

ENTERPRISE BANCORP INC /MA/

Form 10-Q

November 07, 2016

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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 September 30, 2016

Commission File Number: 001-33912

Enterprise Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts

04-3308902

(State or other jurisdiction of incorporation or organization)

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

222 Merrimack Street, Lowell, Massachusetts 01852

(Address of principal executive offices) (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  Accelerated filer

Non-accelerated filer  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

As of November 1, 2016, there were 11,449,122 shares of the issuer's common stock outstanding- Par Value \$0.01 per share.



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## PART I-FINANCIAL INFORMATION

Item 1 - Financial Statements  
ENTERPRISE BANCORP, INC.  
Consolidated Balance Sheets  
(Unaudited)

(Dollars in thousands)	September 30, 2016	December 31, 2015
Assets		
Cash and cash equivalents:		
Cash and due from banks	\$ 34,337	\$ 32,318
Interest-earning deposits	27,823	19,177
Total cash and cash equivalents	62,160	51,495
Investment securities at fair value	349,064	300,358
Federal Home Loan Bank stock	1,884	3,050
Loans held for sale	2,171	1,709
Loans, less allowance for loan losses of \$31,589 at September 30, 2016 and \$29,008 at December 31, 2015	1,954,265	1,830,954
Premises and equipment, net	33,861	30,553
Accrued interest receivable	8,467	7,790
Deferred income taxes, net	13,405	14,111
Bank-owned life insurance	28,582	28,018
Prepaid income taxes	57	57
Prepaid expenses and other assets	11,277	11,780
Goodwill	5,656	5,656
Total assets	\$ 2,470,849	\$ 2,285,531
Liabilities and Stockholders' Equity		
Liabilities		
Deposits	\$ 2,221,609	\$ 2,018,148
Borrowed funds	671	53,671
Subordinated debt	14,831	14,822
Accrued expenses and other liabilities	17,504	18,287
Accrued interest payable	194	276
Total liabilities	\$ 2,254,809	\$ 2,105,204
Commitments and Contingencies		
Stockholders' Equity		
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; 11,448,502 shares issued and outstanding at September 30, 2016 (including 142,162 shares of unvested participating restricted awards), 10,377,787 shares issued and outstanding at December 31, 2015 (including 144,717 shares of unvested participating restricted awards)	114	104
Additional paid-in-capital	83,394	61,008
Retained earnings	126,543	116,941
Accumulated other comprehensive income	5,989	2,274
Total stockholders' equity	\$ 216,040	\$ 180,327
Total liabilities and stockholders' equity	\$ 2,470,849	\$ 2,285,531

See the accompanying notes to the unaudited consolidated interim financial statements.

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ENTERPRISE BANCORP, INC.  
 Consolidated Statements of Income  
 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
(Dollars in thousands, except per share data)	2016	2015	2016	2015
Interest and dividend income:				
Loans and loans held for sale	\$21,466	\$19,785	\$63,379	\$57,538
Investment securities	1,629	1,377	4,720	3,825
Other interest-earning assets	96	62	189	137
Total interest and dividend income	23,191	21,224	68,288	61,500
Interest expense:				
Deposits	1,138	1,022	3,325	3,033
Borrowed funds	2	10	79	32
Subordinated debt	234	232	695	837
Total interest expense	1,374	1,264	4,099	3,902
Net interest income	21,817	19,960	64,189	57,598