

ENTERPRISE FINANCIAL SERVICES CORP
Form 10-Q
July 31, 2017

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, 2017.

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 (Do not check if a smaller reporting company) 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 26, 2017, the Registrant had 23,462,997 shares of outstanding common stock, \$0.01 par value.

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

ENTERPRISE FINANCIAL SERVICES CORP AND SUBSIDIARIES
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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, 2017	December 31, 2016
Assets		
Cash and due from banks	\$77,815	\$ 54,288
Federal funds sold	912	446
Interest-bearing deposits (including \$2,574 and \$675 pledged as collateral)	39,037	144,068
Total cash and cash equivalents	117,764	198,802
Interest-bearing deposits greater than 90 days	1,470	980
Securities available for sale	623,857	460,797
Securities held to maturity	77,641	80,463
Loans held for sale	4,285	9,562
Loans	3,894,770	3,158,161
Less: Allowance for loan losses	41,799	43,409
Total loans, net	3,852,971	3,114,752
Other real estate	529	980
Other investments, at cost	26,477	14,840
Fixed assets, net	33,987	14,910
Accrued interest receivable	11,923	11,117
State tax credits held for sale (including \$1,274 and \$3,585 carried at fair value)	35,247	38,071
Goodwill	116,186	30,334
Intangible assets, net	12,458	2,151
Other assets	123,901	103,569
Total assets	\$5,038,696	\$ 4,081,328
Liabilities and Shareholders' Equity		
Demand deposits	\$1,019,064	\$ 866,756
Interest-bearing transaction accounts	803,104	731,539
Money market accounts	1,306,051	1,050,472
Savings	199,950	111,435
Certificates of deposit:		
Brokered	133,606	117,145
Other	459,476	356,014
Total deposits	3,921,251	3,233,361
Subordinated debentures and notes (net of debt issuance cost of \$1,201 and \$1,267)	118,080	105,540
Federal Home Loan Bank advances	200,992	—
Other borrowings	217,180	276,980
Accrued interest payable	1,459	1,105
Other liabilities	30,981	77,244
Total liabilities	4,489,943	3,694,230
Shareholders' equity:		
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; 23,746,748 and 20,306,353	237	203
shares issued		
Treasury stock, at cost; 261,718 shares	(6,632) (6,632)

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Additional paid in capital	348,217	213,078
Retained earnings	206,602	182,190
Accumulated other comprehensive income (loss)	329	(1,741)
Total shareholders' equity	548,753	387,098
Total liabilities and shareholders' equity	\$5,038,696	\$4,081,328

See accompanying notes to consolidated financial statements.

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ENTERPRISE FINANCIAL SERVICES CORP AND SUBSIDIARIES

Condensed Consolidated Statements of Operations (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
(in thousands, except per share data)	2017	2016	2017	2016
Interest income:				
Interest and fees on loans	\$47,307	\$34,183	\$87,233	\$66,791
Interest on debt securities:				
Taxable	3,585	2,397	6,815	4,784
Nontaxable	304	328	690	660
Interest on interest-bearing deposits	234	58	364	119
Dividends on equity securities	112	67	180	139
Total interest income	51,542	37,033	95,282	72,493
Interest expense:				
Interest-bearing transaction accounts	523			