>\$ 7,709</u>	<u>\$ 6,096</u>

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

	March 31, 2018	March 31, 2017
<u>Assets</u>		
Cash and Due From Banks	\$ 72,612	\$ 75,497
Federal Funds Sold and Interest-Bearing Deposits in Other Banks	230,194	204,527
Securities Available-For-Sale (AFS)	406,087	533,486
Securities Held-to-Maturity (HTM)	1,741,492	1,751,435
Total Loans	2,175,170	1,984,700
Less: Allowance for Loan Losses	<u>26,546</u>	<u>24,580</u>
Net Loans	2,148,624	1,960,120
Unrealized (Loss)Gain on Securities AFS and HTM Transfers	(4,586)	(7,751)
Bank Premises and Equipment	23,430	23,569
Accrued Interest Receivable	10,731	10,015
Goodwill	2,714	2,714
Other Assets	<u>123,550</u>	<u>116,347</u>
Total Assets	<u><u>\$ 4,754,848</u></u>	<u><u>\$ 4,669,959</u></u>
<u>Liabilities</u>		
Demand Deposits	\$ 706,959	\$ 675,941
Interest Bearing Deposits:		
Savings and NOW Deposits	1,494,919	1,453,299
Money Market Accounts	1,180,436	1,216,690
Time Deposits	<u>604,814</u>	<u>501,857</u>
Total Interest Bearing Deposits	<u>3,280,169</u>	<u>3,171,846</u>
Total Deposits	3,987,128	3,847,787
Borrowed Funds:		
Securities Sold Under Agreements to Repurchase	160,223	200,457
Other Borrowed Funds	<u>238,260</u>	<u>283,650</u>
Total Borrowed Funds	398,483	484,107
Other Liabilities	69,218	58,663
Subordinated Debentures	<u>36,083</u>	<u>36,083</u>
Total Liabilities	4,490,912	4,426,640
Total Stockholders' Equity	<u>263,936</u>	<u>243,319</u>
Total Liabilities & Stockholders' Equity	<u><u>\$ 4,754,848</u></u>	<u><u>\$ 4,669,959</u></u>
Total Average Earning Assets - YTD	<u><u>\$ 4,552,943</u></u>	<u><u>\$ 4,474,148</u></u>

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

	March 31, 2018	March 31, 2017
<b>Performance Measures:</b>		
Earnings per average Class A share, diluted, quarter	\$ 1.38	\$ 1.09
Return on average assets, quarter	0.66%	0.53%
Return on average stockholders' equity, quarter	11.85%	10.16%
Net interest margin (taxable equivalent), quarter	2.19%	2.16%
Efficiency ratio, quarter - Non-GAAP (1)	62.6%	64.0%
Book value per share	\$ 48.17	\$ 44.24
Tangible book value per share - Non-GAAP (1)	\$ 47.68	\$ 43.75
Capital / assets	5.61%	5.38%
Tangible capital / tangible assets - Non-GAAP (1)	5.56%	5.33%

Common Share Data:

Average Class A shares outstanding, diluted, quarter	5,567,909	5,567,909
Shares outstanding Class A	3,608,029	3,600,729
Shares outstanding Class B	1,959,880	1,967,180
Total shares outstanding at period end	<u>5,567,909</u>	<u>5,567,909</u>

**Asset Quality and Other Data:**

Allowance for loan losses / loans	1.22%	1.22%
Nonaccrual loans	\$ 1,386	\$ 810
Nonperforming assets	\$ 1,386	\$ 810
Loans 90 days past due and still accruing	\$ -	\$ -
Accruing troubled debt restructures	\$ 5,415	\$ 3,492
Net charge-offs(recoveries), quarter	\$ 10	\$ (21)
Leverage ratio	6.77%	6.12%
Common equity tier 1 risk weighted capital ratio	10.79%	10.06%
Tier 1 risk weighted capital ratio	12.10%	11.27%
Total risk weighted capital ratio	13.10%	12.25%
Total risk weighted assets	\$ 2,660,535	\$ 2,532,933

**(1) Non-GAAP Financial Measures are reconciled in the following tables**

**Calculation of Efficiency ratio**

Total operating expenses(umerator)	\$ 18,001	\$ 17,725
Net interest income	\$ 22,468	\$ 20,456
Total other operating income	4,193	3,909
Tax equivalent adjustment	2,077	3,336
Total income(denominator)	<u>\$ 28,738</u>	<u>\$ 27,701</u>
Efficiency ratio, year - Non-GAAP	62.6%	64.0%

**Calculation of tangible book value per share**

Total stockholders' equity	\$ 268,200	\$ 246,328
Less: goodwill	2,714	2,714
Tangible stockholders' equity(umerator)	<u>\$ 265,486</u>	<u>\$ 243,614</u>
Total shares outstanding at period end(denominator)	5,567,909	5,567,909
Tangible book value per share - Non-GAAP	\$ 47.68	\$ 43.75
Book value per share - GAAP	<u>\$ 48.17</u>	<u>\$ 44.24</u>

**Calculation of tangible capital / tangible assets**

Total stockholders' equity	\$ 268,200	\$ 246,328
Less: goodwill	2,714	2,714
Tangible stockholders' equity(umerator)	<u>\$ 265,486</u>	<u>\$ 243,614</u>
Total assets	\$ 4,776,682	\$ 4,577,385
Less: goodwill	2,714	2,714
Tangible assets(denominator)	<u>\$ 4,773,968</u>	<u>\$ 4,574,671</u>
Tangible capital / tangible assets - Non-GAAP	5.56%	5.33%
Capital / assets - GAAP	<u>5.61%</u>	<u>5.38%</u>