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## FOR IMMEDIATE RELEASE

### Enterprise Bank NJ Announces Second Quarter 2016 Earnings Increases 28.6% Year-Over-Year

Kenilworth, New Jersey, August 10, 2016 - Enterprise Bank NJ (the "Bank") (ENBN:PINX) recorded second quarter earnings of \$468,000, or \$0.15 per share, for the quarter ended June 30, 2016, compared to earnings of \$406,000, or \$0.14 per share for the quarter ended June 30, 2015 – an increase of \$62,000, or 15.3%, year over year. For the six months ended June 30, 2016, the Bank reported a net profit of \$927,000 or \$0.30 per share compared to \$721,000 or \$0.25 per share for the same period in 2015 – an increase of \$206,000, or 28.6%.

## FINANCIAL CONDITION

### Assets

As of June 30, 2016, total assets were \$200.8 million, as compared to \$192.8 million, at December 31, 2015 – an increase of \$8.0 million or 4.1%.

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 fully anticipate to see improvement throughout the year as our pipeline remains robust. More importantly, we continue to make new contacts and build new relationships every day. Total loans ended the six months at \$184.5 million, up \$5.8 million, or 3.3% over year-end. As stated in the past, we do not have anxiety over intermittent slowdowns as we believe our relationship driven, controlled growth strategy will continue to produce the consistent earnings we strive for, while maintaining sound asset quality and stable margins."

### Capital

Stockholders' equity totaled \$26.1 million at June 30, 2016, compared to \$25.1 million at December 31, 2015. All of the Bank's capital ratios are exceptionally strong and remain well in excess of the current regulatory definition of a "well capitalized" institution. At June 30, 2016, the Bank's tier one leverage capital ratio was 12.94% and the Bank's total risk based capital ratio was 16.02%. In addition, the new Common Equity Tier 1 Ratio was 14.78% for the second quarter, which is 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 \$1.9 million for the quarter ending June 30, 2016, compared to \$1.7 million for the quarter ending June 30, 2015 – an increase of \$156,000, or 9.0%. On a year to

date basis, net interest income was \$3,775,000 for the six months ended June 30, 2016 compared to \$3,338,000 for the six months ended June 30, 2015 – an increase of \$387,000 or 10.8%. The Bank's net interest margin (NIM) for the six months ended June 30, 2016 remained strong at 3.88% compared to 4.15% for the same period in 2015. The decline in the NIM is attributed to higher deposit rates to fund the above average loan growth.

### **Non-Interest Expense**

Total non-interest expense for the quarter ending June 30, 2016 increased \$158,000 or 15.4% to \$1,185,000 compared to \$1,027,000 for the quarter ended June 30, 2015. The increase was predominately in the Salaries and Benefits which increased \$133,000 or 12.3% primarily due to hiring three new staff related to the opening of the Newark Branch which is now set to occur late in the third quarter and normal increases at year-end. Don Haake, President and CEO said, "Even though we are extremely focused on growing the bank, we remain committed to controlling expenses in the process, as evidenced by our peer leading efficiency ratio of 57.51%."

### **Asset Quality**

The bank had two non-performing loans totaling \$225,000 at June 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 \$241,000. Unfortunately, a loan of approximately \$116,000 was added in the first quarter due to the death of the borrower. We added this to nonaccrual to be conservative, but the estate of the borrower has been paying interest owed as required. In addition, an OREO property remains on the books for \$1.25 million, with a value of \$1.45 million based on a current appraisal. We continue to see steady interest in the property, but no formal offers have been presented to date.

### **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 is nearing completion of its fourth banking office located in the "Ironbound" section of Newark (a rendering of the new branch can be viewed on our website), which is an amazing up and coming urban/industrial community and the home to a growing customer base of the Bank. We are looking forward to expanding our services to the community 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.

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

<b>Assets</b>	<b>6/30/2016</b>	<b>12/31/2015</b>	<b>Variance</b>	<b>% Chg</b>
Cash and due from banks	\$ 9,399	\$ 5,484	\$ 3,915	71.4%
Investment securities	5,421	7,115	(1,694)	-23.8%
Loans	184,514	178,705	5,809	3.3%
Allowance for loan losses	(2,216)	(2,081)	(135)	6.5%
Net loans	182,298	176,624	5,674	3.2%
Bank premises and equipment, net	381	346	35	10.1%
Real estate owned	1,250	1,250	-	0.0%
Deferred income taxes	1,164	1,160	4	0.3%
Other assets	863	829	34	4.1%
<b>Total Assets</b>	<b>\$200,776</b>	<b>\$ 192,808</b>	<b>\$ 7,968</b>	<b>4.1%</b>
<b>Liabilities and stockholders' equity</b>				
Non-interest bearing deposits	\$ 19,206	\$ 22,256	\$(3,050)	-13.7%
Interest bearing deposits	139,162	129,477	9,685	7.5%
Total deposits	158,368	151,733	6,635	4.4%
Borrowings	15,675	15,400	275	1.8%
Other liabilities	614	553	61	11.0%
Total liabilities	174,657	167,686	6,971	4.2%
Total stockholders' equity	26,119	25,122	997	4.0%
<b>Total Liabilities and stockholders' equity</b>	<b>\$200,776</b>	<b>\$ 192,808</b>	<b>\$ 7,968</b>	<b>4.1%</b>

## Enterprise Bank NJ

### CONSOLIDATED INCOME STATEMENTS (unaudited)

<u>For the Quarter Ended:</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>Variance</u>	<u>% Chg</u>
Interest Income	\$ 2,284	\$ 2,024	\$ 260	12.8%
Interest Expense	395	291	104	35.7%
Net Interest Income	1,889	1,733	156	9.0%
Provision for Loan Losses	62	89	(27)	-30.3%
<b>Net Interest Income after Provision for Loan Losses</b>	<b>1,827</b>	<b>1,644</b>	<b>183</b>	<b>11.1%</b>
Non-Interest Income	141	68	73	107.4%
Non-Interest Expenses	1,185	1,027	158	15.4%
<b>Income Before Income Taxes</b>	<b>783</b>	<b>685</b>	<b>98</b>	<b>14.3%</b>
Income Taxes	315	279	36	12.9%
<b>Net Income</b>	<b>\$ 468</b>	<b>\$ 406</b>	<b>\$ 62</b>	<b>15.3%</b>
<b>Net Income per Common Share</b>	<b>\$ 0.15</b>	<b>\$ 0.14</b>	<b>\$ 0.01</b>	
Average shares outstanding	<u>3,147,811</u>	<u>2,889,894</u>		

## Enterprise Bank NJ

### CONSOLIDATED INCOME STATEMENTS (unaudited)

<u>YTD By Quarter Ended:</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>Variance</u>	<u>% Chg</u>
Interest Income	\$ 4,562	\$ 3,945	\$ 617	15.6%
Interest Expense	787	557	230	41.3%
Net Interest Income	3,775	3,388	387	11.4%
Provision for Loan Losses	135	151	(16)	-10.6%
<b>Net Interest Income after Provision for Loan Losses</b>	<b>3,640</b>	<b>3,237</b>	<b>403</b>	<b>12.4%</b>
Non-Interest Income	220	128	92	71.9%
Non-Interest Expenses	2,307	2,147	160	7.5%
<b>Income Before Income Taxes</b>	<b>1,553</b>	<b>1,218</b>	<b>33</b>	<b>27.5%</b>
Income Taxes	626	497	29	26.0%
<b>Net Income</b>	<b>\$ 927</b>	<b>\$ 721</b>	<b>\$ 206</b>	<b>28.6%</b>
<b>Net Income per Common Share</b>	<b>\$ 0.30</b>	<b>\$ 0.25</b>	<b>\$ 0.05</b>	
Average shares outstanding	<u>3,147,811</u>	<u>2,889,894</u>		

