

**Report of Organizational Actions  
Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  Enterprise Bank N.J.		2 Issuer's employer identification number (EIN)  22-3687525	
3 Name of contact for additional information  Adriano M. Duarte		4 Telephone No. of contact  (844) 844-8958	5 Email address of contact  aduarte@SBOne.bank
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  95 State Route 17, Suite 204		7 City, town, or post office, state, and ZIP code of contact  Paramus, NJ 07652	
8 Date of action  12/21/2018		9 Classification and description  Stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attachment.

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15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attachment.

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16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attachment.

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**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

18 Can any resulting loss be recognized? ▶ See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
	Signature ▶	<i>Adriano M. Duarte</i>	Date ▶	8/15/14	
	Print your name ▶	Adriano M. Duarte	Title ▶	EVP/CFO	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	PAUL W MAULFAIR	<i>Paul Maulfair</i>	8/15/14		P00744929
	Firm's name ▶ BAKER TILLY VIRCHOW KRAUSE, LLP			Firm's EIN ▶	39-0859910
	Firm's address ▶ 205 N MISHIGAN AVE, 27TH FLR CHICAGO, IL 60601			Phone no.	717-718-6956

Enterprise Bank N.J.  
EIN: 22-3687525  
Attachment to Form 9937

**PART II: ORGANIZATIONAL ACTION**

**CONSULT YOUR TAX ADVISOR**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Merger (as defined below) on the tax basis of SB One Bancorp stock received in the Merger in exchange for Enterprise Bank N.J. stock. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. SB One Bancorp does not provide tax advice to its stockholders. You are urged to consult your own tax advisor regarding the particular consequences of the Merger to you, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. You also are urged to read the Proxy Statement/Prospectus of SB One Bancorp and Enterprise Bank N.J., dated October 21, 2018, noting especially the discussion on pages 84-86 under "Material United States Federal Income Tax Consequences." You may access the Proxy Statement/Prospectus at [www.sec.gov](http://www.sec.gov).

**Line 14 - Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:**

On December 21, 2018 (the effective date), SB One Bancorp completed its acquisition of Enterprise Bank N.J. (the "Merger"). As part of the Merger, Enterprise Bank N.J. was merged into SB One Bank, a wholly owned subsidiary of SB One Bancorp, with SB One Bank as the surviving bank and SB One Bancorp as the surviving corporation.

Pursuant to the terms of the Agreement and Plan of Merger by and among SB One Bancorp and Enterprise Bank N.J. dated June 19, 2018 (the "Merger Agreement"), upon completion of the Merger, each share of Enterprise Bank N.J. common stock outstanding at the effective time of the Merger was converted into 0.4538 shares of SB One Bancorp's common stock.

Under the Merger Agreement, fractional shares of SB One Bancorp common stock were not issued. Instead, Enterprise Bank N.J. shareholders received an amount in cash in lieu of any fractional shares they would have otherwise received in the Merger

**Line 15 - Describe the quantitative effect of the organization action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:**

Enterprise Bank N.J. shareholders received SB One Bancorp common stock in exchange for their Enterprise Bank N.J. shares, which had an effect on each U.S. holder's tax basis. Generally, a U.S. holder's aggregate tax basis in the SB One Bancorp common stock received by such U.S. holder in the Merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "Cash in Lieu of Fractional Shares of SB One Bancorp Common Stock" will equal such U.S. holder's aggregate tax basis in the Enterprise Bank N.J. common stock surrendered in the Merger, increased by the amount of taxable gain, if any, recognized by such U.S. holder in the Merger (other than with respect to cash received in lieu of fractional shares of SB One Bancorp common stock). The holding period for the shares of SB One Bancorp's common stock received in the Merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "Cash

in Lieu of Fractional Shares of SB One Bancorp's Common Stock" generally will include the holding period for the shares of Enterprise Bank N.J. common stock exchanged.

#### **Cash in Lieu of Fractional Shares of SB One Bancorp Common Stock**

A U.S. holder of Enterprise Bank N.J. common stock who received cash instead of fractional shares of SB One Bancorp common stock will be treated as having received the fractional shares pursuant to the Merger and then as having exchanged the fractional shares for cash in redemption by SB One Bancorp. In general, this deemed redemption will be treated as a sale or exchange and a U.S. holder will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. holder and (ii) the portion of the basis of the shares of Enterprise Bank N.J. common stock allocable to such fractional interest.

#### **Line 16 - Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of the securities and the valuation dates:**

The calculations are based upon the exchange ratio agreed to in the Merger Agreement, as described in Part II, Line 14.

Based on the transaction qualifying as a reorganization under section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), if a U.S. holder exchanges shares of Enterprise Bank N.J. stock solely for shares of SB One Bancorp common stock (and cash in lieu of a fractional share) pursuant to the Merger, no gain or loss for U.S. federal income tax purposes in respect of the receipt of shares of SB One Bancorp common stock is recognized, except with respect to the cash received for the fractional SB One Bancorp share. In such case, the aggregate tax basis of the shares of SB One Bancorp common stock received (including any fractional shares deemed received and exchanged for cash) will be equal to the adjusted tax basis in the shares of Enterprise Bank N.J. stock surrendered in the Merger. In the case of different blocks of Enterprise Bank N.J. stock acquired at different times or at different prices, the SB One Bancorp common stock received will be allocated pro rata to each block of Enterprise Bank N.J. stock, and the tax basis and holding period of each block of SB One Bancorp common stock received will be determined on a block-by-block tax basis depending on the tax basis and holding period of the blocks of Enterprise Bank N.J. stock exchanged for such block of SB One Bancorp common stock.

#### **Line 17 - List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:**

The Merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. In general, the federal income tax consequences to the former Enterprise Bank N.J. stockholders are determined under Sections 354, 356, 358 and 1221. Enterprise Bank N.J. stockholders will generally recognize gain (but not loss), pursuant to Section 356 of the Code, in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the amount of cash and fair market value of the SB One Bancorp common stock received pursuant to the Merger over the Enterprise Bank N.J. stockholder's adjusted basis in its shares of Enterprise Bank N.J. common stock surrendered, as determined pursuant to Sections 1001 and 1011 of the Code) and (2) the amount of cash received pursuant to the Merger (excluding any cash received in lieu of a fractional share of SB One Bancorp common stock).

#### **Line 18 - Can any resulting loss be recognized?**

The Merger is intended to qualify for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Code. Therefore, for U.S. federal income tax purposes, as a result of the Merger, a U.S. holder of shares of Enterprise Bank N.J. common stock generally would only recognize gain (but not loss) in an amount not to exceed the cash received as part of the Merger consideration. However, no cash was exchanged except in the case of fractional shares. For cash received in lieu of fractional shares of SB One Bancorp common stock, a U.S. holder generally will

recognize gain or loss equal to the difference between the amount of cash received and the basis in his or her fractional share interest.

**Line 19 - Provide any other information to implement the adjustment such as the reportable tax year:**

The merger occurred on December 21, 2018. Therefore any gain or loss recognized with respect to the Merger should be reported by Enterprise Bank N.J. shareholders in the tax year that includes December 21, 2018 (e.g. a calendar-year shareholder would report the transaction on his or her federal income tax return filed for the 2018 calendar year).

Enterprise Bank N.J. shareholders are urged to consult their own tax advisors with respect to their individual tax consequences of the Merger. The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of avoiding penalties under the Internal Revenue Code of 1986, as amended.