

## **NEWS RELEASE**

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## CENTURY BANCORP, INC. ANNOUNCES 36% EARNINGS GROWTH FOR YTD 2010; 8% ASSET GROWTH TO \$2.4BB; REGULAR DIVIDEND DECLARED

**Medford, MA, October 12, 2010---**Century Bancorp, Inc. (NASDAQ:CNBKA) (<a href="www.century-bank.com">www.century-bank.com</a>) ("the Company") today announced net income of \$3,267,000 for the quarter ended September 30, 2010, or \$0.59 per share diluted, an increase of 2.7% as compared to net income of \$3,182,000, or \$0.58 per share diluted, for the same period a year ago. Total assets increased 8.0% from \$2.3 billion at December 31, 2009 to \$2.4 billion at September 30, 2010. For the first nine months of 2010, net income totaled \$9,650,000, or \$1.74 per share diluted, an increase of 36.4% when compared to net income of \$7,075,000, or \$1.28 per share diluted, for the same period a year ago.

Net interest income totaled \$38.5 million for the first nine months of 2010 compared to \$35.4 million for 2009. The 8.5% increase in net interest income for the period is mainly due to a 20.7% increase in the average balances of earning assets, combined with a similar increase in deposits. The increased volume was partially offset by a decrease of seventeen basis points in the net interest margin. The net interest margin decreased from 2.68% on a fully taxable equivalent basis in 2009 to 2.51% on the same basis for 2010.

The provision for loan losses increased by \$75,000, primarily as a result of additional allocations related to impaired loans. The provision for loan losses was \$4.2 million for both of the nine month periods. The Company capitalized on favorable market conditions for the nine months ended September 30, 2010 and realized net gains on sales of investments of \$1.0 million, as compared to \$1.1 million for the same period in 2009. Included in operating expenses for the third quarter and first nine months of 2010 are FDIC assessments of \$785,000 and \$2.2 million, respectively, as compared to \$638,000 and \$2.8 million for the same periods in 2009. FDIC assessments decreased, for the nine month period, primarily as a result of the special assessment charge of approximately \$1.0 million during the second quarter of 2009. This was offset, somewhat, by an increase in assessment rate as well as an increase in the deposit base during 2010.

Also included in operating expenses for the second quarter of 2010 is a charge for payments due Jonathan G. Sloane, former Co-CEO, in accordance with his separation agreement as previously announced. The Company recorded a pre-tax charge of \$916,000.

The Company's effective tax rate declined from 10.7% in 2009 to 8.3% in 2010 primarily as a result of an increase in tax-exempt income.

At September 30, 2010, total equity was \$145.9 million compared to \$132.7 million at December 31, 2009. The Company's equity increased as a result of earnings and a decrease in accumulated other comprehensive loss, net of taxes, offset somewhat by dividends paid. The Company's leverage ratio stood at 7.13% at September 30, 2010, compared to 8.02% at September 30, 2009. This decline in the leverage ratio is due to an increase in assets, offset by an increase in stockholders' equity. Book value as of September 30, 2010 was \$26.35 per share compared to \$23.72 at September 30, 2009.

The Company's allowance for loan losses was \$13.8 million or 1.60% of loans outstanding at September 30, 2010, compared to \$12.4 million, or 1.41% of loans outstanding at December 31, 2009 and \$14.2 million or 1.62% of loans outstanding at September 30, 2009. Non-performing assets totaled \$9.9 million at September 30, 2010, compared to \$12.3 million at December 31, 2009 and \$17.0 million at September 30, 2009.

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 November 15, 2010 to stockholders of record on November 1, 2010.

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

Assets	-	tember 30, 2010	December 31, 2009		
Cash and Due From Banks Federal Funds Sold and Interest-bearing Deposits In Other Banks	\$	52,855 242,517	\$	42,627 356,015	
Short-term Investments		123,890		18,518	
Securities Available-For-Sale (AFS)		830,939		647,796	
Securities Held-to-Maturity		228,226		217,643	
Federal Home Loan Bank of Boston stock, at cost		15,531		15,531	
Loans:		100.007		444.004	
Commercial & Industrial		102,397		141,061	
Construction & Land Development		54,193		60,349	
Commercial Real Estate		383,490		361,823	
Residential Real Estate		198,352		188,096	
Consumer and Other		7,108		7,720	
Home Equity		118,296		118,076	
Total Loans		863,836		877,125	
Less: Allowance for Loan Losses		13,827		12,373	
Net Loans		850,009		864,752	
Bank Premises and Equipment		21,345		21,015	
Accrued Interest Receivable		6,045		5,806	
Goodwill		2,714		2,714	
Core Deposit Intangible		605		896	
Other Assets		59,574		60,722	
Total Assets	\$ 2	2,434,250	\$ :	2,254,035	
Liabilities					
Demand Deposits	\$	311,256	\$	279,874	
Interest Bearing Deposits:					
Savings and NOW Deposits		683,105		575,592	
Money Market Accounts		509,335		553,883	
Time Deposits		379,151		292,638	
Time Deposits		379,131		292,030	
Total Interest Bearing	1	,571,591		1,422,113	
Total Deposits	1	,882,847		1,701,987	
Borrowed Funds:					
Securities Sold Under Agreements to Repurchase		108,430		118,745	
Other Borrowed Funds		230,481		234,024	
Total Borrowed Funds		338,911		352,769	
Other Liabilities		30,491		30,466	
Subordinated Debentures		36,083		36,083	
Total Liabilities	2	2,288,332	:	2,121,305	
Total Stockholders' Equity		145,918		132,730	
Total Liabilities & Stockholders' Equity	\$ 2	2,434,250	\$ :	2,254,035	

Century Bancorp, Inc. and Subsidiaries Consolidated Comparative Statements of Income (unaudited) For the Quarter and Nine months ended September 30, 2010 and 2009 (in thousands)

	Quarter Ended September 30,		Nine months ended September 30,					
		2010		2009		2010		2009
Interest Income:	•	44.00=	•	10.110	•	00.004	•	0= 000
Loans	\$	11,887	\$	12,118	\$	36,084	\$	35,933
Securities Held-to-Maturity		1,658		1,927		5,501		6,330
Securities Available-for-Sale		4,618		5,486		14,630		15,740
Federal Funds Sold and Interest-bearing Deposits In Other Banks		465		506		1,246	-	1,811
Total Interest Income		18,628		20,037		57,461		59,814
Interest Expense:								
Savings and NOW Deposits		940		1,139		3,254		3,872
Money Market Accounts		876		1,266		3,189		4,919
Time Deposits		2,162		2,297		5,746		7,465
Securities Sold Under Agreements to Repurchase		116		98		466		423
Other Borrowed Funds and Subordinated Debentures		1,946		2,563		6,351		7,707
Total Interest Expense		6,040		7,363		19,006		24,386
Net Interest Income		12,588		12,674		38,455		35,428
Provision For Loan Losses		1,200		1,250		4,225		4,150
Net Interest Income After								
Provision for Loan Losses		11,388		11,424		34,230		31,278
Other Operating Income								
Service Charges on Deposit Accounts		2,003		2,032		5,878		6,060
Lockbox Fees		745		660		2,193		2,154
Net Gain on Sales of Investments		-		137		1,027		1,115
Other Income		664		570		2,678		2,280
Total Other Operating Income		3,412		3,399		11,776		11,609
Operating Expenses								
Salaries and Employee Benefits		6,844		6,753		21,619		20,182
Occupancy		937		931		3,003		3,071
Equipment		454		544		1,537		1,826
FDIC Assessment		785		638		2,175		2,754
Other		2,293		2,362		7,143		7,128
Total Operating Expenses		11,313		11,228		35,477		34,961
Income Before Income Taxes		3,487		3,595		10,529		7,926
Income Tax Expense		220	_	413_		879		851
Net Income	\$	3,267	\$	3,182	\$	9,650	\$	7,075

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

(in thousands)

Assets	September 30, 2010	September 30, 2009		
Cash and Due From Banks Federal Funds Sold and Interest-Bearing Deposits in Other Banks	\$ 52,468 391,526	\$ 58,800 220,625		
Securities Available-For-Sale (AFS)	762,522	594,628		
Securities Held-to-Maturity	219,137	201,484		
Total Loans	875,759	846,895		
Less: Allowance for Loan Losses	13,545	12,843		
Net Loans	862,214	834,052		
Unrealized Gain on Securities AFS	12,972	2,941		
Bank Premises and Equipment	21,339	21,511		
Accrued Interest Receivable	6,560	7,167		
Goodwill	2,714	2,714		
Core Deposit Intangible Other Assets	753 58,590	1,143 49,568		
Total Assets	\$ 2,390,795	\$ 1,994,633		
<u>Liabilities</u> Demand Deposits	\$ 291,210	\$ 274,025		
Interest Bearing Deposits:				
Savings and NOW Deposits	693,057	497,193		
Money Market Accounts	550,412	434,330		
Time Deposits	344,036	325,255		
Total Interest Bearing	1,587,505	1,256,778		
Total Deposits	1,878,715	1,530,803		
Borrowed Funds:				
Securities Sold Under Agreements to Repurchase	138,263	93,935		
Other Borrowed Funds	165,893	178,039		
Total Borrowed Funds	304,156	271,974		
Other Liabilities	30,922	30,677		
Subordinated Debentures	36,083	36,083		
Total Liabilities	2,249,876	1,869,537		
Total Stockholders' Equity	140,919	125,096		
Total Liabilities & Stockholders' Equity	\$ 2,390,795	\$ 1,994,633		
Total Average Earning Assets - QTD	\$ 2,307,384	\$ 1,908,477		
Total Average Earning Assets - YTD	\$ 2,248,944	\$ 1,863,632		

Century Bancorp, Inc. and Subsidiaries	١١١			
Consolidated Selected Key Financial Information (unaudi (in thousands, except share data)	dited) September 30, 2010		Se	ptember 30, 2009
Performance Measures:				
Earnings per average share, basic, quarter	\$	0.59	\$	0.58
Earnings per average share, diluted, quarter	\$ \$	0.59	\$	0.58
Earnings per average share, basic, year-to-date	\$	1.74	\$	1.28
Earnings per average share, diluted, year-to-date	\$	1.74	\$	1.28
Return on average assets, year-to-date		0.54%		0.47%
Return on average stockholders' equity, year-to-date		9.16%		7.56%
Net interest margin (taxable equivalent), quarter		2.39%		2.81%
Net interest margin (taxable equivalent), year-to-date		2.51%		2.68%
Efficiency ratio, year-to-date	_	65.8%	_	70.7%
Book value per share	\$	26.35	\$	23.72
Tangible book value per share	\$	25.75	\$	23.05
Tangible capital / tangible assets		5.87%		6.22%
Common Share Data:				
Average shares outstanding, basic, quarter		5,535,548		5,530,297
Average shares outstanding, diluted, quarter		5,537,120		5,533,622
Average shares outstanding, basic, year-to-date		5,532,067		5,532,907
Average shares outstanding, diluted, year-to-date		5,534,457		5,534,364
Shares outstanding Class A		3,525,417		3,514,267
Shares outstanding Class B		2,011,380		2,016,030
Total shares outstanding at period end		5,536,797		5,530,297
Asset Quality and Other Data				
Allowance for loan losses / loans		1.60%		1.62%
Nonaccrual loans	\$	9,472	\$	17,001
Nonperforming assets	\$	9,851	\$	17,001
Loans 90 days past due and still accruing	\$	130	\$	-
Accruing troubled debt restructures	\$	1,252	\$	511
Net charge-offs, year-to-date	\$	2,771	\$	1,053
Leverage ratio		7.13%		8.02%
Tier 1 risk weighted capital ratio		14.95%		14.95%
Total risk weighted capital ratio		16.13%		16.19%
Total risk weighted assets	\$	1,164,263	\$	1,088,777