

ENTERPRISE BANCORP INC /MA/
Form 10-Q
May 11, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2009

or

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 0-21021

Enterprise Bancorp, Inc.

(Exact name of registrant as specified in its charter)

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Massachusetts

(State or other jurisdiction of
incorporation or organization)

04-3308902

(I.R.S. Employer Identification No.)

222 Merrimack Street, Lowell, Massachusetts

(Address of principal executive offices)

01852

(Zip code)

(978) 459-9000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition for large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

May 4, 2009 Common Stock - Par Value **\$0.01**: **8,154,512** shares outstanding

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Consolidated Balance Sheets

(unaudited)

(Dollars in thousands)	March 31, 2009	December 31, 2008
<i>Assets</i>		
Cash and cash equivalents:		
Cash and due from banks	\$ 30,631	\$ 21,479
Short-term investments	42,231	3,797
Total cash and cash equivalents	72,862	25,276
Investment securities at fair value	118,941	159,373
Loans, less allowance for loan losses of \$15,985 at March 31, 2009, and \$15,269 at December 31, 2008	960,449	933,372
Premises and equipment	22,457	21,651
Accrued interest receivable	5,232	5,357
Deferred income taxes, net	9,448	9,349
Bank-owned life insurance	13,426	13,290
Prepaid income taxes	507	1,034
Prepaid expenses and other assets	5,908	5,910
Core deposit intangible, net of amortization	176	209
Goodwill	5,656	5,656
Total assets	\$ 1,215,062	\$ 1,180,477
<i>Liabilities and Stockholders Equity</i>		
<i>Liabilities</i>		
Deposits	\$ 997,597	\$ 947,903
Borrowed funds	104,244	121,250
Junior subordinated debentures	10,825	10,825
Accrued expenses and other liabilities	8,919	7,546
Accrued interest payable	1,309	1,849
Total liabilities	1,122,894	1,089,373
<i>Commitments and Contingencies</i>		
<i>Stockholders Equity</i>		
Preferred stock, \$0.01 par value per share; 1,000,000 shares authorized; no shares issued		
Common stock \$0.01 par value per share; 20,000,000 shares authorized; 8,151,781 and, 8,025,239 shares issued and outstanding at March 31, 2009, and December 31, 2008, respectively	82	80
Additional paid-in capital	30,233	29,698
Retained earnings	60,955	60,200
Accumulated other comprehensive income	898	1,126
Total stockholders equity	92,168	91,104

Total liabilities and stockholders' equity	\$	1,215,062	\$	1,180,477
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Consolidated Statements of Income

Three months ended March 31, 2009 and 2008

(unaudited)

(Dollars in thousands, except per share data)	Three Months Ended March 31,	
	2009	2008
Interest and dividend income:		
Loans	\$ 13,620	\$ 14,562
Investment securities	1,583	1,535
Short-term investments	17	62
Total interest and dividend income	15,220	16,159
Interest expense:		
Deposits	3,639	5,363
Borrowed funds	95	586
Junior subordinated debentures	294	294
Total interest expense	4,028	6,243
Net interest income	11,192	9,916
Provision for loan losses	1,102	317
Net interest income after provision for loan losses	10,090	9,599
Non-interest income:		
Investment advisory fees	649	820
Deposit service fees	873	877
Bank-owned life insurance	155	154
Other than temporary impairment on investment securities	(758)	
Net gains on sales of investment securities	971	47
Gains on sales of loans	122	31
Other income	361	468
Total non-interest income	2,373	2,397
Non-interest expense:		
Salaries and employee benefits	5,879	5,350
Occupancy expenses	1,894	1,621
Audit, legal and other professional fees	338	407
Advertising and public relations	546	367
Deposit insurance premiums	373	141
Supplies and postage	205	235
Investment advisory and custodial expenses	103	114
Other operating expenses	987	796
Total non-interest expense	10,325	9,031
Income before income taxes	2,138	2,965
Provision for income taxes	620	948
Net income	\$ 1,518	\$ 2,017

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Basic earnings per share	\$	0.19	\$	0.25
Diluted earnings per share	\$	0.19	\$	0.25
Basic weighted average common shares outstanding		8,059,337		7,937,988
Diluted weighted average common shares outstanding		8,065,636		7,980,505

See accompanying notes to the unaudited consolidated financial statements.

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Consolidated Statement of Changes in Stockholders' Equity

(unaudited)

Three months ended March 31, 2009

(Dollars in thousands)	Common Stock	Additional Paid-in Capital	Retained Earnings	Comprehensive Income	Accumulated Other Comprehensive Income (Loss)	Total Stockholders Equity
Balance at December 31, 2008	\$ 80	\$ 29,698	\$ 60,200		\$ 1,126	\$ 91,104
Comprehensive income						
Net income			1,518	\$ 1,518		1,518
Other comprehensive loss, net				(228)	(228)	(228)
Total comprehensive income				\$ 1,290		
Common stock dividend paid (\$0.095 per share)			(763)			(763)
Common stock issued under dividend reinvestment plan	1					