



# CEOCFO

## Interviews & News!

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### Enterprise Bancorp is meeting their goal of being the best commercially-focused community bank in the country by attracting talented people and focusing on customer service



Financial  
Community Banks  
(EBTC-NASDAQ)

Enterprise Bancorp, Inc.

222 Merrimack Street  
Lowell, MA 01852  
Phone: 978-459-9000



**John P. Clancy Jr.**  
Chief Executive Officer

#### BIO:

Jack Clancy is a Director, and CEO of Enterprise Bank and Enterprise Bancorp, Inc. the Bank's parent company, with its main office in Lowell, MA. He joined

Enterprise Bank as Chief Financial Officer and Treasurer in its formation stage in 1988. Prior thereto, he was the CFO and Treasurer of First Bank in Chelmsford, MA from 1985-1988. He started his career at KPMG Peat Marwick and worked there from 1980-1985. Jack graduated summa cum laude from the University of Massachusetts at Lowell and successfully completed Harvard Business School's Advanced Management Program in June 2006. He is involved in numerous community activities, and serves as a member of the Board of Trustees at Lowell General Hospital. Jack is a lifelong resident of the Greater Lowell area with personal ties to many of the communities the bank serves.

#### Company Profile:

Enterprise Bancorp, Inc. is a Massachusetts corporation that conducts substantially all of its operations through Enterprise Bank and Trust Company, commonly referred to as Enterprise Bank. The company principally is engaged in the business of attracting deposits from the general public and investing in commercial loans and investment securities. Through the bank and its subsidiaries, the company offers a range of commercial and consumer loan and deposit products as well as investment management, trust and insurance services. The company's headquarters and the bank's main office are located at 222 Merrimack Street in Lowell, Massachusetts. The company's primary market area is the Merrimack Valley, North Central region of Massachusetts and South Central New Hampshire. The company has fourteen full-service branch banking offices located in the Massachusetts cities and towns of

Lowell, Andover, Billerica, Chelmsford, Dracut, Fitchburg, Leominster, Tewksbury, and Westford, and in Salem, New Hampshire, which serve those cities and towns as well as the surrounding communities. The Company plans to open a new branch facility in the city of Methuen, Massachusetts in late 2007.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
**CEOCFOinterviews.com**

**CEOCFO:** Mr. Clancy, what was your vision when you took over the CEO role of Enterprise Bancorp, and where are you today?

**Mr. Clancy:** "My vision was to continue to grow the bank organically and recruit talented people. We have always had the philosophy of being the last bank standing. My vision was to continue on that same course knowing that you always have to do things a little differently, but we wanted the same end result. My vision is to be the best commercially-focused community bank in the country."

**CEOCFO:** How do you accomplish the goal of best commercially-focused community bank?

**Mr. Clancy:** "You attract talented people and try to have a culture in the bank that attracts talented people and focuses on customer service. They both go hand-in-hand. We attract a lot of talented people because they know that the bank cares about them. We also attract a lot of talented loan officers and branch and business-development personnel because they know that they are walking into a bank where they can get things done for their customers."

**CEOCFO:** Do you have a typical customer?

**Mr. Clancy:** “We are commercially-focused so our typical customer is either small business or a professional or a non-profit organization. Where we are focused with those customers is on commercial lending, cash management, wealth management and insurance.”

**CEOCFO:** Are there services you are not currently offering that you would like to add?

**Mr. Clancy:** “We have been offering remote capture for a couple of years and not every bank is doing that. As we move forward, wealth management and insurance, which we currently offer are becoming more important in the mix. Wealth management is a great thing to sell to our business managers because they start accumulating wealth. We will be looking to do more of that. It is also a way to attract new business to the bank. There are a lot of businesses out there or professionals or non-profits, whose number-one need is wealth management or insurance even ahead of the traditional commercial lending and cash management.”

**CEOCFO:** How do you get new business?

**Mr. Clancy:** “New business comes mostly from existing customers and you do that by having a high-service level and by being very customer-solutions oriented, which is the number-one way to get new customers. A couple of other ways that have been successful for us is community involvement; all of our officers have extensive service commitments to local non-profit organizations. It is the right thing to do and it networks you with the community. Therefore, one is existing customers, two is community involvement and lastly is business development prospecting.”

**CEOCFO:** What is the economy like in your area?

**Mr. Clancy:** “The economy is strong in Massachusetts and New Hampshire. Even though there is not a lot of population growth, the demographics are very strong and there is a lot of wealth in Massachusetts and New Hampshire. There is

growth in the high tech business whether it is nanotechnology, which is becoming a big thing or medical technology or even biotech companies. We are headquartered about 30 miles from Boston, a lot of that technology and medical and biotech business that started in Boston is spreading out into our market area.”

**CEOCFO:** Please give us an example of what a customer might experience at Enterprise that they might not get somewhere else.

**Mr. Clancy:** “First of all they will be dealing with a local person. Most of our employees live in the market area. They are familiar with local businesses and what their needs are. We try to staff our branches with local people, either someone who lives in that town or someone who grew up there. The second thing is

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we are obsessed with finding a solution for the customer. We have our purpose statement that is on the back of all of our business cards and it says, ‘The Enterprise Bank team helps create successful businesses, jobs, opportunities, wealth, and vibrant prosperous communities’. It is a very simple statement, but if you think about it the whole focus is on the customer and helping them be successful. It is not just the transaction; it is about making the customer successful.”

**CEOCFO:** Are many of your customers taking advantage of the variety of your services?

**Mr. Clancy:** “Yes they are. A typical customer has a commercial loan, has their checking account here which is about cash management, and they are starting to use our investment advisory group and our insurance products also. It is very much a full-service relationship.”

**CEOCFO:** How is business these days?

**Mr. Clancy:** “Business is very strong. Earnings growth is about 8% in the 1<sup>st</sup> quarter of this year and will continue to grow. We are almost at a \$1 billion. One of the things you are seeing with a lot of banks is the tough interest rate environment and banks are getting margin pressure, which we certainly see ourselves. However, the way we are combating that is by aggressive growth and by enhancing our fee income, insurance products and investment management.”

**CEOCFO:** What is your plan for new branches and geographic expansion?

**Mr. Clancy:** “We are going to try to do one to two new branches a year. Right now we have fourteen open. We have approval for another branch that will open late this year or early in 2008. We are actively looking for new branch locations in about thirteen different cities and towns. The plan is to continue to grow organically and through small acquisitions. The basic premise is to continue to grow and be the last bank standing.”

**CEOCFO:** Have many fallen by the wayside?

**Mr. Clancy:** “Some have. Some banks get acquired over time. We have an unwavering commitment to independence and being the last bank standing.”

**CEOCFO:** Last year you were named the “# 1 Best Places To Work” in Massachusetts; please tell us about that.

**Mr. Clancy:** “That means so much. It says an awful lot, and it was voted on by employees. The way it works is that employees and companies throughout Massachusetts were surveyed and it was based on anonymous responses from our employees. We care about our employees just like we care about our customers being successful. We want our employees to be successful and grow. We have a lot of personal care for our employees also. You combine that with being a growing company, which opens up a lot of opportunity. A lot of people ask us why we think we got the Best Places To Work Award and my simple answer is we care about employees, and it is part of the culture. We care about our employees’ well-

being at work and their personal well-being.”

**CEOFCO:** As you continue to grow, how do you keep the personal touch?

**Mr. Clancy:** “It is something you have to work at everyday. You have to ingrain in the organization that even though we are growing, we are growing as a way to offer more opportunities to employees. Being a stock-owned company, you really have to grow. It becomes a part of the culture, we spend time on it every day and we have more employee meetings than we ever have before. You talk a lot about values, the culture of the bank and about service. It is being committed to being local and keeping that small-bank feel. The idea is to ‘think big, but act small’, that means a lot to me. We want to be big about our ambitions and goals, but we want to act small in everything that we do.”

**CEOFCO:** Why should potential investors show interest at this point?

**Mr. Clancy:** “There are a number of reasons. We are in a market with strong demographics. There is not a lot of population growth, but it is demographics as to wealth and the number of businesses is very strong. We have a strong track re-

cord of continued asset and earnings growth. The biggest thing is that we have always focused on the long-term value to our shareholders and we have made tremendous investments in the future. In addition, we have tremendous facilities; they are well equipped and very modern and well maintained. We spent a lot of money on bringing new personnel into the bank and providing succession in the years ahead. We have a management

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training program where we hire four to five college students a year off campus and try to hire the best and the brightest. We train them for a couple of years with the intent of turning them into commercial bankers; not many banks are doing that anymore. Years ago, banks used to have these college management training programs and when you get earnings pressures, sometimes it goes by the way-side, but it is something we are more committed to than ever.”

**CEOFCO:** As CEO, what would you say is your daily focus?

**Mr. Clancy:** “It is fairly diverse but if I would petition it down, I spend a lot of time with the management team trying to set strategy, direction and provide leadership. The biggest thing I do is to try to continue to enhance the culture of the bank. At the end of the day any bank can copy what another bank is doing, but the one thing that can’t be copied is the culture of the bank. I spend a lot of time with community organizations, customer interaction and just getting out to our fourteen branches to interact with our employees. I try to spend time with our board of directors because they are a tremendously valuable source of insight. We have fifteen directors and a lot of them run companies, so it is great to get their advice.”

**CEOFCO:** What should people remember about Enterprise Bancorp?

**Mr. Clancy:** “I think we differentiate ourselves as very commercially focused while at the same time being a local community bank. We try to spend a lot of time creating a culture here where employees and customers can succeed.”



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