



## NEWS RELEASE

---

FOR IMMEDIATE RELEASE

Contact: William P. Hornby  
[whornby@centurybank.com](mailto:whornby@centurybank.com)

Phone: 781-393-4630

Fax: 781-393-4071

**CENTURY BANCORP, INC. ANNOUNCES 6TH CONSECUTIVE YEAR OF RECORD EARNINGS FOR 2015, UP 5.3%; LOAN GROWTH OF 30%; ASSET GROWTH TO \$3.9 BB; REGULAR DIVIDEND DECLARED**

**Medford, MA, January 19, 2016---**Century Bancorp, Inc. (NASDAQ:CNBKA) ([www.centurybank.com](http://www.centurybank.com)) ("the Company") today announced record net income of \$23,021,000 for the year ended December 31, 2015, or \$4.13 per Class A share diluted, an increase of 5.3% compared to net income of \$21,860,000, or \$3.93 per Class A share diluted, for 2014. Total assets increased 8.9% from \$3.6 billion at December 31, 2014 to \$3.9 billion at December 31, 2015. For the quarter ended December 31, 2015, net income totaled \$5,971,000 or \$1.07 per Class A share diluted, an increase of 6.2% compared to net income of \$5,623,000, or \$1.01 per Class A share diluted, for the same period a year ago.

Net interest income totaled \$70.0 million for the year ended December 31, 2015 compared to \$66.2 million for the same period in 2014. The 5.6% increase in net interest income for the period is primarily due to an increase in average earning assets. The net interest margin decreased from 2.22% on a fully taxable equivalent basis in 2014 to 2.18% on the same basis for 2015. This was primarily the result of a decrease in rates on earning assets. The average balances of earning assets increased by 8.3% combined with a similar increase in average deposits. Also, interest expense increased 5.2% as a result of an increase in deposit balances.

The provision for loan losses decreased by \$1,850,000 from \$2,050,000 for the year ended December 31, 2014 to \$200,000 for 2015, primarily as a result of changes in portfolio composition, related methodology enhancements to address these changes, as well as net recoveries being realized during the year. The Company's effective tax rate decreased from 3.8% in 2014 to 2.3% in 2015 primarily as a result of an increase in tax-exempt income.

At December 31, 2015, total equity was \$214.5 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 primarily as a result of a decrease in unrealized losses on securities transferred from available-for-sale to held-to-maturity.

The Company's leverage ratio stood at 6.79% at December 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 December 31, 2015 was \$38.53 per share compared to \$34.57 at December 31, 2014.

The Company's allowance for loan losses was \$23.1 million or 1.33% of loans outstanding at December 31, 2015, compared to \$22.3 million or 1.68% of loans outstanding at December 31, 2014. The change in the ratio of the allowance for loan losses to loans outstanding was primarily due to changes in portfolio composition and related methodology enhancements to address these changes. Non-performing assets totaled \$2.3 million at December 31, 2015, compared to \$4.1 million at December 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 February 16, 2016 to stockholders of record on February 1, 2016.

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)

<u>Assets</u>	December 31, 2015	December 31, 2014
Cash and Due From Banks	\$ 52,877	\$ 43,367
Federal Funds Sold and Interest-bearing Deposits In Other Banks	167,847	261,991
Short-term Investments	3,233	2,131
Securities Available-For-Sale (AFS)	404,623	448,390
Securities Held-to-Maturity	1,438,903	1,406,792
Federal Home Loan Bank of Boston stock, at cost	28,807	24,916
Loans:		
Commercial & Industrial	452,235	149,732
Municipal	85,685	41,850
Construction & Land Development	27,421	22,744
Commercial Real Estate	721,506	696,272
Residential Real Estate	255,346	257,305
Consumer and Other	11,323	12,188
Home Equity	178,020	151,275
Total Loans	1,731,536	1,331,366
Less: Allowance for Loan Losses	23,075	22,318
Net Loans	1,708,461	1,309,048
Bank Premises and Equipment, net	24,106	24,182
Accrued Interest Receivable	8,002	6,241
Goodwill	2,714	2,714
Other Assets	107,868	94,264
Total Assets	<u>\$ 3,947,441</u>	<u>\$ 3,624,036</u>
<u>Liabilities</u>		
Demand Deposits	\$ 541,955	\$ 484,928
Interest Bearing Deposits:		
Savings and NOW Deposits	1,070,585	978,619
Money Market Accounts	989,094	890,899
Time Deposits	473,426	383,145
Total Interest Bearing Deposits	2,533,105	2,252,663
Total Deposits	3,075,060	2,737,591
Borrowed Funds:		
Securities Sold Under Agreements to Repurchase	197,850	212,360
Other Borrowed Funds	368,000	395,500
Total Borrowed Funds	565,850	607,860
Other Liabilities	55,904	50,002
Subordinated Debentures	36,083	36,083
Total Liabilities	3,732,897	3,431,536
Total Stockholders' Equity	214,544	192,500
Total Liabilities & Stockholders' Equity	<u>\$ 3,947,441</u>	<u>\$ 3,624,036</u>

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

	Quarter ended December 31,		Year ended December 31,	
	2015	2014	2015	2014
<b>Interest Income:</b>				
Loans	\$ 13,531	\$ 12,340	\$ 52,128	\$ 50,108
Securities Held-to-Maturity	8,015	7,841	34,388	31,745
Securities Available-for-Sale	842	800	3,141	3,166
Federal Funds Sold and Interest-bearing Deposits In Other Banks	108	81	436	352
<b>Total Interest Income</b>	<b>22,496</b>	<b>21,062</b>	<b>90,093</b>	<b>85,371</b>
<b>Interest Expense:</b>				
Savings and NOW Deposits	768	628	2,817	2,539
Money Market Accounts	762	682	3,038	2,715
Time Deposits	1,293	1,106	4,887	4,421
Securities Sold Under Agreements to Repurchase	116	107	487	391
Other Borrowed Funds and Subordinated Debentures	2,335	2,317	8,905	9,070
<b>Total Interest Expense</b>	<b>5,274</b>	<b>4,840</b>	<b>20,134</b>	<b>19,136</b>
<b>Net Interest Income</b>	<b>17,222</b>	<b>16,222</b>	<b>69,959</b>	<b>66,235</b>
Provision For Loan Losses	-	400	200	2,050
<b>Net Interest Income After Provision for Loan Losses</b>	<b>17,222</b>	<b>15,822</b>	<b>69,759</b>	<b>64,185</b>
<b>Other Operating Income</b>				
Service Charges on Deposit Accounts	1,944	1,995	7,732	8,063
Lockbox Fees	753	754	3,211	3,099
Net Gain on Sales of Investments	424	450	594	450
Net Gain on Sales of Loans	292	536	1,034	757
Other Income	1,035	693	3,422	2,902
<b>Total Other Operating Income</b>	<b>4,448</b>	<b>4,428</b>	<b>15,993</b>	<b>15,271</b>
<b>Operating Expenses</b>				
Salaries and Employee Benefits	9,895	8,764	38,596	35,096
Occupancy	1,495	1,398	6,116	5,503
Equipment	677	620	2,626	2,329
FDIC Assessment	550	494	2,152	1,970
Other	3,177	3,230	12,708	11,832
<b>Total Operating Expenses</b>	<b>15,794</b>	<b>14,506</b>	<b>62,198</b>	<b>56,730</b>
<b>Income Before Income Taxes</b>	<b>5,876</b>	<b>5,744</b>	<b>23,554</b>	<b>22,726</b>
Income Tax (Benefit) Expense	(95)	121	533	866
<b>Net Income</b>	<b>\$ 5,971</b>	<b>\$ 5,623</b>	<b>\$ 23,021</b>	<b>\$ 21,860</b>

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

	December 31, 2015	December 31, 2014
<u>Assets</u>		
Cash and Due From Banks	\$ 67,700	\$ 65,599
Federal Funds Sold and Interest-Bearing Deposits in Other Banks	157,765	129,472
Securities Available-For-Sale (AFS)	454,638	500,928
Securities Held-to-Maturity (HTM)	1,603,530	1,499,995
Total Loans	1,507,546	1,307,888
Less: Allowance for Loan Losses	<u>22,559</u>	<u>21,876</u>
Net Loans	1,484,987	1,286,012
Unrealized (Loss)Gain on Securities AFS and HTM Transfers	(14,430)	(20,172)
Bank Premises and Equipment	24,261	23,516
Accrued Interest Receivable	7,537	7,095
Goodwill	2,714	2,714
Other Assets	<u>103,918</u>	<u>88,040</u>
Total Assets	<u>\$ 3,892,620</u>	<u>\$ 3,583,199</u>
<u>Liabilities</u>		
Demand Deposits	\$ 518,161	\$ 481,035
Interest Bearing Deposits:		
Savings and NOW Deposits	1,139,449	1,096,303
Money Market Accounts	951,197	920,485
Time Deposits	<u>408,712</u>	<u>372,699</u>
Total Interest Bearing Deposits	<u>2,499,358</u>	<u>2,389,487</u>
Total Deposits	3,017,519	2,870,522
Borrowed Funds:		
Securities Sold Under Agreements to Repurchase	245,276	216,937
Other Borrowed Funds	<u>338,025</u>	<u>235,627</u>
Total Borrowed Funds	583,301	452,564
Other Liabilities	51,246	35,033
Subordinated Debentures	<u>36,083</u>	<u>36,083</u>
Total Liabilities	3,688,149	3,394,202
Total Stockholders' Equity	<u>204,471</u>	<u>188,997</u>
Total Liabilities & Stockholders' Equity	<u>\$ 3,892,620</u>	<u>\$ 3,583,199</u>
Total Average Earning Assets - QTD	<u>\$ 3,771,711</u>	<u>\$ 3,416,046</u>
Total Average Earning Assets - YTD	<u>\$ 3,723,479</u>	<u>\$ 3,438,283</u>

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

December 31,  
2015

December 31,  
2014

**Performance Measures:**

Earnings per average Class A share, diluted, quarter	\$ 1.07	\$ 1.01
Earnings per average Class A share, diluted, year	\$ 4.13	\$ 3.93
Return on average assets, year	0.59%	0.61%
Return on average stockholders' equity, year	11.26%	11.57%
Net interest margin (taxable equivalent), quarter	2.12%	2.18%
Net interest margin (taxable equivalent), year	2.18%	2.22%
Efficiency ratio, year - Non-GAAP (1)	64.1%	62.0%
Book value per share	\$ 38.53	\$ 34.57
Tangible book value per share - Non-GAAP (1)	\$ 38.04	\$ 34.09
Tangible capital / tangible assets - Non-GAAP (1)	5.37%	5.24%

**Common Share Data:**

Average Class A shares outstanding, diluted, quarter	5,567,909	5,567,855
Average Class A shares outstanding, diluted, year	5,567,909	5,562,209
Shares outstanding Class A	3,600,729	3,600,729
Shares outstanding Class B	1,967,180	1,967,180
Total shares outstanding at period end	5,567,909	5,567,909

**Asset Quality and Other Data:**

Allowance for loan losses / loans	1.33%	1.68%
Nonaccrual loans	\$ 2,336	\$ 4,146
Nonperforming assets	\$ 2,336	\$ 4,146
Loans 90 days past due and still accruing	\$ -	\$ -
Accruing troubled debt restructures	\$ 2,893	\$ 3,296
Net (recoveries)charge-offs, year	\$ (557)	\$ 673
Leverage ratio	6.79% *	6.91%
Common equity tier 1 risk weighted capital ratio	10.04% *	n/a
Tier 1 risk weighted capital ratio	11.55% *	13.87%
Total risk weighted capital ratio	12.54% *	15.12%
Total risk weighted assets	\$ 2,325,258 *	\$ 1,779,573

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

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

**Calculation of Efficiency ratio:**

Total operating expenses(enumerator)	\$ 62,198	\$ 56,730
Net interest income	\$ 69,959	\$ 66,235
Total other operating income	15,993	15,271
Tax equivalent adjustment	11,140	10,033
Total income(denominator)	\$ 97,092	\$ 91,539
Efficiency ratio, year - Non-GAAP	64.1%	62.0%

**Calculation of tangible book value per share:**

Total stockholders' equity	\$ 214,544	\$ 192,500
Less: goodwill	2,714	2,714
Tangible stockholders' equity(enumerator)	\$ 211,830	\$ 189,786
Total shares outstanding at period end(denominator)	5,567,909	5,567,909
Tangible book value per share - Non-GAAP	\$ 38.04	\$ 34.09
Book value per share - GAAP	\$ 38.53	\$ 34.57

**Calculation of tangible capital / tangible assets:**

Total stockholders' equity	\$ 214,544	\$ 192,500
Less: goodwill	2,714	2,714
Tangible stockholders' equity(enumerator)	\$ 211,830	\$ 189,786
Total assets	\$ 3,947,441	\$ 3,624,036
Less: goodwill	2,714	2,714
Tangible assets(denominator)	\$ 3,944,727	\$ 3,621,322
Tangible capital / tangible assets - Non-GAAP	5.37%	5.24%
Capital / assets - GAAP	5.44%	5.31%