

ENTERPRISE FINANCIAL SERVICES CORP
Form 10-Q
July 27, 2018

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, 2018.

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, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth 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
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act.

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

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As of July 25, 2018, the Registrant had 23,150,738 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, 2018	December 31, 2017
Assets		
Cash and due from banks	\$91,851	\$ 91,084
Federal funds sold	1,445	1,223
Interest-bearing deposits (including \$1,295 and \$1,365 pledged as collateral, respectively)	83,961	61,016
Total cash and cash equivalents	177,257	153,323
Interest-bearing deposits greater than 90 days	2,180	2,645
Securities available for sale	651,140	641,382
Securities held to maturity	68,931	73,749
Loans held for sale	1,388	3,155
Loans	4,275,761	4,097,050
Less: Allowance for loan losses	44,370	42,577
Total loans, net	4,231,391	4,054,473
Other real estate	454	498
Other investments, at cost	36,132	26,661
Fixed assets, net	32,814	32,618
Accrued interest receivable	17,808	14,069
State tax credits held for sale (including \$299 and \$400 carried at fair value, respectively)	46,481	43,468
Goodwill	117,345	117,345
Intangible assets, net	9,768	11,056
Other assets	116,835	114,783
Total assets	\$5,509,924	\$ 5,289,225
Liabilities and Shareholders' Equity		
Demand deposits	\$1,050,969	\$ 1,123,907
Interest-bearing transaction accounts	754,819	915,653
Money market accounts	1,558,923	1,342,931
Savings	209,870	195,150
Certificates of deposit:		
Brokered	224,192	115,306
Other	449,139	463,467
Total deposits	4,247,912	4,156,414
Subordinated debentures and notes (net of debt issuance cost of \$1,071 and \$1,136, respectively)	118,131	118,105
Federal Home Loan Bank advances	361,534	172,743
Other borrowings	167,216	253,674
Accrued interest payable	1,884	1,730
Other liabilities	39,163	37,986
Total liabilities	4,935,840	4,740,652
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; 23,900,669 and 23,781,112 shares issued, respectively	239	238

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Treasury stock, at cost; 756,588 and 691,673 shares, respectively	(26,326) (23,268)
Additional paid in capital	348,471	350,061	
Retained earnings	264,280	225,360	
Accumulated other comprehensive loss	(12,580) (3,818)
Total shareholders' equity	574,084	548,573	
Total liabilities and shareholders' equity	\$5,509,924	\$5,289,225	

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)	2018	2017	2018	2017
Interest income:				
Interest and fees on loans	\$52,948	\$47,307	\$103,398	\$87,233
Interest on debt securities:				
Taxable	4,228	3,585	8,215	6,815
Nontaxable	271	304	553	690
Interest on interest-bearing deposits	231	234	471	364
Dividends on equity securities	201	112	406	180
Total interest income	57,879	51,542	113,043	95,282