



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 Record Earnings and Growth in Fiscal Year 2015. N. Larry Paragano Retires as Chairman of the Board.

Kenilworth, New Jersey, February 23, 2016 - Enterprise Bank NJ (the "Bank") (ENBN:PINX) would like to take this opportunity to announce the retirement of N. Larry Paragano as the Bank's Chairman of the Board. Mr. Paragano has been with the Bank since its inception in 2002 and has been a driving force behind the Bank's success throughout the years. Mr. Haake, President and CEO stated, "Larry has been a wonderful mentor of mine and he will be sorely missed as Chairman; however, I am very pleased that he will remain as a Director of the Bank and serve as Chairman Emeritus."

As his last official act as Chairman of the Board, Mr. Paragano recommended Salvatore Davino to become the next Chairman. Mr. Davino has also been with the Bank since its inception and has worked hand in hand with Mr. Paragano and the Board to build a very successful franchise. We would also like to take this opportunity to welcome Mr. Davino into his new role as Chairman. Upon accepting the position, he stated, "I will continue to build on Mr. Paragano's vision and keep the bank on the right path to continued growth and profitability."

In addition, the Bank announced late in the fourth quarter that it converted to a New Jersey State Charter Commercial Bank and began operations under the State Charter on December 22, 2015. Mr. Haake, President and CEO stated, "We believe that while the charter conversion will give us some cost savings, the greater benefit is that operating as a State Chartered Bank will allow greater ability to execute our strategy as a New Jersey-based community bank and remain competitive in the markets we serve."

RESULTS OF OPERATIONS

Earnings

Enterprise Bank NJ is pleased to report record earnings of \$1,583,000, or \$0.55 per share for the fiscal period ending December 31, 2015, compared to earnings of \$1,407,000, or \$0.49 per share for the fiscal year end December 31, 2014 – an increase of \$176,000, or 12.5%, year over year.

Net Interest Income

Net interest income was \$7,144,000 for the fiscal year end December 31, 2015 compared to \$6,165,000 for the comparable period in 2014 – an increase of \$979,000, or 15.9%. The Bank's net interest margin (NIM) year-to-date for 2015 continued to perform well at 4.12% compared to 4.26% for the same period in 2014. The slight decline in the NIM is attributed to higher rate loans

paying off late last year compared to the market for new originations, as well as higher deposit rates to fund the record loan growth this past year.

Provision for Loan Loss

During the twelve months ended December 31, 2015, the Bank added \$363,000 to the provision. The increase year over year is \$121,000 or 56.5% primarily due to the growth in the portfolio.

Non-Interest Expense

For the year end December 31, 2015, total non-interest expense was \$4,314,000 compared to \$3,938,000 for the year end December 31, 2014 – an increase of \$376,000 or 9.5%. On a year to date basis, compensation and benefits accounted for \$233,000 of the increase related to staffing additions made late in 2014 and in the second quarter in preparation of the Newark Branch opening which is anticipated to open in the second quarter 2016. Equipment expenses increased \$48,000 year to date 2015 due to an investment in infrastructure for new servers and telephone systems. In addition, professional fees increase \$45,000 year over year due to consulting fees for the new branch and higher internal audit fees. FDIC insurance expense increased \$24,000 for the year ended December 31, 2015 correlating with the growth in deposits.

FINANCIAL CONDITION

Assets

As of December 31, 2015, total assets were \$192.8 million as compared to \$157.8 million at December 31, 2014 – an increase of \$35.0 million or 22.2%.

Don Haake, President and CEO stated, "We are pleased with our growth year over year, which has been fueled by steady loan growth and continued sound portfolio performance. Loan growth for the year ended December 31, 2015 was \$33.6 million up 23.2% over year-end 2014. This coupled with an efficiency ratio and net interest margin that is among the best of our peers has helped us achieve record growth and earnings for 2015."

Capital

Stockholders' equity totaled \$25.1 million at December 31, 2015, compared to \$21.4 million at December 31, 2014 – an increase of \$3.7 million primarily due to an additional investment by the directors as a pro-active step to support the continued growth in the Bank's Commercial Real Estate portfolio. 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, 2015, the Bank's tier one leverage capital ratio was 13.28% and the Bank's total risk based capital ratio was 15.80%. In addition, the new Common Equity Tier 1 Ratio was 14.57% for the year ended December 31, 2015, 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 one non-performing loan totaling \$115,000 at December 31, 2015, as compared to \$191,000 for the same period last year. One non-performing loan was added in the first quarter 2015 in the amount of \$241,000; however, this loan was fully collateralized and as of year-end December 31, 2015, it was paid off and the Bank did not incur any loss. In maintaining a conservative approach to managing the banks' balance sheet, management and the Board of Directors elected to take a write-down in the first quarter of \$50,000 on its only OREO property. Exclusive of the write-down, the banks' earnings would have improved approximately 16% year over year.

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.

Enterprise Bank has received approval for their application for its fourth banking office to be located in the "Ironbound" section of Newark, which is an up and coming urban/industrial community and the home to a growing customer base of the bank. A rendering of the new branch is on our website and we are looking forward to serving the community more fully in the coming months.

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>12/31/2015</u> | <u>12/31/2014</u> | <u>Variance</u> | <u>% Chg</u> |
|--|-------------------|-------------------|-----------------|------------------|
| Interest Income | \$ 8,370 | \$ 7,482 | \$ 888 | 11.9% |
| Interest Expense | <u>1,226</u> | <u>1,085</u> | <u>141</u> | <u>13.0%</u> |
| Net Interest Income | <u>7,144</u> | <u>6,397</u> | <u>747</u> | <u>11.7%</u> |
| Provision for Loan Losses | <u>363</u> | <u>232</u> | <u>131</u> | <u>56.5%</u> |
| Net Interest Income after Provision for Loan Losses | 6,781 | 6,165 | 616 | 10.0% |
| Non-Interest Income | <u>200</u> | <u>159</u> | <u>41</u> | <u>25.8%</u> |
| Non-Interest Expenses | <u>4,314</u> | <u>3,938</u> | <u>376</u> | <u>9.5%</u> |
| Income Before Income Taxes | 2,667 | 2,386 | 281 | 11.8% |
| Income Taxes | <u>1,084</u> | <u>979</u> | <u>105</u> | <u>10.7%</u> |
| Net Income | \$ 1,583 | \$ 1,407 | \$ 176 | 12.5% |
| Net Income per Common Share | \$ 0.55 | \$ 0.49 | \$ 0.06 | |
| Average shares outstanding | <u>2,892,014</u> | <u>2,890,095</u> | | |

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

| Assets | 12/31/2015 | 12/31/2014 | Variance | % Chg |
|---|-------------------|-------------------|-----------------|------------------|
| Cash and due from banks | \$ 5,484 | \$ 2,986 | \$ 2,498 | 83.7% |
| Investment securities | 7,115 | 8,346 | (1,231) | 14.7% |
| Loans | 178,705 | 145,069 | 33,636 | 23.2% |
| Allowance for loan losses | (2,081) | (1,719) | (362) | 21.1% |
| Net loans | 176,624 | 143,350 | 33,274 | 23.2% |
| Bank premises and equipment, net | 346 | 250 | 96 | 38.4% |
| Real estate owned | 1,250 | 1,300 | (50) | -3.8% |
| Deferred income taxes | 1,160 | 941 | 219 | 23.3% |
| Other assets | 829 | 671 | 158 | 23.5% |
| Total Assets | \$ 192,808 | \$ 157,844 | \$34,964 | 22.2% |
| Liabilities and stockholders' equity | | | | |
| Non-interest bearing deposits | \$ 22,256 | \$ 17,128 | \$ 5,128 | 29.9% |
| Interest bearing deposits | 129,477 | 104,231 | 25,246 | 24.2% |
| Total deposits | 151,733 | 121,359 | 30,374 | 25.0% |
| Borrowings | 15,400 | 14,500 | 900 | 6.2% |
| Other liabilities | 553 | 567 | (14) | -2.5% |
| Total liabilities | 167,686 | 136,426 | 31,260 | 22.9% |
| Total stockholders' equity | 25,122 | 21,418 | 3,704 | 17.3% |
| Total Liabilities and stockholders' equity | \$ 192,808 | \$ 157,844 | \$34,964 | 22.2% |