

CHICOPEE BANCORP, INC.  
Form 10-Q  
August 08, 2012  
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 June 30, 2012

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-51996

CHICOPEE BANCORP, INC.  
(Exact name of registrant as specified in its charter)

Massachusetts  
(State or other jurisdiction of incorporation or organization)

20-4840562  
(I.R.S. Employer Identification No.)

70 Center Street, Chicopee, Massachusetts  
(Address of principal executive offices)

01013  
(Zip Code)

(413) 594-6692  
(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 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 of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer [ ]

Accelerated Filer [X]

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 [X]

As of August 1, 2012, there were 5,449,230 shares of the Registrant's Common Stock outstanding.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

CHICOPEE BANCORP, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
(Dollars In Thousands)

ASSETS	June 30, 2012 (Unaudited)	December 31, 2011
Cash and due from banks	\$18,350	\$10,665
Federal funds sold	6,874	50,457
Interest-bearing deposits with the Federal Reserve Bank of Boston	30,150	-
Total cash and cash equivalents	55,374	61,122
Securities available-for-sale, at fair value	584	613
Securities held-to-maturity, at cost (fair value \$65,342 and \$80,607 at June 30, 2012 and December 31, 2011, respectively)	58,614	73,852
Federal Home Loan Bank stock, at cost	4,277	4,489
Loans, net of allowance for loan losses (\$4,482 at June 30, 2012 and \$4,576 at December 31, 2011)	454,084	443,471
Loans held for sale	525	1,635
Other real estate owned	1,325	913
Mortgage servicing rights	371	344
Bank owned life insurance	13,619	13,427
Premises and equipment, net	9,862	9,853
Accrued interest and dividends receivable	1,521	1,527
Deferred income tax asset	2,903	2,893
FDIC prepaid insurance	641	824
Other assets	1,166	1,343
Total assets	\$604,866	\$616,306
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Deposits</b>		
Demand deposits	\$72,613	\$68,799
NOW accounts	32,915	26,747
Savings accounts	49,168	47,122
Money market deposit accounts	100,847	97,606
Certificates of deposit	199,033	213,103
Total deposits	454,576	453,377
Securities sold under agreements to repurchase	7,177	12,340
Advances from Federal Home Loan Bank	54,100	59,265
Accrued expenses and other liabilities	428	542
Total liabilities	516,281	525,524

## Stockholders' equity

Common stock (no par value, 20,000,000 shares authorized, 7,439,368 shares issued at June 30, 2012 and December 31, 2011)	72,479	72,479
Treasury stock, at cost (1,973,444 shares at June 30, 2012 and 1,703,065 shares at December 31, 2011)	(26,045 )	(22,190 )
Additional paid-in-capital	3,097	2,800
Unearned compensation (restricted stock awards)	(163 )	(546 )
Unearned compensation (Employee Stock Ownership Plan)	(4,017 )	(4,166 )
Retained earnings	43,256	42,408
Accumulated other comprehensive loss	(22 )	(3 )
Total stockholders' equity	88,585	90,782
Total liabilities and stockholders' equity	\$604,866	\$616,306

See accompanying notes to unaudited consolidated financial statements.

CHICOPEE BANCORP, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(In Thousands, Except for Number of Shares and Per Share Amounts)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
<b>Interest and dividend income:</b>				
Loans, including fees	\$ 5,672	\$5,868	\$11,357	\$11,677
Interest and dividends on securities	412	403	824	770
Other interest-earning assets	18	10	38	22
Total interest and dividend income	6,102	6,281	12,219	12,469
<b>Interest expense:</b>				
Deposits	1,127	1,351	2,272	2,725
Securities sold under agreements to repurchase	4	10	8	19
Other borrowed funds	353	431	718	869
Total interest expense	1,484	1,792	2,998	3,613
Net interest income	4,618	4,489	9,221	8,856
Provision for loan losses	64	119	71	352
Net interest income after provision for loan losses	4,554	4,370	9,150	8,504
<b>Non-interest income:</b>				
Service charges, fees and commissions	533	444	1,074	910
Loan sales and servicing, net	114	50	268	198
Net gain on sales of securities available-for-sale	-	-	-	12
Net loss on other real estate owned	-	-	(108 )	(63 )
Income from bank owned life insurance	96	97	192	195
Other non-interest income	34	-	34	-
Total non-interest income	777	591	1,460	1,252
<b>Non-interest expenses:</b>				
Salaries and employee benefits	2,846	2,659	5,617	5,498
Occupancy expenses	364	383	760	830
Furniture and equipment	296	262	575	512
FDIC insurance assessment	89	166	183	269
Data processing	270	287	585	580
Professional fees	146	150	312	293
Advertising	149	126	299	253
Stationery, supplies and postage	72	94	180	176
Other non-interest expense	590	546	1,145	1,009
Total non-interest expenses	4,822	4,673	9,656	9,420

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Income before income taxes	509	288	954	336
Income tax expense (benefit)	57	(18 )	106	(14 )
Net income	\$ 452	\$306	\$848	\$350

Earnings per share:

Basic	\$ 0.09	\$0.06	\$0.17	\$0.06
Diluted	\$ 0.09	\$0.06	\$0.17	\$0.06

Adjusted weighted average shares  
outstanding:

Basic	4,946,039	5,372,770	5,014,369	5,396,871
Diluted	4,989,071	5,415,769	5,050,777	5,432,708

See accompanying notes to unaudited consolidated financial statements.

CHICOPEE BANCORP, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(In Thousands)  
(Unaudited)

	Three Months Ended June 30,	
	2012	2011
Net income	\$ 452	\$ 306
Other comprehensive income, net of tax		
Unrealized losses on securities:		
Unrealized holding losses arising during period	(42 )	(24 )
Tax effect	15	8
Other comprehensive loss	(27 )	(16 )
Comprehensive income	\$ 425	\$ 290

	Six Months Ended June 30,	
	2012	2011
Net income	\$ 848	\$ 350
Other comprehensive income, net of tax		
Unrealized losses on securities:		
Unrealized holding losses arising during period	(29 )	(18 )
Less: reclassification adjustments for gains included in		
net income	-	(12 )
Tax effect	10	10
Other comprehensive loss	(19 )	(20 )
Comprehensive income	\$ 829	\$ 330

See accompanying notes to unaudited consolidated financial statements.



CHICOPEE BANCORP, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
Six Months Ended June 30, 2012 and 2011  
(Dollars In Thousands)  
(Unaudited)

	Common Stock	Treasury Stock	Additional Paid-in Capital	Unearned Compensation (restricted stock awards)	Unearned Compensation (Employee Stock Ownership Plan)	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2011	\$ 72,479	\$ (22,190)	\$ 2,800	\$ (546 )	\$ (4,166 )	\$ 42,408	\$ (3 )	\$ 90,782
Comprehensive income:								
Net income	-	-	-	-	-	848	-	848
Change in net unrealized loss on securities available-for-sale (net of deferred income taxes of \$10)	-	-	-	-	-	-	(19 )	(19 )
Total comprehensive income								829
Treasury stock purchased (270,379 shares)	-	(3,855 )	-	-	-	-	-	(3,855 )
Change in unearned compensation:								
Stock option expense (net of income tax benefit of \$45)	-	-	234	-	-	-	-	234
Restricted stock award expense	-	-	-	383	-	-	-	383
Common stock held by ESOP committed to be released	-	-	63	-	149	-	-	212
Balance at June 30, 2012	\$ 72,479	\$ (26,045)	\$ 3,097	\$ (163 )	\$ (4,017 )	\$ 43,256	\$ (22 )	\$ 88,585

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Balance at December 31, 2010	\$ 72,479	\$ (18,295)	\$ 2,255	\$ (1,431 )	\$ (4,463 )	\$ 41,308	\$ 29	\$ 91,882
Comprehensive income:								
Net income	-	-	-	-	-	350	-	350
Change in net unrealized gain on securities available-for-sale (net of deferred income taxes of \$10)	-	-	-	-	-	-	(20 )	(20 )
Total comprehensive income								330
Treasury stock purchased (145,271 shares)								
	-	(2,057 )	-	-	-	-	-	(2,057 )
Change in unearned compensation:								
Stock option expense (net of income tax benefit of \$43)	-	-	199	-	-	-	-	199
Restricted stock award expense	-	-	-	498	-	-	-	498