

## News Release – Fiscal Year 2012 Financial Results

**Contacts:** Donald J. Haake  
President & CEO  
[don.haake@enterprisebank.net](mailto:don.haake@enterprisebank.net)  
Thomas P. Keating, CFO  
[thomas.keating@enterprisebank.net](mailto:thomas.keating@enterprisebank.net)  
Website:  
[www.enterprisebank.net](http://www.enterprisebank.net)

### FOR IMMEDIATE RELEASE

#### Enterprise National Bank N.J. Announces Record Earnings in Fiscal Year 2012

**Kenilworth, New Jersey**, January 29, 2013 – Enterprise National Bank N.J. (OTCBB:ENBN) reported a net profit of \$698,000, or \$0.25 per share (\$0.24 per share diluted), for the fiscal period ending December 31, 2012, compared to earnings of \$412,000, or \$0.15 per share (\$0.14 per share diluted), for the comparable period in 2011.

Income before taxes, which increased 65% from the prior year level, was \$1.3 million for the fiscal period ending December 31, 2012, compared to \$760,000 for the comparable period in 2011. The increase for the fiscal 2012 period resulted primarily from an increase in net interest income and a lower provision for loan losses.

In a joint statement, N. Larry Paragano, Chairman, and Donald J. Haake, President and Chief Executive Officer, said "We are very pleased with our continued solid earnings performance and we look forward with a great deal of enthusiasm toward the future of our company." Mr. Haake added "even though loan growth was modest in 2012, our existing loan portfolio continues to perform well and we believe that our strong commitment to the communities we serve will present new lending opportunities for us to continue to assist our customers and prospects in achieving their goals for the future."

#### FINANCIAL CONDITION

As of December 31, 2012, total assets were \$133.8 million, as compared to \$132.0 million at December 31, 2011, or an increase of 1.4 percent. The bank experienced a net increase in loans in 2012 of \$2.5 million (2.4 percent), an increase in cash and due from banks of \$5.2 million (46 percent) and a decrease in investment securities of \$6.7 million (35 percent).

#### Revenue

Total revenue, defined as net interest income plus non-interest income, increased by \$520,000, or 10.8 percent, as compared to the year ended December 31, 2011. The growth in revenues for the full year period was primarily due to an increase in the average balance of the loan portfolio, a decrease in interest cost on deposits and higher prepayment penalty revenue.

#### Net Interest Income

Net interest income was \$5.1 million for fiscal 2012, as compared to \$4.7 million for 2011. The increase in net interest income for the current year is primarily due to an increase in average earnings assets to \$126 million in the current fiscal year compared to \$118 million in 2011. While the current rate environment continues to remain at record low levels, the bank's net interest margin for the year ended December 31, 2012 remained strong at 4.03 percent, as compared to 4.00 percent for the year ended December 31, 2011.

#### Provision for Loan Losses

The bank had a provision of \$121,000 for the year ended December 31, 2012, compared to a provision of \$233,000 for the year ended December 31, 2011. The allowance for possible loan losses as a percentage

of total loans was 1.24 percent as of December 31, 2012, as compared to 1.56 percent at December 31, 2011. The provision reflects management's view of the impact that the current economic environment has, and will continue to place on our borrowers, but in no way suggests an increased risk of loss potential.

#### **Non-Interest Income**

Non-interest income totaled \$254,000 in 2012, as compared to \$122,000 for 2011. The increase primarily relates to higher prepayment penalty revenue.

#### **Non-Interest Expense**

Total non-interest expense for the 12 months ended December 31, 2012, was \$4.0 million, a 3.9 percent increase, as compared to \$3.8 million for the 12 months ended December 31, 2011. Management has been committed to continuing its cost-austerity efforts and has been successful in controlling the bank's non-interest expense, taking into consideration the addition of a third branch office in mid-2011. Salaries and employee benefit expenses were \$2.2 million and \$2.1 million for the 12 months ended December 31, 2012 and December 31, 2011, respectively, or a 4.6 percent increase in 2012, partly relating to the opening of a third branch office in mid-2011. Other operating costs rose \$60,000 to \$962,000 in 2012, as compared to \$902,000 in 2011, mainly relating to costs incurred in the disposition of non-performing loan properties.

#### **ASSET QUALITY**

The bank had non-performing loans of \$1.1 million as of December 31, 2012, as compared to \$5.0 million at December 31, 2011, and charged-off loans totaled \$417,000 in 2012, as compared to \$3,000 in 2011. It is important to note that the loans identified as non-performing remain well collateralized and management believes that any material risk of loss should be mitigated by the strong collateralized composition of the portfolio. However, the bank continues to closely monitor the trend within the portfolio and is prepared to take whatever steps are necessary to ensure it is protected against future potential deterioration.

#### **CAPITAL**

Stockholders' equity totaled \$18.9 million at December 31, 2012, compared to \$18.1 million at December 31, 2011. 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, 2012, was 14.19 percent and the bank's total risk-based capital ratio at December 31, 2012, was 18.69 percent.

#### **THE BANK**

Enterprise National Bank N.J., headquartered in Kenilworth, New Jersey, is listed on the OTC Bulletin Board 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 forwardlooking 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 National Bank N.J.

### CONSOLIDATED BALANCE SHEETS (unaudited)

<b>Assets</b>	<b>12/31/12</b>	<b>12/31/11</b>
Cash and due from banks	<b>\$16,411,090</b>	\$11,257,876
Investment securities	<b>12,334,583</b>	19,020,897
Loans	<b>102,847,415</b>	100,391,215
Allowance for loan losses	<b><u>(1,273,310)</u></b>	<u>(1,568,849)</u>
Net loans	<b>101,574,105</b>	98,822,366
Bank premises and equipment, net	<b>435,873</b>	484,323
Real estate owned	<b>1,416,000</b>	295,600
Deferred income taxes	<b>760,131</b>	1,227,794
Other assets	<b><u>844,035</u></b>	<u>865,912</u>
<b>Total Assets</b>	<b>\$133,775,817</b>	\$131,974,768
<b>Liabilities and stockholders' equity</b>		
Non-interest bearing deposits	<b>\$17,211,351</b>	\$9,051,099
Interest bearing deposits	<b><u>93,361,737</u></b>	<u>99,052,926</u>
Total deposits	<b>110,573,088</b>	108,104,025
Borrowings	<b>4,000,000</b>	5,500,000
Other liabilities	<b><u>308,043</u></b>	<u>272,012</u>
Total liabilities	<b>114,881,131</b>	113,876,037
Total stockholders' equity	<b><u>18,894,686</u></b>	<u>18,098,731</u>
<b>Total Liabilities and stockholders' equity</b>	<b>\$133,775,817</b>	\$131,974,768

---

## Enterprise National Bank N.J.

### CONSOLIDATED INCOME STATEMENTS (unaudited)

<b>Fiscal Years Ended</b>	<b>12/31/12</b>	<b>12/31/11</b>
Total interest income	\$ 6,252,276	\$ 6,110,595
Total interest expense	<u>1,160,448</u>	<u>1,407,004</u>
Net interest income	5,091,828	4,703,591
Provision for possible loan losses	<u>121,080</u>	<u>232,649</u>
<i>Net interest income after provision</i>	4,970,748	4,470,942
Service fees and charges	239,496	109,634
Gain on sale of Securities	11,551	9,432
Other	<u>2,868</u>	<u>2,700</u>
<i>Total non-interest income</i>	253,915	121,766
Personnel expenses	2,172,703	2,078,024
Occupancy expense	294,692	277,235
Equipment	543,207	560,572
Advertising	6,252	9,613
Other expense	<u>944,685</u>	<u>902,427</u>
<i>Total non-interest expense</i>	3,961,539	3,827,871
Income before taxes	1,263,124	764,837
Income tax expense	<u>564,796</u>	<u>352,680</u>
<b>Net income</b>	\$ 698,328	\$ 412,157
Net income per Common Share – Basic	\$ <b>0.25</b>	\$ <b>0.15</b>
Net income per Common Share – Diluted	\$ <b>0.24</b>	\$ <b>0.14</b>
Weighted Shares Outstanding - Basic	2,810,127	2,794,022
Weighted Shares Outstanding - Diluted	2,854,724	2,862,142