



Contacts: Donald J. Haake, President & CEO
don.haake@enterprisebank.net

David J. Onderko, CFO/COO
david.onderko@enterprisebank.net

Website: www.enterprisebank.net

FOR IMMEDIATE RELEASE

Enterprise Bank NJ Announces Branch Expansion, Record Earnings and Continued Asset Growth in Fiscal Year 2016

Kenilworth, New Jersey, March 1, 2017 - Enterprise Bank NJ (the "Bank") (ENBN:OTC) is pleased to announce the opening of its fourth branch in the Ironbound section of Newark during the fourth quarter. The facility was newly built and is on the corner of Wilson Avenue and Jabez Street located near Routes 1&9 for easy access. As of year-end, the Newark Branch exceeded \$10.0 million in deposits and we are very pleased with the activity since the opening. With this branch now open, our team is exploring additional opportunities for continued expansion in the market areas we serve.

RESULTS OF OPERATIONS

Earnings

Enterprise Bank NJ is pleased to report record earnings of \$1,929,000, or \$0.61 per share, for the fiscal period ending December 31, 2016, compared to earnings of \$1,583,000, or \$0.55 per share, for the fiscal year end December 31, 2015 – an increase of \$346,000, or 21.9%, year-over-year. Our strong earnings growth continues to be facilitated by the great customer relationships we have been privileged to have fostered within the communities we serve.

Net Interest Income

Net interest income was \$7,678,000 for the fiscal year end December 31, 2016 compared to \$7,144,000 for the comparable period in 2015 – an increase of \$534,000, or 7.5%. The Bank's net interest margin (NIM) year-to-date for 2016 continued to perform well at 4.08% compared to 4.18% for the same period in 2015. The slight decline in the NIM is attributed to higher costs related to funding sources necessary to support loan growth.

Provision for Loan Loss

During the twelve months ended December 31, 2016, the Bank added \$240,000 to the provision. The decrease year-over-year is \$123,000 or 33.9%, which is primarily due to the strong performance of the portfolio.

Non-Interest Income

For the year ended December 31, 2016, total non-interest income was \$436,000 compared to \$200,000 in the prior year. The increase was \$236,000 or 118.0%, primarily due to higher than anticipated prepayment penalties for unscheduled loan payoffs.

Non-Interest Expense

For the year end December 31, 2016, total non-interest expense was \$4,639,000 compared to \$4,314,000 for the year end December 31, 2015 – an increase of \$325,000 or 7.5%. On a year-to-date basis, compensation and benefits accounted for \$243,000 of the increase related to staffing additions made in 2016 in preparation of the Newark Branch opening. Information Technology expenses increased \$71,000 year-over-year due to a full year's expense related to the new infrastructure investment in the telephone system and servers that were installed in the middle of 2015.

FINANCIAL CONDITION

Assets

As of December 31, 2016, total assets were \$209.9 million as compared to \$192.8 million at December 31, 2015 – an increase of \$17.1 million or 8.9%.

Don Haake, President and CEO stated, "Although net loan growth was modest for the year, we continue to be pleased with our asset generation and overall sound performance of our portfolio. Loan growth for the year ended December 31, 2016 was \$9.7 million, up 5.4% over year-end 2015. This coupled with an efficiency ratio and net interest margin that is among the best of our peers continues to help us achieve consistent growth in earnings year over year."

Capital

Stockholders' equity totaled \$27.5 million at December 31, 2016, compared to \$25.1 million at December 31, 2015 – an increase of \$2.4 million primarily due to sustained earnings and the exercise of expiring stock options. All of the Bank's capital ratios remain strong and well in excess of the current regulatory definition of a "well capitalized" institution. At December 31, 2016, the Bank's tier one leverage capital ratio was 13.21% and the Bank's total risk based capital ratio was 16.34%. In addition, the new Common Equity Tier 1 Ratio was 15.09% for the year ended December 31, 2016, which continues to be well in excess of the 4.5% current minimum regulatory threshold and the fully transitioned ratio of 7.0% for the year 2019.

Asset Quality

The bank had two non-performing loans totaling \$217,000 at December 31, 2016, as compared to one non-performing loan totaling \$115,000 for the same period last year. One non-performing loan was added in the second quarter 2016 in the amount of \$110,000; however, this loan was fully collateralized as of year-end December 31, 2016, and paid off in February with the Bank not incurring any loss. In addition, the Bank has one OREO property on its books as of the end of the year, but would like to note that we are currently in negotiations to sell the property and it should be off the balance sheet by the end of the second quarter.

THE BANK

Enterprise Bank NJ, headquartered in Kenilworth, New Jersey, is listed on the Pink Sheets under the symbol "ENBN." The Bank focuses on serving the needs of small to medium sized businesses, commercial real estate borrowers, professional practices and consumers. Its services include business and personal checking, savings, money market and certificate of deposit accounts. Additionally, the Bank offers commercial and consumer loans, lines of credit, ATM cards, debit cards, E-Banking, remote deposit capture, and free telephone and online banking.

Forward-Looking Statements

This news release may contain forward-looking statements. We caution that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Such statements are also subject to certain factors that may cause the Bank's results to vary from those expected. These factors include changing economic and financial market conditions, competition, ability to execute the Bank's business plan, items already mentioned in this press release, and other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's judgment only as of this date. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect events and circumstances that arise after the date of this release.

Enterprise Bank NJ

CONSOLIDATED INCOME STATEMENTS (unaudited)

	<u>12/31/16</u>	<u>12/31/15</u>	<u>Variance</u>	<u>% Chg</u>
Interest Income	\$ 9,271	\$ 8,370	\$ 901	10.8%
Interest Expense	1,593	1,226	367	29.9%
Net Interest Income	7,678	7,144	534	7.5%
Provision for Loan Losses	240	363	(123)	-33.9%
Net Interest Income after Provision for Loan Losses	7,438	6,781	657	9.7%
Non-Interest Income	436	200	236	118.0%
Non-Interest Expenses	4,639	4,314	325	7.5%
Income Before Income Taxes	3,235	2,667	568	21.3%
Income Taxes	1,306	1,084	222	20.5%
Net Income	\$ 1,929	\$ 1,583	\$ 346	21.9%
Net Income per Common Share	\$ 0.61	\$ 0.55	\$ 0.06	
Average shares outstanding	<u>3,162,838</u>	<u>2,892,014</u>		

Enterprise Bank NJ
CONSOLIDATED BALANCE SHEETS (unaudited)
dollars in thousands

Assets	<u>12/31/16</u>	<u>12/31/15</u>	<u>Variance</u>	<u>% Chg</u>
Cash and due from banks	\$ 14,839	\$ 5,484	\$9,355	170.6%
Investment securities	4,958	7,115	(2,157)	-30.3%
Loans	188,389	178,705	9,684	5.4%
Allowance for loan losses	(2,322)	(2,081)	(241)	11.6%
Net loans	186,067	176,624	9,443	5.3%
Bank premises and equipment, net	654	346	308	89.0%
Real estate owned	1,250	1,250	-	0.0%
Deferred income taxes	1,152	1,160	(8)	-0.7%
Other assets	988	829	159	19.2%
Total Assets	<u>\$209,908</u>	<u>\$192,808</u>	<u>\$17,100</u>	8.9%
Liabilities and stockholders' equity				
Non-interest bearing deposits	\$ 21,981	\$ 22,256	\$ (275)	-1.2%
Interest bearing deposits	142,004	129,477	12,527	9.7%
Total deposits	163,985	151,733	12,252	8.1%
Borrowings	17,875	15,400	2,475	16.1%
Other liabilities	500	553	(53)	-9.6%
Total liabilities	182,360	167,686	14,674	8.8%
Total stockholders' equity	27,548	25,122	2,426	9.7%
Total Liabilities and stockholders' equity	<u>\$209,908</u>	<u>\$192,808</u>	<u>\$17,100</u>	8.9%