



Dear Shareholder,

Happy summer! We hope that you and your families are enjoying the summer season and are coping well during this unusual and historic time. We are pleased to share our unaudited financial statements for the three months ending June 30, 2020, as well as important updates and recent developments.

## 2,709 PPP Loans Totalling \$508 Million Originated

In response to the economic standstill caused by the COVID-19 pandemic, Enterprise Bank came to the aid of 2,709 existing business customers. As an authorized lender for the Small Business Administration Paycheck Protection Program (SBA PPP) under the CARES Act Stimulus Program, we received SBA approval through June 30th on 2,709 loans to local businesses and non-profit organizations totaling \$508 million. The 2,709 loans approved since April surpasses the number of commercial loans typically done by the Bank in an 18-month period. The median loan amount processed by Enterprise Bank under the PPP program is \$67,000. Several PPP customers shared their stories about the challenges brought on by the COVID-19 pandemic and the way Enterprise was able to assist them. Customers from each of the Bank's regions were featured in print and social media ad campaigns.

**"Even when the PPP guidelines were still being drafted and laid out, Enterprise Bank was right there to keep us up to date, confident in the process, and made me feel like my application was the only one they were trying to get approved. That is the difference."**

*Matthew Fitzgerald, Owner Mann Orchards  
Methuen, MA*

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**"We've been extremely stressed about fundraising during this time and our ability to continue to impact kids and teens by serving meals."**

**Because of your team, we won't have to lay off key people who work so hard for our community."**

*Joe Hungler, Executive Director,  
Boys & Girls Club of Greater Lowell – Lowell, MA*

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**"As a company of only 8 employees, it means the world that Enterprise Bank was there for us and prioritized our work as much as any other business."**

**Because they were in our corner, none of our employees have been laid off or seen a reduction in salary."**

*Carl Soderberg, Co-Founder,  
Able Ebenezer Brewery – Merrimack, NH*

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## Business Mobile BillPay Added

We continue to add enhancements to our business banking products to offer more flexibility and value for business customers. In early June, Business Mobile BillPay became available through Enterprise Bank's Business Mobile Banking application. Business Mobile Banking customers can now pay bills and perform a variety of other account actions from their Business Checking Accounts using our App and their mobile device.

## \$60 Million in Subordinated Notes Issued

On July 7th we increased regulatory capital by issuing \$60 million in subordinated notes with registration rights through a private placement offering. The subordinated notes mature July 15, 2030 and are callable in whole or in part at par value on or after July 15, 2025. Subordinated notes are a popular form of capital among banks and result in no ownership dilution to shareholders. Previously, we issued subordinated notes in 2000 and 2015. The total outstanding balance of subordinated notes after the July 7, 2020 issuance is \$75 million, which includes \$15 million still outstanding from the 2015 issuance.

Adding capital provides flexibility and additional financial strength to navigate the uncertain economy. It allows us to fund long-term growth and supports us in taking advantage of market opportunities that may occur in the years ahead. For similar reasons, many banks across the country are currently issuing subordinated notes. Our note issuance at a rate of 5.25% was among the lower-end of rates realized by public banks since the pandemic began. We believe our positive reputation, strong credit culture, strong financial metrics, and strong financial performance were the primary reasons this offering was oversubscribed by investors even with the lower interest rate.

The [full press release](#) regarding the issuance of subordinated notes can be found in the Investor Relations section at EnterpriseBanking.com

## North Andover Branch Update

Construction is expected to be completed this summer for our 26th branch, located in North Andover. Furniture and equipment are still to be installed and a series of community campaigns will take place in advance of occupying the building in late 2020 or early 2021. The North Andover branch will join the Lawrence, Andover, and Methuen branches in Essex County.

*As always, if we can be of assistance to you, please do not hesitate to contact us.  
We thank you for your continued support of Enterprise Bank.*

George L. Duncan  
Chairman

Jack Clancy  
CEO

Richard W. Main  
President