

ENTERPRISE FINANCIAL SERVICES CORP  
Form 10-Q  
July 29, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended June 30, 2014.

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-15373

ENTERPRISE FINANCIAL SERVICES CORP

Incorporated in the State of Delaware  
I.R.S. Employer Identification # 43-1706259  
Address: 150 North Meramec  
Clayton, MO 63105  
Telephone: (314) 725-5500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)  
Yes  No

As of July 25, 2014, the Registrant had 19,773,427 shares of outstanding common stock, \$0.01 par value.

This document is also available through our website at <http://www.enterprisebank.com>.

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## PART 1 – ITEM 1 – FINANCIAL STATEMENTS

## ENTERPRISE FINANCIAL SERVICES CORP AND SUBSIDIARIES

## Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except share and per share data)

	June 30, 2014	December 31, 2013
Assets		
Cash and due from banks	\$32,993	\$19,573
Federal funds sold	44	76
Interest-bearing deposits (including \$1,250 and \$990 pledged as collateral)	89,392	190,920
Total cash and cash equivalents	122,429	210,569
Interest-bearing deposits greater than 90 days	5,300	5,300
Securities available for sale	448,049	434,587
Loans held for sale	5,375	1,834
Portfolio loans	2,251,102	2,137,313
Less: Allowance for loan losses	28,422	27,289
Portfolio loans, net	2,222,680	2,110,024
Purchase credit impaired loans, net of the allowance for loan losses (\$17,539 and \$15,438, respectively)	100,965	125,100
Total loans, net	2,323,645	2,235,124
Other real estate not covered under FDIC loss share	7,613	7,576
Other real estate covered under FDIC loss share	12,821	15,676
Other investments, at cost	16,110	12,605
Fixed assets, net	17,930	18,180
Accrued interest receivable	7,009	7,303
State tax credits, held for sale, including \$14,985 and \$16,491 carried at fair value, respectively	45,529	48,457
FDIC loss share receivable	25,508	34,319
Goodwill	30,334	30,334
Intangible assets, net	4,767	5,418
Other assets	103,022	102,915
Total assets	\$3,175,441	\$3,170,197
Liabilities and Shareholders' Equity		
Demand deposits	\$675,301	\$653,686
Interest-bearing transaction accounts	235,142	219,802
Money market accounts	872,681	948,884
Savings	84,206	79,666
Certificates of deposit:		
\$100 and over	454,328	475,544
Other	143,792	157,371
Total deposits	2,465,450	2,534,953
Subordinated debentures	56,807	62,581
Federal Home Loan Bank advances	153,600	50,000
Other borrowings	165,943	203,831
Notes payable	6,300	10,500
Accrued interest payable	862	957
Other liabilities	24,915	27,670
Total liabilities	2,873,877	2,890,492
Shareholders' equity:		

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Preferred stock, \$0.01 par value; 5,000,000 shares authorized; 0 shares issued and outstanding	—	—	
Common stock, \$0.01 par value; 30,000,000 shares authorized; 19,840,568 and 19,399,709 shares issued, respectively	198	194	
Treasury stock, at cost; 76,000 shares	(1,743	) (1,743	)
Additional paid in capital	206,232	200,258	
Retained earnings	96,298	85,376	
Accumulated other comprehensive income (loss)	579	(4,380	)
Total shareholders' equity	301,564	279,705	
Total liabilities and shareholders' equity	\$3,175,441	\$3,170,197	
See accompanying notes to condensed consolidated financial statements.			

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ENTERPRISE FINANCIAL SERVICES CORP AND SUBSIDIARIES

Condensed Consolidated Statements of Operations (Unaudited)

(In thousands, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Interest income:				
Interest and fees on loans	\$29,743	\$35,585	\$61,187	\$74,934
Interest on debt securities:				
Taxable	2,189	2,054	4,355	4,167
Nontaxable	299	305	598	606
Interest on interest-bearing deposits	36	46	102	93
Dividends on equity securities	42	71	91	171