



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 Third Quarter 2016 Earnings

Kenilworth, New Jersey, November 18, 2016 - Enterprise Bank NJ (the "Bank") (ENBN:PINX) recorded third quarter earnings of \$454,000, or \$0.14 per share, for the quarter ended September 30, 2016, compared to earnings of \$440,000, or \$0.15 per share for the quarter ended September 30, 2015 – an increase of \$14,000, or 3.2%, year over year. For the nine months ended September 30, 2016, the Bank reported a net profit of \$1,381,000 or \$0.44 per share compared to \$1,161,000 or \$0.40 per share for the same period in 2015 – an increase of \$220,000, or 18.9%.

FINANCIAL CONDITION

Assets

As of September 30, 2016, total assets were \$207.3 million as compared to \$192.8 million at December 31, 2015 – an increase of \$14.5 million or 7.5%.

Don Haake, President and CEO stated, "New business generation has been exceptional the past few years and although we did experience a dip in loan closings in the second quarter, we are back on track in the third quarter, with loan growth through third quarter reaching \$12.7 million, or 7.1% over year-end 2015. As stated last quarter, we do not have anxiety over intermittent slowdowns as we believe our growth is based on relationships with customers and will continue to produce the consistent earnings we strive for, while maintaining sound asset quality and stable margins."

Capital

Stockholders' equity totaled \$27.0 million at September 30, 2016, compared to \$25.1 million at December 31, 2015. All of the Bank's capital ratios remain strong and well in excess of the current regulatory definition of a "well capitalized" institution. At September 30, 2016, the Bank's tier one leverage capital ratio was 13.31% and the Bank's Total Risk Based Capital Ratio was 15.88%. In addition, the new Common Equity Tier 1 Ratio was 14.63% for the third quarter, 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.

Net Interest Income

Net interest income was \$1,936,000 for the quarter ending September 30, 2016 compared to \$1,836,000 for the quarter ending September 30, 2015 – an increase of \$100,000, or 5.4%. On a year to date basis, net interest income was \$5,711,000 for the nine months ended September 30,

2016 compared to \$5,224,000 for the nine months ended September 30, 2015 – an increase of \$487,000 or 9.3%. The Bank's net interest margin (NIM) for the nine months ended September 30, 2016 remained strong at 3.89% compared to 4.13% for the same period in 2015. The slight decline in the NIM is attributed to higher rate loans paying off late last year compared to the market for new originations.

Provision for Loan Loss

During the nine months ended September 30, 2016, the Bank added an additional \$234,000 to the provision. The decrease year over year is \$12,000 or 4.9% primarily due to a more moderate loan growth in 2016.

Non-Interest Expense

Total non-interest expense for the quarter ending September 30, 2016 was \$1,154,000 compared to \$1,051,000 for the quarter ended September 30, 2015. For the nine months ended September 30, 2016, non-interest expense was \$3,461,000 compared to \$3,198,000 for the same period in 2015 – an increase of \$263,000 or 8.2%. On a year to date basis, compensation and benefits account for \$153,000 of the increase related to staffing additions made late in 2015 and in the second quarter in preparation of the Newark Branch opening, which is anticipated to open before the end of November 2016. IT related expenses increased \$47,000 related the full impact of hardware and telephone system upgrades that occurred in the second half of 2015. In addition, other expenses are up approximately \$40,000 primarily due to the gain on the sale of assets, which offset \$33,000 in expenses in 2015 that did not recur in 2016.

Asset Quality

The bank had two non-performing loans totaling \$220,000 at September 30, 2016, as compared to \$360,000 for the same period last year. One non-performing loan paid off at year end in the amount of \$240,000. Currently, the two loans have been making payments as agreed. In addition, an OREO property remains on the books for \$1.25 million, but we received a letter of intent in October and hope to see the sale completed sometime in the first quarter of next 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 as it is set to open before Thanksgiving.

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 BALANCE SHEETS (unaudited)
dollars in thousands

Assets	9/30/2016	12/31/2015	Variance	% Chg
Cash and due from banks	\$ 8,881	\$ 5,484	\$ 3,397	61.9%
Investment securities	5,399	7,115	(1,716)	(24.1)%
Loans	191,425	178,705	12,720	7.1%
Allowance for loan losses	(2,314)	(2,081)	(233)	11.2%
Net loans	189,111	176,624	12,487	7.1%
Bank premises and equipment, net	572	346	226	65.3%
Real estate owned	1,250	1,250	-	0.0%
Deferred income taxes	1,171	1,160	11	0.9%
Other assets	935	829	106	12.8%
Total Assets	\$207,319	\$ 192,808	\$14,511	7.5%
Liabilities and stockholders' equity				
Non-interest bearing deposits	\$ 20,594	\$ 22,256	\$(1,662)	-7.5%
Interest bearing deposits	137,674	129,477	8,197	6.3%
Total deposits	158,268	151,733	6,535	4.3%
Borrowings	21,375	15,400	5,975	38.8%
Other liabilities	700	553	147	26.6%
Total liabilities	180,343	167,686	12,657	7.5%
Total stockholders' equity	26,976	25,122	1,854	7.4%
Total Liabilities and stockholders' equity	\$207,319	\$ 192,808	\$14,511	7.5%

Enterprise Bank NJ

CONSOLIDATED INCOME STATEMENTS (unaudited)

<u>For the Quarter Ended:</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>Variance</u>	<u>% Chg</u>
Interest Income	\$ 2,338	\$ 2,153	\$ 185	8.6%
Interest Expense	402	317	85	26.8%
Net Interest Income	1,936	1,836	100	5.4%
Provision for Loan Losses	99	95	4	4.2%
Net Interest Income after Provision for Loan Losses	1,837	1,741	96	5.5%
Non-Interest Income	80	49	31	63.3%
Non-Interest Expenses	1,154	1,051	103	9.8%
Income Before Income Taxes	763	739	24	3.2%
Income Taxes	309	299	10	3.3%
Net Income	\$ 454	\$ 440	\$ 14	3.2%
Net Income per Common Share	\$ 0.14	\$ 0.15	\$ (0.01)	
Average shares outstanding	<u>3,157,594</u>	<u>2,889,894</u>		

Enterprise Bank NJ

CONSOLIDATED INCOME STATEMENTS (unaudited)

<u>YTD By Quarter Ended:</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>Variance</u>	<u>% Chg</u>
Interest Income	\$ 6,900	\$ 6,098	\$ 802	13.2%
Interest Expense	1,189	874	315	36.0%
Net Interest Income	5,711	5,224	487	9.3%
Provision for Loan Losses	234	246	(12)	-4.9%
Net Interest Income after Provision for Loan Losses	5,477	4,978	499	10.0%
Non-Interest Income	300	177	123	69.5%
Non-Interest Expenses	3,461	3,198	263	8.2%
Income Before Income Taxes	2,316	1,957	359	18.3%
Income Taxes	935	796	139	17.5%
Net Income	\$ 1,381	\$ 1,161	\$ 220	18.9%
Net Income per Common Share	\$ 0.44	\$ 0.40	\$ 0.04	
Average shares outstanding	<u>3,150,270</u>	<u>2,889,894</u>		