

CENTURY BANCORP INC

Form 11-K

June 29, 2011

Table of Contents

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 11-K**

þ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the fiscal year ended December 31, 2010

o **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the transition period from _____ to _____

Commission file number 0-15752

Century Bancorp 401(k) Plan

(Full Title of the Plan)

CENTURY BANCORP, INC.

(Issuer of the securities held pursuant to the Plan)

400 Mystic Avenue

Medford, MA 02155

(Address of principal executive offices)

Table of Contents

The Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA). Therefore, in lieu of the requirements of Items 1-3 of Form 11-K, the financial statements and supplemental schedule of the Plan for the two fiscal years ended December 31, 2010 and 2009, have been prepared in accordance with the financial reporting requirements of ERISA, are attached hereto.

Signatures

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTURY BANCORP 401(k) PLAN

Date: June 28, 2011

By: /s/ William P. Hornby

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT
ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(With Independent Registered Public Accounting Firm's Report Thereon)

TABLE OF CONTENTS

| | Page |
|--|------|
| <u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u> | 1 |
| FINANCIAL STATEMENTS: | |
| <u>Statements of net assets available for benefits</u> | 2 |
| <u>Statements of changes in net assets available for benefits</u> | 3 |
| <u>Notes to financial statements</u> | 4-16 |
| <u>SUPPLEMENTAL SCHEDULES:</u> | 17 |
| <u>Schedule H, Line 4i Schedule of assets (held at end of year)</u> | 18 |
| <u>Schedule H, Line 4i Schedule of assets (acquired and disposed of within year)</u> | 19 |
| CONSENT: | |
| <u>Consent of Independent Registered Public Accounting Firm</u> | 20 |

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PLAN SPONSOR
CENTURY BANCORP, INC.

We have audited the accompanying statements of net assets available for benefits of the Savings Banks Employees Retirement Association 401(k) Plan as adopted by Century Bancorp, Inc. (the Plan), as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) as of December 31, 2010 and assets (acquired and disposed of within year) for the year ended December 31, 2010, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Certified Public Accountants, Inc.

June 27, 2011

Boston, MA

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, | |
|--|-------------------|-------------------|
| | 2010 | 2009 |
| ASSETS: | | |
| Investment in Savings Banks Employees Retirement Association Common/Collective Trust, at fair value | \$ 12,322,764 | \$ 10,152,819 |
| Notes receivable from participants | 384,401 | 359,024 |
| Total Assets | \$ 12,707,165 | \$ 10,511,843 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 12,707,165 | \$ 10,511,843 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year Ended December 31 | |
|---|------------------------|---------------|
| | 2010 | 2009 |
| ADDITIONS TO NET ASSETS ATTRIBUTED TO: | | |
| Investment income: | | |
| Net investment income from investment in Savings Banks Employees Retirement Association Common/Collective Trust | \$ 1,417,732 | \$ 1,839,899 |
| Interest notes receivable from participants | 19,201 | 18,563 |
| | 1,436,933 | 1,858,462 |
| Contributions: | | |
| Employer's | 253,952 | 262,996 |
| Participants | 1,137,389 | 1,145,685 |
| Participant rollovers | 18,917 | 108,209 |
| | 1,410,258 | 1,516,890 |
| Total addition to net assets | 2,847,191 | 3,375,352 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO: | | |
| Benefits paid to participants | 614,759 | 583,805 |
| Corrective distributions | 1,804 | 2,816 |
| Deemed distributions of participant loans | 35,306 | 4,979 |
| Total deductions from net assets | 651,869 | 591,600 |
| NET INCREASE | 2,195,322 | 2,783,752 |
| NET ASSETS AVAILABLE FOR BENEFITS: | | |
| Beginning of year | 10,511,843 | 7,728,091 |
| End of year | \$ 12,707,165 | \$ 10,511,843 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

A. Description of the Plan:

The following description of the Savings Banks Employees Retirement Association (SBERA) 401(k) Plan as adopted by Century Bancorp, Inc. (the Bank) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan s provisions.

General:

The Plan is part of the SBERA Common/Collective Trust (the Trust). Under the trust agreement, the Plan owns a portion of the net assets of the Trust. Within the Trust, each Plan s assets are jointly invested and the return on the assets is allocated to each Plan based on the percentage of ownership each Plan has in the Trust s net assets. Contributions made to and benefits paid from the Trust for the Plan result in increases or decreases in the Plan s ownership percentage in the net assets of the Trust. The Plan is a defined contribution plan covering substantially all employees of the Bank. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility:

To become eligible for participation, an employee must be at least age 21.

Contributions:

Each year, participants may contribute to the Plan a percentage of pretax annual compensation, as defined in the Plan, up to the maximum amount allowable under the provisions of the Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified plans or individual retirement accounts.

The Bank s contributions to the Plan are determined by its Board of Directors, but the amounts contributed cannot exceed the maximum amount allowable under the provisions of the Internal Revenue Code. Total contributions made by the Bank to the Plan were \$253,952 and \$262,996 in 2010 and 2009, respectively.

Participant accounts:

Each participant s account is credited with the participant s contribution and an allocation of (a) the Bank s contributions and (b) Plan earnings. Allocations are based on participant s earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

A. Description of the Plan (continued):

Investments:

Participants direct the investment of their contributions and Bank matching contributions into various investment options offered by the Plan. Participants may change their choice of investments or transfer their account balances from one fund to another at any time during the year. The Plan currently offers the following investment options to participants:

Equity Account:

This Account seeks to provide capital appreciation through a professionally managed, diversified portfolio of domestic and international stocks.

Index 500 Account:

This Account attempts to provide investment results that parallel the performance of the Standard & Poor's 500 Composite Stock Price Index.

Small Cap Growth Account:

This Account seeks long-term growth by investing primarily in common stocks of small to medium sized companies that the investment managers believe have a potential for capital appreciation significantly greater than that of the market averages.

International Equity Account:

This Account seeks to provide long-term capital appreciation by investing in foreign equity securities.

Small Cap Value Account:

This Account utilizes a highly disciplined, bottom-up value approach to investing. This process is intended to generate excess returns primarily through stock selection.

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

A. Description of the Plan (continued):

Investments (continued):

Large Cap Value Account:

This Account's investment philosophy combines detailed fundamental research, bottom-up stock selection and portfolio construction, and disciplined management of portfolio volatility to achieve strong risk-adjusted returns over full market cycles.

Large Cap Growth Account:

This Account uses a highly disciplined, mathematical investment strategy designed to seek long-term returns in excess of the target benchmark, while reducing the risk of significant under performance.

Life Path Accounts:

These Accounts are intended for participants who would rather leave their 401(k) account asset allocation decisions to a professional investment manager. Each Account utilizes a predetermined mix of specific asset classes with frequent re-balancing back to the fund's target allocation.

All Asset Account:

The objective of the All Asset Account is to produce returns which are 5% above the Consumer Price Index (CPI). The strategy is designed as a fund of funds that allocates its assets among a group of PIMCO funds. The All Asset Account rebalances among the funds as real return values shift in the market.

The SBERA Account:

The SBERA Account is designed to provide results that parallel the performance of the SBERA Defined Benefit Plan Assets. Given this objective, the Account is expected to provide investors with long-term growth of capital and income. The SBERA Account provides investors with great diversification and significantly less risk than a more concentrated portfolio.

-6-

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

A. Description of the Plan (continued):

Investments (continued):

Money Market Account:

This Account seeks to provide income consistent with the preservation of principal. This Account invests solely in U.S. Treasury or agency obligations with maturities of six months or less.

Bond Account:

This Account seeks to provide a real rate of return after inflation with a high degree of stability and low volatility. The Bond Account is invested in U.S. Government and other investment grade fixed income debt.

Bank Shares:

Participants may allocate any portion of their contributions to purchase Class A common shares of Century Bancorp, Inc. Participants are subject to restrictions on trading during blackout periods and other reporting requirements of the Securities and Exchange Commission. Investments in Century Bancorp Inc's common stock amounted to \$765,389 and \$570,640 at December 31, 2010 and 2009, respectively. Because the Bank is the Plan Sponsor, transactions involving Century Bancorp Inc.'s common stock qualify as party-in-interest transactions. All of these transactions are exempt from the prohibited transaction rules.

Vesting:

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Bank's contribution portion of their accounts plus earnings thereon is based on years of continuous service. A participant is 100% vested after five years of credited service.

-7-

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(continued)

A. Description of the Plan (continued):

Notes receivable from participants:

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates which are commensurate with local prevailing rates, as determined by the plan administrator. Principal and interest are paid ratably through payroll deductions.

Payment of benefits:

On termination of service due to death, disability or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or in periodic installments. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Hardship withdrawals:

The Plan allows participants to make hardship withdrawals, provided certain conditions are met.

Forfeited accounts:

At December 31, 2010 and 2009, forfeited nonvested accounts totaled \$10,821 and \$5,044, respectively. These accounts will be used to reduce future employer contributions. For the years ended December 31, 2010 and 2009, employer contributions were reduced by \$6,971 and \$3,784, respectively.

B. Summary of Significant Accounting Policies:

Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

B. **Summary of Significant Accounting Policies** (continued):

Use of estimates:

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation and income recognition:

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note I for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net investment income includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes receivable from participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Payment of benefits:

Benefits are recorded when paid.

Subsequent events:

The Plan has evaluated subsequent events through the date the financial statements were issued.

Reclassifications:

Certain reclassifications have been made to the 2009 financial statements in order to conform to the 2010 presentation.

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

C. Investments:

The Plan owned approximately 1.22% and 1.21% of the fair value of the Trust's net assets at December 31, 2010 and 2009, respectively. The unaudited financial statements of the Trust as a whole at December 31, follow:

| | 2010 | 2009 |
|--------------------------------------|------------------|----------------|
| Assets: | | |
| Cash | \$ 40,042,324 | \$ 30,484,147 |
| Investments: | | |
| Collective funds: | | |
| Fixed income | 133,962,282 | 119,162,671 |
| Equity | 268,942,469 | 216,242,336 |
| Diversified | 80,120,728 | 57,890,787 |
| Total collective funds | 483,025,479 | 393,295,794 |
| Equity securities | 285,827,255 | 228,104,047 |
| Mutual funds | 81,521,445 | 69,391,995 |
| Hedge funds | 35,996,800 | 33,106,563 |
| Short-term investments | 79,062,049 | 90,632,163 |
| Certificates of deposits | 6,704,457 | 6,048,545 |
| Total investments, at fair value | 972,137,485 | 820,579,107 |
| Notes receivable from participants | 16,043,648 | 13,179,549 |
| Other assets | 14,830,123 | 5,095,176 |
| Total assets | 1,043,053,580 | 869,337,979 |
| Liabilities: | | |
| Accrued operating and other expenses | 1,013,370 | 973,370 |
| Net assets available for benefits | \$ 1,042,040,210 | \$ 868,364,609 |

-10-

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

C. **Investments** (continued):

Trust investment income for the years ended December 31 was comprised of:

| | 2010 | 2009 |
|--|----------------|----------------|
| Investment income: | | |
| Net realized gains (losses) on investments | \$ 24,493,928 | (\$25,640,251) |
| Interest and dividends | 11,731,009 | 10,618,369 |
| Unrealized appreciation of investments | 75,611,227 | 149,769,885 |
| Total investment income | 111,836,164 | 134,748,003 |
| Administrative expenses | (2,583,235) | (2,543,802) |
| Total Trust net investment income | \$ 109,252,929 | \$ 132,204,201 |

D. **Related Party Transactions:**

Northeast Retirement Services (NRS), a related party through a common Board of Directors, provides consulting, recordkeeping and other services in connection with the administration of the 401(k) plan for the Savings Banks Employees Retirement Association (SBERA). The costs associated with these services are funded by an assessment on each SBERA employer member on a quarterly basis for their proportionate share. In 2010 and 2009, the rate for the 401(k) plan was \$679.50 per employer member per quarter, plus \$21.50 per active participant per quarter, plus an additional 1.25% basis assessment on assets.

E. **Tax Status:**

The Savings Banks Employee Retirement Association (SBERA) 401(k) Plan is a Prototype Plan which was approved by the Internal Revenue Service on February 14, 2002 as being in compliance with the applicable requirements of the Internal Revenue Code. Although the Plan has been amended since receiving this determination letter, the Plan's administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code, and therefore believe that the Plan is qualified and tax-exempt.

-11-

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

E. **Tax Status** (continued):

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

F. **Plan Termination:**

Although it has not expressed any intent to do so, the Bank has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Bank may determine.

G. **Assets Allocated to Former Employees:**

The statements of net assets available for benefits at December 31, 2010 and 2009 includes \$1,709,318 and \$1,318,163, allocated to participants who were no longer employees of the Bank.

H. **Risks and Uncertainties:**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

-12-

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

I. **Fair Value Measurements:**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

- Level 2 Inputs to the valuation methodology include: a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in inactive markets; c) inputs other than quoted prices that are observable for the asset or liability; and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

-13-

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

I. **Fair Value Measurements** (continued):

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Investment in Savings Banks Employees Retirement Common/Collective Trust: The Plan's interest in the common trust fund (the Savings Banks Employees Retirement Association Common/Collective Trust) is based upon the fair value of the common trust's underlying investments reported in the unaudited financial statements of the common trust at year-end. The Trust reports certificates of deposit, equity securities and mutual funds at fair values based on quoted market prices in an exchange market, or at amortized cost, where it approximates fair value. Collective funds and other short-term investments are valued based on independent unadjusted market-based prices received from a third-party pricing service that utilizes pricing models that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, credit spreads and new issue data. Hedge funds (Funds) are valued based on management estimates as observable market data is not readily available. The Funds are valued at net asset value, as calculated by the Fund's manager based upon the terms and conditions of the organizational documents of the underlying funds, with further consideration to portfolio risk.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

-14-

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

I. **Fair Value Measurements** (continued):

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value measured on a recurring basis as of December 31, 2010 and 2009:

| | Fair Value Measurements at Reporting Date Using | | | |
|--|---|------------|---------------|---------------|
| | December 31, 2010 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Investment in Savings Banks Employees Retirement Association Common/Collective Trust | \$ | \$ | \$ 12,322,764 | \$ 12,322,764 |

| | December 31, 2009 | | | |
|--|--|------------|---------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | Investment in Savings Banks Employees Retirement Association Common/Collective Trust | \$ | \$ | \$ 10,152,819 |

The categorization of the Plan's investment in the Common/Collective Trust as a Level 3 investment does not reflect the fact that many of the underlying investments held by the Common/Collective Trust in which the Plan invests, if owned directly by the Plan, would be classified as Level 1 investments.

There were no transfers to or from Levels 1, 2 and 3 during the year-ended December 31, 2010. There were no liabilities measured at fair value at December 31, 2010 and 2009, respectively.

-15-

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

(continued)

I. **Fair Value Measurements** (continued):

The following table sets forth a summary of changes in fair values of the Plan's Level 3 assets for the year ended December 31, 2010:

| | |
|--|---------------|
| Balance, beginning of year | \$ 10,152,819 |
| Net investment income allocated from the Common/Collective Trust | 1,417,732 |
| Purchases, sales, issuance, and settlements (net) | 752,213 |
| Balance, end of year | \$ 12,322,764 |

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net investment income allocated from the Common/Collective Trust in the Statements of Changes in Net Assets Available for Benefits.

-16-

Table of Contents

SUPPLEMENTAL SCHEDULES

-17-

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2010

| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of investment, including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current Value |
|---------------------------------|---|---|---------------|-------------------------|
| * | The Savings Banks Employees Retirement Association | The Savings Banks Employees Retirement Association Common/Collective Trust | \$ 10,568,789 | \$ 12,322,764 |
| * | Participant Loans | Notes with interest rates ranging from 4.25% to 9.25% | -0- | 384,401 |
| | | | | \$ 12,707,165 |
| * Party-in-interest to the Plan | | | | |

Table of Contents

SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(k) PLAN
AS ADOPTED BY CENTURY BANCORP, INC.
SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (ACQUIRED
AND DISPOSED OF WITHIN YEAR)
FOR THE YEAR ENDED DECEMBER 31, 2010

| (a) | (b) | (c) | (d) |
|---|--|-------------------------|--------------------------------|
| Identity of Issue, Borrower, Lessor or Similar Party | Description of investment, including maturity date, rate of interest, collateral, par, or maturity value | Cost of Acquisitions | Proceeds of Dispositions |
| Participant Loans | Notes with interest rates ranging from 4.25% to 9.25% | -0- \$ | -0- \$ |

Table of Contents

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-29987) pertaining to the Savings Banks Employees Retirement Association 401(k) Plan as adopted by Century Bancorp, Inc., of our report dated June 27, 2011, with respect to the financial statements and schedules of the Savings Banks Employees Retirement Association 401(k) Plan as adopted by Century Bancorp, Inc., included in this Annual Report for the year ended December 31, 2010.

Certified Public Accountants, Inc.

June 27, 2011

Boston, MA

-20-