



Barry R. Sloane

EDITORS' NOTE Barry Sloane has been a director of the company and Century Bank and Trust Company since 1997. He is President and CEO of Century Bancorp and President and CEO of Century Bank and Trust Company. Sloane is also Chair & Treasurer of the Fisher Center at Rockefeller University, a Trustee of the Massachusetts General Hospital, and a trustee of the Savings Bank Employee Retirement System (SBERA).

COMPANY BRIEF Century Bancorp, Inc. (centurybank.com), through its subsidiary bank, Century Bank and Trust Company, is a state-chartered full-service commercial bank, operating 26 branches in the Greater Boston area, and offering a complete range of business, personal, and institutional services.

What is the heritage of Century Bancorp and how has it evolved?

Century Bank was founded by my father Marshall in 1969. He still comes to work almost every day. We're proud of him and his legacy, and my sister, Linda, and I carry that legacy on.

We are the largest family-controlled bank remaining in New England – we're about \$3.6 billion today and we have 26 branch offices in Eastern Massachusetts.

There is a dichotomy now in the banking business between the giant and the regional institutions. There are many differences between them, but the distinction that is most apparent is between providing first-rate face-to-face service and solely self-service automation.

We have tried to offer a world-class platform for both, so we emphasize our people-to-people service while building as sophisticated an automated platform as any of our peers. Yet, my father, sister, and I are always completely available to customers.

Simultaneously, we run an extremely centralized decision-making process for lending and, for most customers, borrowing is the core of their banking relationship. I sign off on every loan at the bank. This provides me with a level of understanding and contact with our customers that is unrivalled among our peers.

A Family Banking Heritage

**An Interview with Barry R. Sloane,
President and Chief Executive Officer, Century Bancorp**

Following my father's tradition means we're here in the office almost all the time. We are responsible for understanding people's needs and acting swiftly on them.

How do you avoid losing the family feel when you grow to a certain size?

It is an obsession with us. We have 440 total employees and about 100 officers, and we train them to know that when they see a client problem that needs our involvement, they pick up the phone and solve problems quickly in an empowered way.

You need to have a decision-making structure that efficiently profiles credits and gets applications to the decision-making level with little delay.

Part of this is the technology platform for receiving applications, doing basic analysis on loan applications of all sizes, and getting them prepared for a decision. At the end of that process, it's still a dedicated banker analyzing a situation and making a quick decision.

We're conservative when it comes to lending, which is why we avoided the credit crisis almost completely.

How broad is your client profile?

We have 27,000 client households, many for decades. There are three businesses here: one-third is the traditional and vibrant consumer sector; one-third is our lending business to small business, middle-market enterprise, and the largest segment now is lending to not-for-profit organizations, largely education and healthcare; and one-third is what we call Institutional Services, payment processing, lockbox services, and cash management.

We're in our fifth record year of assets, deposits, earnings, and loans, so we've been fortunate.

One of the key issues now arising is around virtual branches and what those mean: device versus facility; banker versus Facebook. My father still feels strongly that people need to see the bank where their money is, but we have begun a new effort to explore virtual branches.

Another important technology innovation is the video teller machine, a large ATM that includes a video communication capability, potentially a huge line-extension for geography and business hours.

Are you competing against just the regional players or also the larger banks?

Fortunately, most of the giants place very little emphasis on the personal relationship. By policy, they rotate their branch people, particularly their branch managers, oftentimes in less than a year.

We take pride in having branch managers in place sometimes for over 20 years – this is how they get to know their customers and the community.

It's all about hiring people who are interested in a career of continuity and geographic permanence, incenting and encouraging them, and making sure the product specialists have a similar attitude.

When we see a loan application that isn't perfect, if they're a good, loyal customer, we will bend in their direction.

How have you attracted talent?

The family feel has been enormously important. We have never had a layoff in 45 years. People know when they come here that we will do our best to meet their expectations over the long term, and that we will assure them a career of continuity. They project that to their clients and they're proud to be working here, and they respect the ethic of serving the communities in which the bank was founded.

Is it sometimes difficult to live up to expectations?

I walk in very large shoes every day and my mission is not to trip. This is a public company but it's a family-controlled organization and that means that, substantively, we need to have a clear understanding of the strategy of the business and its future.

Temperament is critical – those who do well in banking have the right time horizon and the proper understanding of the limits to growth. We are a capital-anchored industry and there is nothing more important to the investment community, the regulatory overseers, and ultimately to our clients than that we are well-capitalized at all times, as we are. We understand the pace of the growth process. I have grown up with it.

How important is community engagement for the bank?

We have a large philanthropic effort, which is very relationship-based. We're fortunate to have over 100 significant charitable organizations that bank with us and we try to reciprocate those relationships appropriately.

The marvel of Greater Boston in 2014 is that it's such a diversified city and philanthropy crosses all income, ethnic, and religious lines.

Are there opportunities to broaden into new markets?

The best growth for us is organic and the best markets at this time are those we're in.

Geographically, we're not interested in growing our footprint outside of driving distance to Boston because that's the basis of our marketing efficiency.

Over the past few decades, the number of independent banks has shrunk dramatically, but we think there will always be a place for person-to-person service supported by a first-rate technology platform. ●