



ENB Financial Corp

FOR IMMEDIATE RELEASE

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ENB Financial Corp Reports Second Quarter 2019 Results

(July 17, 2019) -- Ephrata, PA – ENB Financial Corp (OTCQX: ENBP), the bank holding company for Ephrata National Bank, reports net income for the second quarter of 2019 of \$3,089,000, a \$963,000, or 45.3% increase, from the \$2,126,000 earned during the second quarter of 2018. Net income for the six months ended June 30, 2019, was \$5,692,000, a \$745,000, or 15.1% increase, over the \$4,947,000 earned for the same period in 2018. Basic and diluted earnings per share for the second quarter of 2019 were \$0.54 compared to \$0.37 for the same period in 2018. Year-to-date earnings per share were \$1.00 in 2019 compared to \$0.87 in 2018.

The Corporation's net interest income (NII) increased by \$1,103,000, or 13.7%, and \$2,336,000, or 14.8%, for the three and six months ended June 30, 2019, compared to the same periods in 2018. The increase in NII primarily resulted from an increase in interest and fees on loans of \$1,605,000, or 23.9%, and \$3,230,000, or 24.7%, for the three and six months ended June 30, 2019, compared to the same periods in 2018. This increase was partially offset by an increase in interest expense of \$462,000, or 54.9%, and \$867,000, or 53.7%, for the three and six months ended June 30, 2019, compared to the same periods in 2018.

The Corporation recorded \$30,000 of provision expense in the second quarter of 2019, compared to \$90,000 for the second quarter of 2018, and provision expense of \$210,000 for the six months ended June 30, 2019, compared to \$280,000 for the year-to-date period in 2018. The allowance as a percentage of total loans was 1.25% as of June 30, 2019, compared to 1.30% as of June 30, 2018.

Gains on the sale of securities for the three months ended June 30, 2019, were \$133,000, compared to losses of \$46,000 for the three months ended June 30, 2018. For the six months ended June 30, 2019, gains on securities transactions were \$231,000, compared to gains of \$19,000 for the same period in 2018, representing increases of \$179,000 and \$212,000, respectively. With market rates declining during the first six months of 2019, management was able to sell securities at higher gains compared to the same period in the prior year.

Gains on the sale of mortgages increased by \$63,000, or 17.9%, and \$177,000, or 30.2%, for the three and six months ended June 30, 2019, compared to the prior year's periods. Mortgage production was higher during the first six months of 2019 compared to 2018, resulting in higher gains that were partially offset by lower valuations of new mortgage servicing assets.

Total operating expenses increased \$50,000, or 0.6%, and \$448,000, or 2.8%, for the three and six months ended June 30, 2019, compared to the same periods in 2018. Salary and benefit expenses, which make up the largest portion of operating expenses, decreased \$116,000, or 2.2%, and increased \$112,000, or 1.1%, for the three and six months ended June 30, 2019,

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compared to the same periods in 2018. Net salary costs decreased for the quarter and increased minimally for the year-to-date period as a result of deferring higher levels of loan origination fees, which offset salary expense. Benefit costs were higher for the three and six months ended June 30, 2019, primarily due to higher health insurance costs. Other operating expenses were higher for both periods, driven primarily by increases in outside services, debit card processing, and provision for off balance sheet extensions of credit. For the six months ended June 30, 2019, software expenses also contributed to higher operational expenses.

The Corporation's annualized return on average assets (ROA) and return on average stockholders' equity (ROE) for the second quarter of 2019 were 1.11% and 11.48%, respectively, compared to 0.82% and 8.80% for the second quarter of 2018. For the six months ended June 30, 2019, the Corporation's annualized ROA was 1.04%, compared to 0.97% in 2018, while the ROE was 10.87%, compared to 10.25% in 2018.

As of June 30, 2019, the Corporation had total assets of \$1.13 billion, up 7.8%; total stockholders' equity of \$112.5 million, up 13.9%; total deposits of \$941.6 million, up 7.2%; and total loans of \$718.4 million, up 14.3%, from the balances as of June 30, 2018.

ENB Financial Corp, headquartered in Ephrata, PA, is the bank holding company for its wholly-owned subsidiary Ephrata National Bank. Ephrata National Bank operates from twelve full-service locations in Lancaster County, southeastern Lebanon County, and southern Berks County, Pennsylvania, with the headquarters located at 31 E. Main Street, Ephrata, PA. Ephrata National Bank has been serving the community since 1881. For more information about ENB Financial Corp, visit the Corporation's web site at www.enbfc.com.

Notice Regarding Forward Looking Statements

This news release may constitute forward-looking statements for purposes of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and as such may involve known and unknown risk, uncertainties and other factors which may cause the actual results of ENB Financial Corp to be materially different from future results expressed or implied by such forward-looking statements. These forward-looking statements can be identified by use of terminology such as "expect", "plan", "anticipate", "believe", "estimate", and similar words that are intended to identify such forward-looking statements. These forward-looking statements are based on management's current expectations, assumptions, estimates, and projections about the Corporation, the financial services industry, and the economy. The Private Securities Reform Act of 1995 provides safe harbor in the event the projected future operations are not met. There are a number of future factors such as changes in fiscal or monetary policy, or changes in the economic climate that will influence the Corporation's future operations. These factors are difficult to predict with regard to how likely and to what degree or significance that they would occur. Actual results may differ materially from what may have been forecasted in the forward-looking statements. We are not obligated to publicly update any forward-looking statements to reflect the effects of subsequent events.

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SUMMARY CONSOLIDATED FINANCIAL INFORMATION (Unaudited)

(in thousands, except per share and percentage data)

Balance Sheet	June 30,		%	
	2019	2018	Change	
Securities	\$ 297,158	\$ 312,990	-5.1%	
Total loans	718,356	628,218	14.3%	
Allowance for loan losses	8,957	8,171	9.6%	
Total assets	1,131,645	1,049,886	7.8%	
Deposits	941,606	878,069	7.2%	
Total borrowings	74,628	71,099	5.0%	
Stockholders' equity	112,514	98,743	13.9%	
Income Statement				
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Net interest income	\$ 9,158	\$ 8,055	\$ 18,141	\$ 15,805
Provision for loan losses	30	90	210	280
Noninterest income	2,762	2,628	5,306	6,008
Noninterest expense	8,217	8,167	16,499	16,051
Income before taxes	3,673	2,426	6,738	5,482
Provision for income taxes	584	300	1,046	535
Net income	3,089	2,126	5,692	4,947
Per Share Data				
Earnings per share	0.54	0.37	1.00	0.87
Dividends per share	0.155	0.145	0.305	0.285
Earnings Ratios				
Return on average assets (ROA)	1.11%	0.82%	1.04%	0.97%
Return on average stockholders' equity (ROE)	11.48%	8.80%	10.87%	10.25%
Net interest margin	3.56%	3.41%	3.57%	3.37%
Efficiency ratio	68.6%	73.3%	69.9%	70.8%

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