



## **FOR IMMEDIATE RELEASE**

### **Enterprise National Bank N.J. Announces Record Earnings in Fiscal Year 2014**

**Kenilworth, New Jersey**, March 2, 2015 – Enterprise National Bank N.J. (OTCQB:ENBN) reported a record net profit of \$1,407,000, or \$0.49 per share, for the fiscal period ending December 31, 2014 compared to earnings of \$781,000, or \$0.27 per share, for the fiscal period ending December 31, 2013.

Income before taxes increased to \$2.4 million in 2014 compared to \$1.4 million in 2013 – an increase of 71.4%. The increase for the fiscal 2014 period resulted primarily from an increase in net interest income of \$1.0 million and our ability to leverage the same level of non-interest expenses year over year.

In a joint statement, N. Larry Paragano, Chairman, and Donald J. Haake, President and Chief Executive Officer, said, "We had a great year and want to thank our customers for their business and our staff for their hard work and commitment, both of which continue to fuel our success. Our loan growth has been robust and sound, enhanced by our unwavering focus on managing expenses to further improve shareholder value." Haake continued, "The record earnings and strong loan growth was achieved in a very competitive environment and we were able to do so without abandoning our conservative underwriting and pricing standards, with both our net interest margin and asset quality among the best in New Jersey. Looking to 2015, we expect competition and pricing to continue to be challenging, but we remain confident that our diligent pursuit of new relationships, coupled with the deepest respect for the communities we serve, will help us achieve continued success."

#### **FINANCIAL CONDITION**

As of December 31, 2014, total assets were \$157.8 million, as compared to \$139.3 million at December 31, 2013, or an increase of 13.3%. The bank experienced a net increase in loans in 2014 of \$20.0 million, or 16.2%, an increase in deposits of \$12.3 million or 11.3% and an increase in stockholders' equity of \$1.6 million or 8.1%.

#### **Net Interest Income**

Net interest income was \$6.4 million for fiscal 2014, as compared to \$5.4 million for 2013. The increase in net interest income for the current year is primarily due to the strong growth in interest earning assets funded by growth in low cost funding sources. Interest income increased 17.2%, while interest expense increased only 10% year over year. While the current rate environment continues to remain near record low levels, the bank's net interest margin for the year ended December 31, 2014 remained strong at 4.26%, as compared to 4.21% for the year ended December 31, 2013.

#### **Provision for Loan Losses**

The bank had a provision of \$232,000 for the year ended December 31, 2014, compared to a provision of \$271,000 for the year ended December 31, 2013. The decrease was attributed to the strong credit quality of our loan portfolio. The allowance for possible loan losses as a percentage of total loans was 1.18% as of December 31, 2014, as compared to 1.19% at December 31, 2013. The provision reflects management's view of the impact that the current economic environment has, and will continue to place on our borrowers. Management reviews our loan portfolio on a quarterly basis and will make adjustments as deemed necessary.

**Non-Interest Income**

Non-interest income totaled \$159,000 in 2014, as compared to \$166,000 for 2013. The decrease primarily related to the write-down of our one OREO property to a level that we feel will promote the sale of the property.

**Non-Interest Expense**

Total non-interest expense for the year ended December 31, 2014 was \$3.9 million compared to \$4.0 million for the year ended December 31, 2013. Management has held strong in controlling these costs. Salaries and employee benefit expenses were \$2.3 million for each of the years ended December 31, 2014 and December 31, 2013, while other operating costs actually decreased by approximately \$64,000 in the current year.

**ASSET QUALITY**

The bank had non-performing loans of \$122,000 as of December 31, 2014, as compared to \$190,000 at December 31, 2013, and charged-off loans totaled \$2,000 in 2014, as compared to \$141,000 in 2013. It is important to note that the 2014 and 2013 totals represent one loan that is a performing troubled debt restructuring. The bank also has one income producing REO property valued at \$1.3 million, for which the bank is currently negotiating a contract of sale. Lastly, although the bank's portfolio continues to perform soundly and remains well collateralized, management diligently monitors the portfolio and is prepared to take whatever steps necessary to ensure against future potential deterioration.

**CAPITAL**

Stockholders' equity grew to \$21.4 million at December 31, 2014, compared to \$19.8 million at December 31, 2013. All the bank's capital ratios remain well in excess of the current regulatory definition of a "well capitalized" institution. The bank's tier one leverage capital ratio at December 31, 2014, was 12.96% and the bank's total risk-based capital ratio at December 31, 2014 was 16.99%.

**THE BANK**

Enterprise National Bank N.J., headquartered in Kenilworth, New Jersey, is listed on the OTCQB Markets 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, home equity loans, 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.

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# Enterprise National Bank N.J.

## CONSOLIDATED INCOME STATEMENTS (unaudited)

	<i>Fiscal Years Ended</i>	
	<u>12/31/14</u>	<u>12/31/13</u>
Total interest income	\$ 7,481,783	\$ 6,413,790
Total interest expense	1,085,290	979,754
Net interest income	<u>6,396,493</u>	<u>5,434,036</u>
Provision for possible loan losses	232,211	271,374
<i>Net interest income after provision</i>	<u>6,164,282</u>	<u>5,162,662</u>
Service fees and charges	216,681	163,833
Loss on write-down of foreclosed asset	(60,000)	-
Other	2,452	1,904
<i>Total non-interest income</i>	<u>159,133</u>	<u>165,737</u>
Personnel expenses	2,286,272	2,260,421
Occupancy expense	300,920	305,133
Equipment	543,844	544,547
Advertising	10,899	6,885
Other expense	795,900	858,558
<i>Total non-interest expense</i>	<u>3,937,835</u>	<u>3,975,544</u>
Income before taxes	2,385,580	1,352,855
Income tax expense	978,680	571,612
<b>Net income</b>	<u><u>\$ 1,406,900</u></u>	<u><u>\$ 781,243</u></u>
Average shares outstanding	2,890,095	2,891,615
Net income per Common Share – Basic	<u><u>\$ 0.49</u></u>	<u><u>\$ 0.27</u></u>

# Enterprise National Bank N.J.

## CONSOLIDATED BALANCE SHEETS (unaudited)

	<u>12/31/14</u>	<u>12/31/13</u>
<b>Assets</b>		
Cash and due from banks	\$ 2,985,912	\$ 3,293,149
Investment securities	8,346,122	9,355,102
Loans	145,068,925	124,898,856
Allowance for loan losses	(1,718,859)	(1,488,756)
Net loans	<u>143,350,066</u>	<u>123,410,100</u>
Bank premises and equipment, net	249,758	369,848
Real estate owned	1,300,053	1,416,000
Deferred income taxes	941,004	846,439
Other assets	671,365	616,519
<b>Total Assets</b>	<u><u>\$ 157,844,280</u></u>	<u><u>\$ 139,307,157</u></u>
<b>Liabilities and stockholders' equity</b>		
Non-interest bearing deposits	\$ 17,128,065	\$ 12,797,359
Interest bearing deposits	104,230,967	96,322,659
Total deposits	<u>121,359,032</u>	<u>109,120,018</u>
Borrowings	14,500,000	10,000,000
Other liabilities	567,491	376,870
Total liabilities	<u>136,426,523</u>	<u>119,496,888</u>
Total stockholders' equity	21,417,757	19,810,269
<b>Total Liabilities and stockholders' equity</b>	<u><u>\$ 157,844,280</u></u>	<u><u>\$ 139,307,157</u></u>

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