

ENTERPRISE FINANCIAL SERVICES CORP  
Form S-4/A  
December 31, 2018

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

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AMENDMENT NO. 1  
TO  
FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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ENTERPRISE FINANCIAL SERVICES CORP  
(Exact Name of Registrant as Specified in its Charter)

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Delaware	6022	43-1706259
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification Number)

150 North Meramec  
Clayton, Missouri 63105  
(314) 725-5500  
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Keene S. Turner  
Chief Financial Officer  
Enterprise Financial Services Corp  
150 North Meramec  
Clayton, Missouri 63105  
(314) 725-5500

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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Copies to:

Paul Jaskot, Esq. Holland & Knight LLP Cira Centre, Suite 800 2929 Arch Street Philadelphia, PA 19104 (215) 252-9539	John S. Gulas President and Chief Executive Officer Trinity Capital Corporation 1200 Trinity Drive Los Alamos, NM 87544 (505) 662-5171	Peter G. Weinstock, Esq. Beth A. Whitaker, Esq. Hunton Andrews Kurth LLP 1445 Ross Avenue Suite 3700 Dallas, TX 75202 (214) 979-3000
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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the Merger described in the enclosed proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)   
 Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

Title Of Each Class Of Securities To Be Registered	Amount To Be Registered (1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price (2)	Amount Of Registration Fee (3)
Common Stock, par value \$0.01 per share	4,025,472 shares	N/A	\$165,541,433.54	\$20,063.62 (4)

Represents the maximum number of shares of common stock of Enterprise Financial Services Corp to be issued upon completion of the Merger described in the proxy statement/prospectus contained herein, in accordance with (1) the Agreement and Plan of Merger, dated as of November 1, 2018, by and among Enterprise Financial Services Corp, Enterprise Bank & Trust, Trinity Capital Corporation and Los Alamos National Bank, which is attached to the proxy statement/prospectus as Appendix A.

Estimated solely for the purpose of determining the registration fee required by Section 6(b) of the Securities Act and calculated in accordance with Rules 457(f)(2) and 457(f)(3) of the Securities Act of 1933. The proposed maximum aggregate offering price of the Enterprise common stock was calculated based on the market value of the shares of Trinity common stock (the securities being cancelled in the Merger) as follows: the product of (a) \$9.95, the average of the high and low sales price of Trinity voting common stock as quoted on the OTCQX Market on December 10, 2018, less the minimum amount of cash consideration to be paid in the Merger of \$1.84 per share multiplied by (b) 20,412,014, the estimated maximum number of shares of Trinity common stock that may be exchanged for shares of Enterprise common stock in the Merger.

(3) Computed pursuant to Rules 457(f)(2) and 457(f)(3) of the Securities Act, based on a rate of \$121.20 per \$1,000,000 of the proposed maximum aggregate offering price.

(4) Previously paid.

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The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission (the "SEC"), acting pursuant to said Section 8(a), may determine.

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Information in this proxy statement/prospectus is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY PROXY STATEMENT/PROSPECTUS - SUBJECT TO COMPLETION - DATED DECEMBER 31, 2018

MERGER PROPOSED - YOUR VOTE IS VERY IMPORTANT

Dear Shareholder of Trinity Capital Corporation:

On November 1, 2018, Trinity Capital Corporation (“Trinity”) and its wholly-owned subsidiary bank, Los Alamos National Bank (“LANB”), entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Enterprise Financial Services Corp (“Enterprise”) and Enterprise’s wholly-owned subsidiary bank, Enterprise Bank & Trust (“EB&T”), which provides for the merger of Trinity with and into Enterprise, with Enterprise surviving the merger (the “Merger”).

In connection with the Merger, Trinity will hold a special meeting of its shareholders (the “Special Meeting”) on February 5, 2019, at 10:00 a.m., Mountain Time, at Crossroads Bible Church, 97 E Road, Los Alamos, New Mexico 87544. At the Special Meeting, you will be asked to consider and vote upon a proposal to approve the Merger Agreement and the transactions contemplated thereby (the “Merger Proposal”), a proposal to approve a non-binding advisory resolution to approve the compensation that will or may become payable to certain named executive officers of Trinity in connection with the Merger (the “Advisory Vote Proposal”), and a proposal to approve the adjournment or postponement of the Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal (the “Adjournment Proposal”).

If the Merger is completed, each share of Trinity voting common stock and non-voting common stock outstanding immediately prior to the effective time of the Merger will be converted into the right to receive: (i) \$1.84 in cash, without interest and subject to adjustment (the “Cash Consideration”), and (ii) 0.1972 shares of Enterprise common stock (the “Stock Consideration” and together with the Cash Consideration, the “Merger Consideration”), together with cash in lieu of a fractional share of Enterprise common stock.

Enterprise common stock is listed for trading on the NASDAQ Global Select Market (“NASDAQ”) under the symbol “EFSC.” Based on the fixed value of the Cash Consideration of \$1.84 per share and based on the following closing prices of Enterprise common stock on NASDAQ: (i) \$43.45 on October 31, 2018, the last trading day before public announcement of the Merger Agreement and (ii) \$37.42 on December 28, 2018, the latest practicable trading day before the date of this proxy statement/prospectus, the implied value of the Merger Consideration per share would be approximately \$10.41 and \$9.22, respectively, and the implied value of the aggregate Merger Consideration would be approximately \$213 million and \$188 million, respectively. The implied value of the Stock Consideration will fluctuate as the market price of Enterprise common stock fluctuates. You should obtain current market quotations for Enterprise common stock before deciding how to vote with respect to the approval of the Merger Agreement.

Trinity will have a right to terminate the Merger Agreement if the volume weighted average price of Enterprise common stock during a specified period before the effective time of the Merger both (i) is less than \$37.26352 per share and (ii) underperforms a specified index of financial institution stocks during such period by more than twenty percent (20%); provided, however, that if Trinity elects to terminate the Merger Agreement in such instance, Enterprise may elect to reinstate the Merger and the other transactions contemplated by the Merger Agreement by adjusting the exchange ratio to increase the Stock Consideration or add an amount in cash to increase the Cash Consideration. If Enterprise makes such election to reinstate the Merger and the other transactions contemplated by

the Merger Agreement, then no termination will occur and the Merger Agreement will remain in effect according to its terms (except the Merger Consideration, which will have been adjusted).

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Your vote is important regardless of the number of shares that you own. Approval of the Merger Agreement requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of Trinity voting common stock and the affirmative vote of the holders of at least two-thirds of the outstanding shares of Trinity non-voting common stock entitled to vote at the Special Meeting. Accordingly, whether or not you plan to attend the Special Meeting, please take time to vote by following the voting instructions included in the enclosed proxy card. Submitting a proxy now will not prevent you from being able to vote in person at the Special Meeting.

After careful consideration, the Trinity board of directors unanimously approved and adopted the Merger Agreement and the transactions contemplated thereby, including the Merger. The Trinity board of directors recommends that you vote: “FOR” the Merger Proposal, “FOR” the Advisory Vote Proposal and “FOR” the Adjournment Proposal.

The accompanying document is a proxy statement of Trinity and a prospectus of Enterprise, and provides you with information about Trinity, Enterprise, the Special Meeting, the Merger Proposal, the Merger, the documents related to the Merger and other related matters. Trinity encourages you to read the entire proxy statement/prospectus, including any documents it refers you to, and its appendices carefully and in their entirety. For a discussion of risk factors you should consider in evaluating the Merger Agreement you are being asked to approve, see “Risk Factors” beginning on page 30 of the accompanying proxy statement/prospectus.

We look forward to seeing you and visiting with you at the Special Meeting.

Sincerely,

/s/ John S. Gulas  
John S. Gulas  
President and Chief Executive Officer

Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of the shares of Enterprise common stock to be issued in the Merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the Merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This proxy statement/prospectus is dated January 2, 2019 and is being first mailed to Trinity shareholders on or about January 8, 2019.





#### HOW TO OBTAIN MORE INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about Enterprise from documents filed with the SEC that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Enterprise at no cost from the SEC's website maintained at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference into this proxy statement/prospectus, at no cost by contacting Enterprise in writing at the address or by telephone as specified below:

Enterprise Financial Services Corp  
Keene S. Turner, Chief Financial Officer  
150 North Meramec  
Clayton, MO 63105  
(314) 725-5500

You will not be charged for any of these documents that you request. In order for you to receive timely delivery of the documents, you must request them no later than five business days before the date of the Special Meeting. This means that Trinity shareholders requesting documents must do so by January 28, 2019 in order to receive them before the Special Meeting.

See "Where You Can Find More Information" on page 139 of this proxy statement/prospectus.

You should only rely on the information contained in this proxy statement/prospectus. We have not authorized anyone to provide shareholders of Trinity with different information. This proxy statement/prospectus is dated January 2, 2019; you should not assume that information contained in this proxy statement/prospectus is accurate as of any date other than that date. Neither the mailing of this proxy statement/prospectus to Trinity shareholders nor the issuance by Enterprise of Enterprise common stock in connection with the transactions contemplated by the Merger Agreement will create any implications to the contrary.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy any securities, or the solicitation of a consent, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

TRINITY CAPITAL CORPORATION

1200 Trinity Drive  
Los Alamos, NM 87544

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON FEBRUARY 5, 2019

NOTICE IS HEREBY GIVEN that a special meeting of shareholders (the “Special Meeting”) of Trinity Capital Corporation (“Trinity”) will be held on February 5, 2019, at 10:00 a.m., Mountain Time, at Crossroads Bible Church, 97 E Road, Los Alamos, New Mexico 87544.

The Special Meeting is for the purpose of considering and acting upon:

1. A proposal to approve the Agreement and Plan of Merger (the “Merger Agreement”), dated as of November 1, 2018, by and among Enterprise Financial Services Corp (“Enterprise”), Enterprise Bank & Trust, Enterprise’s wholly-owned subsidiary bank (“EB&T”), Trinity and Los Alamos National Bank, Trinity’s wholly-owned subsidiary bank (“LANB”), a copy of which is included in this proxy statement/prospectus as Appendix A, pursuant to which Trinity will merge with and into Enterprise, with Enterprise surviving the merger (the “Merger”), and transactions contemplated thereby (the “Merger Proposal”);
2. A proposal to approve a non-binding advisory resolution to approve the compensation that will or may become payable to certain named executive officers of Trinity in connection with the Merger (the “Advisory Vote Proposal”); and
3. A proposal to adjourn or postpone the Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal (the “Adjournment Proposal”).

Any action may be taken on the foregoing proposals at the Special Meeting on the date specified above or on any date or dates to which, by original or later adjournment or postponement, the Special Meeting may be adjourned. Only Trinity shareholders of record as of the close of business on December 31, 2018 are entitled to notice of and to vote at the Special Meeting and any adjournments or postponements thereof.

THE BOARD OF DIRECTORS OF TRINITY AND ENTERPRISE HAVE EACH UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY AND HAVE DETERMINED THAT THE MERGER IS IN THE BEST INTEREST OF THEIR RESPECTIVE SHAREHOLDERS. THE TRINITY BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE “FOR” THE MERGER PROPOSAL, “FOR” THE ADVISORY VOTE PROPOSAL AND “FOR” THE ADJOURNMENT PROPOSAL.

Your vote is very important. You are requested to vote via the Internet, by telephone or complete, sign and date the enclosed proxy card which is solicited by the Trinity board of directors and to return it promptly in the enclosed, postage-paid envelope. You may also vote in person at the Special Meeting. The proxy will not be used if you attend and vote at the Special Meeting in person.

BY ORDER OF THE BOARD OF DIRECTORS

Arthur B. Montoya, Jr.  
Secretary

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## QUESTIONS AND ANSWERS ABOUT THE MERGER

The following are answers to certain questions that you may have regarding the Merger and the Special Meeting. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional information is also contained in the appendices to this proxy statement/prospectus.

1.Q: Why am I receiving these materials?

A: Enterprise and Trinity have entered into the Merger Agreement, pursuant to which Trinity will merge with and into Enterprise, with Enterprise as the surviving entity. Immediately thereafter, Trinity's wholly-owned bank subsidiary, LANB, will merge with and into EB&T, the wholly-owned bank subsidiary of Enterprise, with EB&T surviving. We are sending these materials to Trinity shareholders help them decide how to vote their shares of Trinity common stock with respect to the proposed Merger. The Merger cannot be completed unless Trinity receives the affirmative vote of the holders of at least two-thirds of the outstanding shares of Trinity voting common stock and Trinity non-voting common stock entitled to vote on the matters in connection with the approval of the Merger Agreement and the transactions contemplated thereby, including the Merger. Therefore, Trinity is holding a Special Meeting of its shareholders to vote on the proposals necessary to complete the Merger. Information about the Special Meeting is contained in this proxy statement/prospectus.

Trinity shareholders are also being asked to consider and vote upon two additional proposals: 1) a proposal to approve a non-binding advisory resolution to approve the compensation that will or may become payable to certain named executive officers of Trinity in connection with the Merger and 2) a proposal to adjourn or postpone the Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal.

This document serves as a proxy statement being used by the Trinity board of directors to solicit proxies of Trinity shareholders for use at the Special Meeting. This document also serves as a prospectus of Enterprise being delivered to Trinity shareholders because Enterprise is offering to issue shares of its common stock to Trinity shareholders in connection with the Merger. This proxy statement/prospectus contains important information about the Merger, the proposals being voted on at the Special Meeting, the documents related to such proposals and important information to consider in connection with an investment in Enterprise common stock. We urge you to read this information carefully and in its entirety.

2.Q: What will happen in the Merger?

A: The purpose of the Merger is to combine the businesses and operations of Trinity with those of Enterprise. In the Merger, Trinity will merge with and into Enterprise, the separate corporate existence of Trinity will cease, and Enterprise will be the surviving corporation. The Merger Agreement described in this proxy statement/prospectus contains the terms and conditions which must be satisfied to complete the Merger. A copy of the Merger Agreement is attached to this proxy statement/prospectus as Appendix A.

Enterprise and Trinity also agreed that their principal operating subsidiaries will merge with each other. Immediately after the Merger, LANB will merge with and into EB&T. As a result of this Bank Merger, the separate corporate existence of LANB will cease, and EB&T will continue as the surviving bank. EB&T appreciates and acknowledges the historical significance of LANB in New Mexico and the commitment that LANB customers have to the bank. In an effort to facilitate the transition of the relationships acquired through the Bank Merger, EB&T is working with LANB to gather relevant input and market data from associates and customers of LANB regarding possible future name options for a period following the consummation of the Bank Merger.

3.Q: What items of business will Trinity shareholders consider at the Special Meeting?

A: At the Special Meeting, Trinity shareholders will be asked to vote in favor of approval of the Merger Agreement and the transactions contemplated thereby, including the Merger. In addition, Trinity shareholders will be asked

to vote in favor of two additional proposals: 1) a proposal to approve a non-binding advisory resolution to approve the compensation that will or may become payable to certain named executive officers of Trinity in connection with the Merger and 2) a proposal to adjourn or postpone the Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal.

4.Q: What will Trinity shareholders receive in the Merger?

A: If the Merger Agreement is approved and the Merger is completed, each share of Trinity common stock will be converted into the right to receive \$1.84 in cash, without interest and subject to adjustment (the “Cash Consideration”), and 0.1972 shares of Enterprise common stock (the “Stock Consideration” and together with the Cash Consideration, the “Merger Consideration”). Each holder of shares of Trinity common stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of Enterprise’s common stock (after taking into account all certificates and book-entry shares delivered by such holder) shall receive, in lieu thereof, an amount of cash (without interest and rounded to the nearest whole cent). See “The Merger Agreement — Merger Consideration” on page 68. Based on the fixed value of the Cash Consideration of \$1.84 per share and based on the following closing prices of Enterprise common stock on the NASDAQ Global Select Market (“NASDAQ”): (i) \$43.45 on October 31, 2018, the last trading day before public announcement of the Merger Agreement and (ii) \$37.42 on December 28, 2018, the latest practicable trading day before the date of this proxy statement/prospectus, the implied value of the Merger Consideration per share would be approximately \$10.41 and \$9.22, respectively, and the implied value of the aggregate Merger Consideration would be approximately \$213 million and \$188 million, respectively.

Upon consummation of the Merger, each issued and outstanding restricted stock units and other stock-based awards granted by Trinity that would vest immediately prior to the effective time of the Merger will be cancelled and the holders will be entitled to receive the Merger Consideration in accordance with the terms of the Merger Agreement.

5. Q: Will the value of the Merger Consideration change between the date of this proxy statement/prospectus and the time the Merger is completed?

A: With respect to Enterprise common stock, the value of such Enterprise common stock will fluctuate between the date of this proxy statement/prospectus and the completion of the Merger based upon the market value of Enterprise common stock. As a portion of the Merger Consideration is Stock Consideration, any fluctuation in the market price of Enterprise common stock after the date of this proxy statement/prospectus will change the value received by Trinity shareholders. The total value of the Merger Consideration issued to Trinity shareholders upon completion of the Merger will fluctuate based on the share price of Enterprise common stock and the number of shares of Trinity common stock and restricted stock units outstanding on the date of the Merger and is subject to adjustment pursuant to the Merger Agreement.

In addition, the value of the Cash Consideration to be paid to Trinity shareholders in connection with the Merger may be reduced by the amount by which the sum of any environmental-related remediation expenses exceed \$250,000.

6.Q: How do Trinity shareholders receive Enterprise common stock and cash for their Trinity common stock?

A: Enterprise’s exchange agent will mail each Trinity shareholder of record in a separate mailing (i) a letter of transmittal, which shall specify that delivery shall be effected, and risk of loss and title to your certificates and book-entry shares shall pass, only upon proper delivery of the certificates to the exchange agent or, in the case of book-entry shares, upon adherence to the procedures set forth in the letter of transmittal, and (ii) instructions for use in effecting the surrender of the certificates or, in the case of book-entry shares, the surrender of such shares, for payment of the Merger Consideration. Any portion of the Merger Consideration not claimed by a Trinity shareholder by surrender of his, her or its certificates or book-entry shares to the exchange agent prior to the first anniversary of the closing date of the Merger will be delivered by the exchange agent to Enterprise. Any Trinity shareholder that has not complied with the instructions by the exchange agent shall thereafter only look to Enterprise

for payment of the Merger Consideration (and any cash in lieu of fractional shares). See “The Merger Agreement — Merger Consideration” beginning on page 68.

7.Q: What are the tax consequences of the Merger to each Trinity shareholder?

A: Enterprise expects to report the Merger of Trinity with and into Enterprise, and the subsequent Merger of LANB with and into EB&T, as tax-free reorganizations for U.S. federal income tax purposes under Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”).

Trinity shareholders must generally recognize gain (but not loss) on the exchange in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the fair market value of the shares of Enterprise common stock (including any fractional shares) and cash received pursuant to the Merger (excluding any cash received in lieu of fractional shares) over the shareholder’s adjusted tax basis in its shares of Trinity common stock surrendered pursuant to the Merger), or (2) the amount of cash (excluding any cash received in lieu of fractional shares) received pursuant to the Merger.

Trinity shareholders who receive cash in lieu of fractional shares will be treated as having received the fractional share and then having the fractional share redeemed by Enterprise for cash. Accordingly, a portion of their adjusted basis in shares of Trinity common stock surrendered pursuant to the Merger will be allocated to the fractional share which is deemed to have been received and the Trinity shareholder will recognize gain (but not loss) in an amount equal to the cash received for the fractional share over the adjusted basis allocable to that share.

Each of Enterprise’s and Trinity’s obligations to complete the Merger is conditioned on the receipt of a legal opinion about the federal income tax treatment of the Merger. This opinion will not bind the Internal Revenue Service (the “IRS”), which could take a different view.

We urge you to consult your tax advisor for a full understanding of the tax consequences of the Merger to you. In many cases, tax consequences of the Merger will depend on your particular facts and circumstances. See “Material United States Federal Income Tax Considerations,” beginning at page 82.

8.Q: Do Trinity shareholders have rights to dissent from the Merger?

A: Yes, Trinity shareholders have the right under New Mexico law to demand appraisal of their shares of Trinity common stock in connection with the Merger and to receive, in lieu of the Merger Consideration, payment in cash for the fair value of their shares of Trinity common stock. Any Trinity shareholder electing to exercise dissenters’ rights must not have voted his, her or its shares of Trinity common stock “FOR” the Merger Proposal and must specifically comply with the applicable provisions of the New Mexico Business Corporation Act (“NMBCA”) in order to perfect the rights of dissent and appraisal. The Merger Agreement requires as a condition to consummation, subject to waiver by Enterprise and Trinity, that the number of shares held by dissenting Trinity shareholders is no more than ten percent (10%) of the number of shares of Trinity common stock issued and outstanding immediately prior to the closing date of the Merger. See “Proposal I – The Merger — Dissenters’ Rights of Appraisal of Holders of Trinity Common Stock,” beginning at page 62.

9.Q: Are there regulatory or other conditions to the completion of the Merger?

A: Yes. The Merger and related transactions require approval from the Federal Deposit Insurance Corporation (the “FDIC”), the Missouri Division of Finance (the “Division”), and the Federal Reserve Bank of St. Louis (the “Reserve Bank”), acting under delegated authority from the Board of Governors of the Federal Reserve System (the “Federal Reserve”). As of the date of this proxy statement/prospectus, the appropriate filings have been made with the FDIC, the Reserve Bank and the Division. Additionally, the approval of the Merger Agreement requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of Trinity voting common stock and the affirmative vote of the holders of at least two-thirds of the outstanding shares of Trinity non-voting common stock entitled to vote at the Special Meeting. Completion of the Merger is also subject to other specified conditions. See “The Merger Agreement — Conditions to Completion of the Merger,” beginning at page 78.



10.Q: What does the Trinity board of directors recommend?

A: The Trinity board of directors has unanimously approved the Merger Agreement and unanimously recommends that you vote “FOR” the Merger Proposal, “FOR” the Advisory Vote Proposal and “FOR” the Adjournment Proposal.

11.Q: What constitutes a quorum for the Special Meeting?

A: The presence in person or by proxy of the majority of Trinity common stock outstanding on the record date for the Special Meeting will constitute a quorum. If you submit a properly executed proxy card, you will be considered part of the quorum even if you withhold authority from the proxy holders to vote your shares and do not attend the Special Meeting.

12.Q: What vote is required to approve each proposal at the Special Meeting?

A: Approval of the Merger Proposal requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of Trinity voting common stock and the affirmative vote of the holders of at least two-thirds of the outstanding shares of Trinity non-voting common stock entitled to vote at the Special Meeting. Holders of these two classes of common stock will vote as separate voting groups on the Merger Proposal. While holders of shares of Trinity non-voting common stock typically do not have voting rights, New Mexico law provides voting rights to otherwise non-voting classes of stock in connection with certain fundamental transactions, such as the proposed Merger.

Approval of the Adjournment Proposal requires the affirmative vote of the holders of a majority of the shares of Trinity common stock represented in person or by proxy at the Special Meeting. Because the Advisory Vote Proposal is advisory in nature only, it will not be binding on either Trinity or Enterprise, regardless of whether the Merger Agreement is approved. Accordingly, as the compensation to be paid in connection with the Merger is a contractual obligation to the named executive officers of Trinity, regardless of the outcome of the advisory vote, such compensation will be payable if the Merger Agreement is approved and the Merger is completed, subject only to the contractual conditions applicable to such payment.

13.Q: When and where is the Special Meeting?

A: The Special Meeting will be held on February 5, 2019, at 10:00 a.m., Mountain Time, at Crossroads Bible Church, 97 E Road, Los Alamos, New Mexico 87544.

14.Q: What do I need to do now?

A: After carefully reading these materials, Trinity shareholders should vote their shares of Trinity common stock (i) via the Internet at the website <http://www.cstproxy.com/trinitycapitalcorp/sm2019>, (ii) by telephone at the number 1 (866) 894-0536, (iii) by completing and mailing the enclosed proxy card or (iv) by voting in person at the Special Meeting. Please refer to the specific instructions set forth in the enclosed proxy card. To ensure their votes are represented at the Special Meeting, Trinity recommends that its shareholders vote by proxy (either via the Internet, by telephone or by proxy card) even if they plan to attend the Special Meeting. If you sign, date and return your proxy but do not indicate how you want to vote, your proxy will be counted as a vote “FOR” the Merger Proposal, “FOR” the Advisory Vote Proposal and “FOR” the Adjournment Proposal.

15.Q: Can I change my vote after I have mailed my signed proxy card?

A: Yes. There are five ways for Trinity shareholders to revoke their proxy and change their vote. Trinity shareholders that hold shares in their name as a shareholder of record as of the record date for the Special Meeting may change their vote or revoke any proxy at any time before the Special Meeting is called to order by (i) delivering a written notice of revocation to Trinity’s Corporate Secretary, (ii) completing, signing and returning a new proxy card with a later date than such shareholder’s original proxy card prior to such time that the proxy card for any such shareholder

must be received, and any earlier proxy will be revoked automatically, (iii) logging onto the Internet website specified on such shareholder's proxy card in the same manner such shareholder would to submit their proxy electronically and following the instructions indicated on the proxy card or (iv) calling the telephone number specified on such shareholder's proxy card in the same manner such shareholder would to submit their proxy telephonically and following the instructions indicated on the proxy card or (v) attending the Special Meeting in person, notifying the Corporate Secretary that such shareholder is revoking their proxy and voting by ballot at the Special Meeting. Attendance at the Special Meeting will not, in and of itself, constitute a revocation of a proxy.

16.Q: What happens if I sell my shares of Trinity common stock before the Special Meeting?

A: The record date for determining which Trinity shareholders are eligible to vote at the Special Meeting is earlier than both the date of the Special Meeting and the completion of the Merger. If you transfer your shares of Trinity common stock after the record date for the Special Meeting but before the Special Meeting you will, unless special arrangements are made, retain the right to vote the shares at the Special Meeting but will transfer the right to receive the Merger Consideration to the person to whom you transfer the shares.

17.Q: When do you expect the Merger to be completed?

A: We expect to complete the Merger shortly after all of the conditions to the Merger are fulfilled, including obtaining the approval of Trinity shareholders and the approval of the applicable regulatory agencies. We anticipate this will occur in the first half of 2019; however, delays may occur. We cannot assure you that we will obtain the necessary shareholder approvals and regulatory approvals or that the other conditions precedent to the Merger can or will be satisfied.

18.Q: What happens if the Merger is not completed?

A: If the Merger is not completed, holders of Trinity common stock will not receive any consideration for their shares in connection with the Merger. Instead, Trinity will remain an independent company. In addition, if the Merger Agreement is terminated in certain circumstances, a termination fee may be required to be paid by Trinity. If the Merger Agreement is terminated by either party as a result of the other party's material breaches of its representations, warranties or covenants set forth in the Merger Agreement, and such breach would result in the closing conditions not being satisfied, then the non-terminating party will be required to pay the terminating party \$2,000,000 as liquidated damages. See "The Merger Agreement — Termination of the Merger Agreement" on page 79.

19.Q: Who can help answer my questions?

A: If you have any questions about the Merger or the Special Meeting, or if you need additional copies of this proxy statement/prospectus or the proxy card, you should contact John S. Gulas, President and Chief Executive Officer of Trinity, at (505) 663-3990.

## SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all the information that is important to you. We urge you to read carefully this entire document, and the documents referenced herein, for a more complete understanding of the Merger between Enterprise and Trinity. In addition, we incorporate by reference into this document important business and financial information about Enterprise. You may obtain the information incorporated by reference in this document without charge by following the instructions in the section entitled “Where You Can Find More Information.” Each item in this summary includes a page reference directing you to a more complete description of that item.

Unless the context otherwise requires, references in this proxy statement/prospectus to “Enterprise” refer to Enterprise Financial Services Corp, a Delaware corporation; references to “EB&T” refer to Enterprise Bank & Trust, a Missouri state-chartered trust company with banking powers and a wholly owned subsidiary of Enterprise; references to “Trinity” refer to Trinity Capital Corporation, a New Mexico corporation; references to “LANB” refer to Los Alamos National Bank, a national banking association and a wholly owned subsidiary of Trinity; references to the “Merger Agreement” refer to the Agreement and Plan of Merger, dated as of November 1, 2018, among Enterprise, Trinity, EB&T and LANB; and references to “we,” “our” or “us” refer to Enterprise and Trinity.

### We Propose a Merger of Enterprise and Trinity (Page 39)

We propose that Trinity will merge with and into Enterprise, with Enterprise being the surviving company (the “Merger”). As a result of the Merger, the separate existence of Trinity will cease. Immediately following the Merger, Trinity’s wholly owned bank subsidiary, LANB, will merge with and into Enterprise’s wholly owned bank subsidiary, EB&T, with EB&T being the surviving bank (the “Bank Merger,” and together with the Merger, the “Mergers”). Following the Bank Merger, EB&T will continue its corporate existence as a state-chartered trust company with banking powers, organized under the laws of the State of Missouri. EB&T appreciates and acknowledges the historical significance of LANB in New Mexico and the commitment that LANB customers have to the bank. In an effort to facilitate the transition of the relationships acquired through the Bank Merger, EB&T is working with LANB to gather relevant input and market data from associates and customers of LANB regarding possible future name options for a period following the consummation of the Bank Merger. We expect to complete the Merger and the Bank Merger in the first half of 2019, although delays may occur.

The Merger Agreement is attached to this proxy statement/prospectus on Appendix A, which is incorporated by reference into this proxy statement/prospectus. Please read the entire Merger Agreement. It is the legal document that governs the Merger.

### Special Meeting (Page 35)

Trinity plans to hold the Special Meeting on February 5, 2019, at 10:00 a.m., Mountain Time, at Crossroads Bible Church, 97 E Road, Los Alamos, New Mexico 87544. At the Special Meeting, holders of Trinity common stock will be asked to approve the Merger Agreement and the transactions contemplated thereby, including the Merger. You can vote at the Special Meeting to approve the Merger Proposal if you owned Trinity common stock at the close of business on December 31, 2018, the record date for the Special Meeting. As of the record date for the Special Meeting, there were 19,821,933 shares of Trinity common stock outstanding and entitled to vote, of which 12,085,733 were shares of Trinity voting stock and 7,736,200 were shares of Trinity non-voting common stock. Holders of these two classes of Trinity common stock will vote as separate voting groups on the Merger Proposal. While holders of shares of Trinity non-voting common stock typically do not have voting rights, New Mexico law provides voting rights to otherwise non-voting classes of stock in connection with certain fundamental transactions, such as the proposed Merger. A holder of Trinity common stock can cast one vote for each share of Trinity common stock owned on such record date.

The Trinity Board Unanimously Recommends That Holders of Trinity Common Stock Vote “FOR” the Merger Proposal (Page 46)

The Trinity board of directors (i) believes that the Merger Proposal is advisable and in the best interest of Trinity and its shareholders, (ii) has unanimously approved and adopted the Merger Agreement and the transactions contemplated thereby and (iii) unanimously recommends that holders of Trinity common stock vote “FOR” the Merger Proposal. Approval of the Merger Proposal Requires the Affirmative Vote of the Holders of Two-Thirds of the Outstanding Shares of Trinity Common Stock (Page 64)

In order to complete the Merger, the Merger Proposal must be approved by the affirmative vote of (i) the Trinity board of directors and (ii) the holders of at least two-thirds of the outstanding shares of Trinity common stock. The Trinity board of directors has unanimously approved the Merger Proposal. Accordingly, in order to approve the Merger Agreement and the transactions contemplated thereby, including the Merger, the holders of at least two-thirds of the outstanding shares of Trinity voting common stock and the holders of at least two-thirds of the outstanding shares of Trinity non-voting common stock entitled to vote at the Special Meeting must vote in favor of the Merger Proposal. Holders of these two classes of Trinity common stock will vote as separate voting groups on the Merger Proposal. While holders of shares of Trinity non-voting common stock typically do not have voting rights, New Mexico law provides voting rights to otherwise non-voting classes of stock in connection with certain fundamental transactions, such as the proposed Merger.

As an inducement to and condition of Enterprise’s willingness to enter into the Merger Agreement, all of the directors and certain officers and large shareholders of Trinity entered into voting agreements, pursuant to which, among other things, they agreed to vote all of their shares of Trinity common stock in favor of the Merger Proposal and other matters required to be approved or adopted to effect the Merger and any other transactions contemplated by the Merger Agreement. As of November 1, 2018, the directors, officers and shareholders of Trinity that are a party to the voting agreements beneficially owned, in the aggregate, approximately 38.12% of Trinity voting common stock and 100% of Trinity non-voting common stock.

For a list of the number of shares of Trinity common stock held by (i) each director of Trinity, (ii) each shareholder that is known to Trinity as of the date hereof to beneficially own more than five percent (5%) of the outstanding shares of Trinity common stock and (iii) all directors and certain officers of Trinity as a group, see “Security Ownership of Trinity Directors, Certain Officers and Certain Beneficial Owners.”

Enterprise’s Reasons for the Merger (Page 45)

For a discussion of the factors considered by Enterprise’s board of directors in reaching its decision to approve the Merger Agreement and the transactions contemplated thereby, including the Merger, see “Proposal I – The Merger — Enterprise’s Reasons for the Merger; Recommendation of the Board of Enterprise.”

Trinity’s Reasons for the Merger (Page 46)

For a discussion of the factors considered by the Trinity board of directors in reaching its decision to approve the Merger Agreement and the transactions contemplated thereby, including the Merger, see “Proposal I – The Merger— Trinity’s Reasons for the Merger; Recommendation of the Trinity Board of Directors.”

Opinion of Trinity’s Financial Advisor (Page 50)

In connection with the Merger, Trinity’s financial advisor, Keefe, Bruyette & Woods, Inc. (“KBW”), delivered a written opinion, dated November 1, 2018, to the Trinity board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of Trinity common stock of the Merger Consideration to be received by such holders in the Merger. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in

preparing the opinion, is attached as Appendix D to this document. The opinion was for the information of, and was directed to, the Trinity board of directors (in its capacity as such) in connection with its consideration of the financial terms of the Merger. The opinion did not address the underlying business decision of Trinity to engage in the Merger or enter into the Merger Agreement or constitute a recommendation to the Trinity board of directors in connection with the Merger, and it does not constitute a recommendation to any holder of Trinity common stock or any shareholder of any other entity as to how to vote in connection with the Merger or any other matter.

For a more complete description of KBW's opinion see "Proposal I – The Merger — Opinion of Trinity's Financial Advisor" beginning on page 50.

#### Holders of Trinity Common Stock Have Dissenters' Rights of Appraisal (Page 62)

Holders of Trinity common stock may elect to dissent from the Merger and obtain payment for their shares of Trinity common stock by following the procedures set forth in Section 53-15-3 and Section 53-15-4 (Right of Dissenting Shareholders) of Chapter 53 of the NMBCA. Failure to follow any of the statutory procedures set forth in Section 53-15-3 and Section 53-15-4 of the NMBCA may result in the loss or waiver of appraisal rights under New Mexico law. A person having a beneficial interest in shares of Trinity's common stock held of record in the name of another person, such as a broker, bank or other nominee, must act promptly to cause the record holder to follow the steps summarized in this proxy statement/prospectus and in a timely manner to perfect appraisal rights. In view of the complexity of Section 53-15-3 and Section 53-15-4 of the NMBCA, Trinity shareholders who may wish to pursue appraisal rights should consult their own legal and financial advisors. For more information regarding the right of holders of Trinity common stock to dissent from the Merger and exercise the right to obtain payments for shares of Trinity common stock, see "Proposal I – The Merger — Dissenters' Rights of Appraisal of Holders of Trinity Common Stock." We have also attached a copy of Section 53-15-3 and Section 53-15-4 of the NMBCA as Appendix E to this proxy statement/prospectus.

#### We Must Obtain Regulatory Approvals to Complete the Merger (Page 64)

The Merger and related transactions require approval from the FDIC, the Division, and the Reserve Bank. As of the date of this proxy statement/prospectus, the appropriate filings have been made with the FDIC, the Reserve Bank and the Division.

#### Certain Directors and Executive Officers May Have Interests in the Merger That Differ from Your Interests (Page 30)

Certain directors and executive officers of Trinity and/or LANB have interests in the Merger other than their interests as Trinity shareholders, including:

Per the terms of certain employment agreements, severance agreements and change of control agreements, and upon the termination of certain compensation plans under the terms of the Merger Agreement, Trinity and/or LANB directors, officers and employees may become entitled to change in control, severance, or other payments, including acceleration of deferred compensation, upon the occurrence of the Merger. See "Proposal I – The Merger — Interests of Trinity's Directors and Executive Officers in the Merger."

To the extent a director or officer holds any outstanding restricted stock units and/or other stock-based awards granted by Trinity to purchase Trinity common stock, including but not limited to awards granted under Trinity's stock option plan (each, a "Trinity Stock Award") that is unsettled or unvested immediately prior to the effective time of the Merger and will vest at the effective time of the Merger pursuant to its terms shall vest and be free of any restrictions and be exchanged for the Merger Consideration in accordance with the exchange ratio.

Pursuant to the terms of the Merger Agreement, Enterprise is required to take all action necessary to appoint or elect, effective as of the effective time of the Merger, two (2) current Trinity directors, each of whom must be independent with respect to Enterprise for purposes of the listing requirements of NASDAQ, and mutually

agreeable to Enterprise and Trinity, as directors of Enterprise; and EB&T is required to take all action necessary to appoint or elect, effective as of the effective time of the Merger, one (1) current Trinity director, mutually agreeable to EB&T and LANB, as a director of EB&T. Tony Scavuzzo and James F. Deutsch, each current directors of Trinity will join the Enterprise board of directors, and James E. Goodwin, Jr., Chairman of the board of directors of each of Trinity and LANB, will join the EB&T board of directors.

Pursuant to the terms of the Merger Agreement, directors and officers of Trinity will be entitled to certain ongoing indemnification and coverage under directors' and officers' liability insurance policies following the Merger. See "Proposal I – The Merger — Interests of Trinity's Directors and Executive Officers in the Merger."

The Trinity board of directors was aware of the foregoing interests and considered them, among other matters, when they approved the Merger Agreement and the transactions contemplated thereby, including the Merger.

Trinity Shareholders Will Receive Shares of Enterprise Common Stock and Cash for Each Share of Trinity Common Stock Exchanged in the Merger (Page 68)

At the effective time of the Merger, each share of Trinity common stock outstanding immediately prior to the effective time of the Merger will, by virtue of the Merger and without any action on the part of Trinity shareholders, be converted into, and cancelled in exchange for, the right to receive \$1.84 in cash, without interest and subject to adjustment, and 0.1972 shares of Enterprise common stock. Cash will be paid in lieu of any fractional share interest.

Aggregate Merger Consideration.

The value of the Stock Consideration to be issued to Trinity shareholders in connection with the Merger will fluctuate between the date of this proxy statement/prospectus and the completion of the Merger based upon the market value of Enterprise common stock. Based on the fixed value of the Cash Consideration of \$1.84 per share and based on the following closing prices of Enterprise common stock on NASDAQ: (i) \$43.45 on October 31, 2018, the last trading day before public announcement of the Merger Agreement and (ii) \$37.42 on December 28, 2018, the latest practicable trading day before the date of this proxy statement/prospectus, the implied value of the Merger Consideration per share would be approximately \$10.41 and \$9.22, respectively, and the implied value of the aggregate Merger Consideration would be approximately \$213 million and \$188 million, respectively. The total value of the Merger Consideration issued to Trinity shareholders upon completion of the Merger will fluctuate based on the share price of Enterprise common stock and the number of shares of Trinity common stock and restricted stock units outstanding on the date of the Merger and the Merger Consideration adjustments pursuant to the Merger Agreement. In addition, the value of the Cash Consideration to be paid to Trinity shareholders in connection with the Merger may be reduced by the amount by which the sum of any environmental-related remediation expenses exceed \$250,000.

Fractional Shares.

No fractional shares of Enterprise common stock will be issued, and in lieu thereof, each holder of Trinity common stock who would otherwise be entitled to a fractional share interest will receive an amount in cash, without interest, determined by multiplying such fractional interest by the average closing price per share of Enterprise common stock, as reported on NASDAQ, for the twenty (20) trading days ending on and including the fifth trading day prior to the closing date of the Merger, which we refer to as the Enterprise average share price, rounded to the nearest whole cent.

What Will Happen to Outstanding Trinity Restricted Stock Units (Page 64)

The Merger Agreement provides that at the effective time of the Merger, each unsettled or unvested Trinity Stock Award issued and outstanding immediately prior to the effective time of the Merger that will vest at such effective time pursuant to its terms will fully vest and be free of any restrictions and be exchanged for the same Merger Consideration that all other shares of Trinity common stock are entitled to receive in the Merger.

## Transmittal Materials (Page 69)

As promptly as practicable after the completion of the Merger, but in no event later than ten days thereafter, the exchange agent will mail to Trinity shareholders a letter of transmittal, together with instructions for the exchange of the certificates formerly representing shares of Trinity common stock for the Merger Consideration. After the transmittal materials have been received and processed following the closing of the Merger, Trinity shareholders will be sent the Merger Consideration, including any cash in lieu of fractional share of Enterprise common stock, to which they are entitled. If a Trinity shareholder holds shares in street name, he or she will receive information from his or her bank, broker or other nominee advising such Trinity shareholder of the process for receiving the Merger Consideration, including any cash in lieu of fractional share of Enterprise common stock, to which he or she is entitled.

Each Trinity shareholder will need to surrender his or her Trinity common stock certificates or follow instructions for the transfer of shares of Trinity common stock held in book-entry form, to receive the appropriate Merger Consideration. Trinity shareholders should not send any certificates now. Each Trinity shareholder will receive detailed instructions on how to exchange his or her share certificates or book-entry shares along with transmittal materials promptly following the closing of the Merger.

## Per Share Market Price and Dividend Information (Page 86)

Shares of Enterprise common stock currently trade on NASDAQ under the symbol "EFSC." Shares of Trinity voting common stock are listed on the OTCQX Market, under the symbol "TRIN."

The following table sets forth the closing sale prices of (i) Enterprise common stock as reported on NASDAQ, and (ii) Trinity voting common stock as reported on the OTCQX Market, on October 31, 2018, the last trading-day before the announcement of the Merger, and on December 28, 2018, the last practicable trading-day before the filing of this proxy statement/prospectus. To help illustrate the market value of the per share Merger Consideration to be received by Trinity shareholders, the following table also presents the equivalent market value per share of Trinity common stock as of October 31, 2018 and December 28, 2018, which were determined by (i) multiplying the closing price for the Enterprise common stock on those dates by the exchange ratio of 0.1972 of a share of Enterprise common stock for each share of Trinity common stock, and (ii) adding the per share Cash Consideration. See "The Merger Agreement — The Merger Consideration" beginning on page 68 for additional information about the Merger Consideration to be received by holders of Trinity common stock.

	Enterprise Common Stock	Trinity Common Stock	Implied Value Per Share of Trinity
At October 31, 2018	\$43.45	\$8.70	\$10.41
At December 28, 2018	\$37.42	\$9.00	\$9.22

The implied value of Enterprise common stock and Trinity common stock will fluctuate prior to the date of the Special Meeting as the market price of Enterprise common stock fluctuates. You should obtain current market quotations for Enterprise common stock before deciding how to vote with respect to the approval of the Merger Agreement.

Since 2012, Trinity has not paid any dividends on its common stock. It has been Trinity's current policy to retain earnings to provide funds for use in its business. The Trinity board periodically reviews whether to declare or pay cash dividends, taking into account, among other things, general business conditions, Trinity's financial results, future prospects, capital requirements, legal and regulatory restrictions, and such other factors as the Trinity board may deem relevant.

Enterprise expects to continue its common stock dividend practice after the Merger, but this practice is subject to the determination and discretion of Enterprise's board of directors and may change at any time. In 2016, Enterprise declared aggregate cash dividends of \$0.41 per share of Enterprise common stock and, in 2017, declared aggregate

cash dividends of \$0.44 per share of Enterprise common stock. In 2018, Enterprise has declared aggregate cash dividends of \$0.47 per share of Enterprise common stock.

The payment of dividends by Enterprise or Trinity on their common stock in the future, either before or after the Merger is completed, is subject to the determination and discretion of our respective boards of directors and depends on a variety of factors, including the terms of the Merger Agreement, cash requirements, financial condition and earnings, legal and regulatory considerations and other factors. In addition, Trinity is prohibited pursuant to the terms of the Merger Agreement from paying cash dividends to holders of its common stock prior to completion of the Merger without the prior consent of Enterprise.

**We Have Agreed When and How Trinity Can Consider Third-Party Acquisition Proposals (Page 75)**

We have agreed that Trinity will not, and will cause its subsidiaries and its and its subsidiaries' representatives, agents, advisors and affiliates not to, solicit or knowingly encourage any inquiry, offer or proposal that constitutes, or could reasonably be expected to lead to, a proposal to acquire Trinity or LANB, except as permitted by the Merger Agreement. In addition, we have agreed that Trinity will not engage in negotiations with or provide confidential information to a third party regarding acquiring Trinity or LANB, except as permitted by the Merger Agreement. However, if Trinity receives an unsolicited acquisition proposal from a third party, Trinity can participate in negotiations with and provide confidential information to the third party if, among other steps, the Trinity board of directors concludes in good faith that the proposal is superior to the Merger Proposal and that the failure to take such actions would be inconsistent with its fiduciary duties. Trinity's receipt of a superior proposal or participation in such negotiations gives Trinity the right to terminate the Merger Agreement in certain circumstances.

**We Must Meet Several Conditions to Complete the Merger (Page 78)**

Our obligations to complete the Merger depend on a number of conditions being met. These include:

• the approval of the Merger Agreement by holders of at least two-thirds of the outstanding Trinity common stock;

• the receipt of the required approvals of federal and state regulatory authorities, which must remain in full force and effect and all statutory waiting periods in respect thereof, if any, shall have expired or been terminated;

• the authorization for listing on NASDAQ of the shares of Enterprise common stock to be issued to the non-dissenting shareholders of Trinity's common stock in the Merger;

• the effectiveness of the registration statement on Form S-4, of which this proxy statement/prospectus is a part, for the registration of the shares of Enterprise common stock to be issued in the Merger;

• the absence of any government action or other legal restraint or prohibition that would prohibit the Merger or make the Merger, or the other transactions contemplated by the Merger Agreement, illegal;

as to each of us, the representations and warranties of the other party to the Merger Agreement being true and correct in all material respects at and as of the closing date of the Merger (except as to any representation and warranty that specifically relates to an earlier date), except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" in which case such representations and warranties shall be true and correct in all respects at and as of the closing date of the Merger. Each of the parties shall have received a certificate dated as of the closing date of the Merger, signed on behalf of the other party by an executive officer of such other party, as applicable, to such effect;

• the receipt of legal opinions that, for U.S. federal income tax purposes, the Merger will be treated as a reorganization described in Section 368(a) of the Code and that both Enterprise and Trinity will be a party



to that reorganization. These opinions will be based on customary assumptions and on factual representations made by Enterprise and Trinity and will be subject to various limitations;

the number of dissenting shares of Trinity common stock must not exceed ten percent (10%) of the total number of shares of Trinity common stock issued and outstanding immediately prior to the closing date of the Merger;

the receipt by Trinity of a certificate by the exchange agent ratifying its receipt of sufficient cash and irrevocable authorization to issue shares of Enterprise's common stock to satisfy Enterprise's obligation to pay the Cash Consideration and the Stock Consideration;

Trinity's total non-maturity deposits (as calculated in the Merger Agreement) must be equal to or greater than \$868,864,000;

with regard to Trinity's obligation (but not Enterprise's), Trinity and Enterprise mutually elect two (2) new directors to Enterprise's board of directors; and

with regard to Enterprise's obligation (but not Trinity's), the receipt by Trinity of certain required third-party approvals.

Where the law permits, either of Enterprise or Trinity could choose to waive a condition to its obligation to complete the Merger even when that condition has not been satisfied. We cannot be certain when, or if, the conditions to the Merger will be satisfied or waived, or that the Merger will be completed. Although the Merger Agreement allows both parties to waive the tax opinion condition, neither party currently anticipates doing so.

We May Terminate the Merger Agreement (Page 79)

We can mutually agree at any time to terminate the Merger Agreement without completing the Merger, even if Trinity has received approval of the Merger Proposal by its shareholders. Also, either of us can decide, without the consent of the other, to terminate the Merger Agreement in certain circumstances, including:

if there is a final denial of a required regulatory approval or an application for a required regulatory approval has been withdrawn upon the request or recommendation of the applicable governmental authority and such governmental authority would not accept the refiling of such application, provided that no party may terminate for this reason if such denial is due to the failure of the party seeking to terminate the Merger Agreement to perform or observe the covenants of such party set forth in the Merger Agreement;

if the Merger is not completed on or before June 30, 2019, provided that if additional time is necessary to obtain the requisite regulatory approvals, this date may be automatically extended by three (3) months;

if there is a continuing breach of the Merger Agreement by a party, and the breaching party has not cured the breach within thirty (30) days' written notice to the breaching party, as long as that breach would entitle the non-breaching party not to complete the Merger; or

if holders of Trinity common stock fail to approve the Merger Proposal.

In addition, Enterprise may terminate the Merger Agreement:

if prior to obtaining the requisite Trinity shareholder approval, the Trinity board of directors (i) withholds, withdraws, changes, qualifies, amends or modifies, or publicly proposes to withhold, withdraw, qualify, amend or modify, in any manner adverse in any respect to the interest of Enterprise, or take any other action or makes any other public statement inconsistent with, (ii) fails to publicly affirm its recommendation to approve the Merger Agreement, its recommendation for approval of the Merger Agreement (iii) approves

or recommends a competing acquisition proposal, or (iv) resolves to take, or publicly announces an intention to take, any of the foregoing actions;

if Trinity has breached its covenant not to solicit or encourage inquiries or proposals with respect to any acquisition proposal, in circumstances not permitted under the Merger Agreement; or

if Enterprise's aggregate cost of environmental due diligence on Trinity's real property between November 1, 2018 and the effective date of the Merger Agreement exceeds \$2,500,000.

In addition, Trinity may terminate the Merger Agreement:

by delivering written notice to Enterprise at any time during the five (5) trading day period commencing on the fifth trading day immediately preceding the closing date of the Merger Agreement (the "Determination Date") if the volume weighted average price of Enterprise common stock during a specified period before the effective time of the Merger both (i) is less than \$37.26352 per share and (ii) underperforms a specified index of financial institution stocks during such period by more than twenty percent (20%); provided, however, that if Trinity elects to terminate the Merger Agreement in such instance, Enterprise may elect to reinstate the Merger and the other transactions contemplated by the Merger Agreement by adjusting the exchange ratio to increase the Stock Consideration or add an amount in cash to increase the Cash Consideration. If Enterprise makes such election to reinstate the Merger and the other transactions contemplated by the Merger Agreement, then no termination will occur and the Merger Agreement will remain in effect according to its terms (except the Merger Consideration, which will have been adjusted); or

at any time prior to approval of the Merger Proposal by the Trinity shareholders, if Trinity concludes that it must endorse a Superior Proposal (as defined in the Merger Agreement) in order to comply with its fiduciary duties.

The Merger Agreement also provides that Trinity must pay Enterprise a fee and reimburse expenses in certain situations. In particular, Trinity will pay Enterprise a fee of \$9,500,000 in certain circumstances set forth in the Merger Agreement, including if:

Trinity receives an acquisition proposal from a third party and the Merger Agreement is subsequently terminated under certain conditions, and prior to the 12 month anniversary of the termination of the Merger Agreement Trinity enters into an agreement to engage in a competing acquisition proposal with any third party or group other than Enterprise;

the Trinity board of directors withholds, withdraws, changes, qualifies, amends or modifies its recommendation to approve the Merger; approves, recommends or publicly proposes to approve or recommend a competing acquisition proposal; or

Trinity breaches its covenant not to solicit or encourage inquiries or proposals with respect to any acquisition proposal in circumstances not permitted under the Merger Agreement, which covenant is described below under "The Merger Agreement — Acquisition Proposals by Third Parties."

If the Merger Agreement is terminated by either party as a result of the other party's material breaches of its representations, warranties or covenants set forth in the Merger Agreement, and such breach would result in the closing conditions not being satisfied, then the non-terminating party will be required to pay the terminating party \$2,000,000 as liquidated damages.

We May Amend or Waive Merger Agreement Provisions (Page 79)

At any time before completion of the Merger, either Enterprise or Trinity may, to the extent legally allowed, waive in writing compliance by the other with any provision contained in the Merger Agreement. However, once

holders of Trinity common stock have approved the Merger Proposal, no waiver of any condition may be made that would require further approval by Trinity shareholders unless that approval is obtained.

The Merger Will Be Accounted for Under the Rules for Purchase Accounting (Page 81)

The Merger will be treated as a purchase by Enterprise of Trinity under U.S. generally accepted accounting principles (“GAAP”).

Tax Consequences of the Mergers (Page 82)

Subject to certain circumstances described below, and based on certain representations, covenants and assumptions, all of which must continue to be true and accurate in all material respects as of the effective time of the Mergers, in the opinion of Holland & Knight LLP (“Holland & Knight”) and Hunton Andrews Kurth LLP (“Hunton”), for U.S. federal income tax purposes, the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. The opinions address the tax consequences of the Merger and do not address the tax consequences of the Bank Merger.

Provided that the Merger qualifies as a reorganization for U.S. federal income tax purposes, Trinity shareholders generally will not recognize any gain or loss upon receipt of Enterprise common stock in exchange of Trinity common stock in the Merger, except with respect to the cash portion of the Merger Consideration and any cash they receive in lieu of fractional shares of Enterprise common stock.

For a complete description of the material U.S. federal income tax consequences of the Merger, see “Material United States Federal Income Tax Considerations.” You should consult your own tax advisor for a full understanding of the tax consequences of the Mergers to you.

Information About the Companies (Page 88)

Enterprise Financial Services Corp

150 North Meramec

Clayton, Missouri 63105

(314) 725-5500

Enterprise is a Delaware corporation headquartered in Clayton, Missouri. It is a relationship-based financial institution and one of the largest independent publicly traded bank holding companies based on assets headquartered in the Midwest. Enterprise’s principal subsidiary, EB&T, and other affiliates provide a full range of commercial, leasing, retail, wealth management, trust and private banking products and services to commercial and industrial, commercial real estate, municipal and consumer customers through twenty-eight (28) branch locations throughout St. Louis, Kansas City and Phoenix metropolitan area. At September 30, 2018, Enterprise had consolidated total assets of approximately \$5.5 billion and over \$1.7 billion in trust assets under management. Enterprise common stock trades on NASDAQ under the symbol “EFSC.”

Trinity Capital Corporation

1200 Trinity Drive

Los Alamos, New Mexico 87544

(505) 662-5171

Trinity is the parent company of LANB. LANB is one of the largest locally-owned banks in New Mexico with current assets of \$1.3 billion. Through the responsive work of over 200 professional employees, LANB is proud to offer a full range of banking services with the highest degree of customer service to businesses and residents in Northern New Mexico and the Albuquerque metro area. A true community bank with six full-service locations, LANB ranks as one of the top mortgage providers in the state. LANB has been voted one of the Best Banks in Santa Fe by the readers of the Santa Fe Reporter for the past twelve years. LANB was the first corporation in New Mexico, as well as the first and only bank in the nation, to earn the prestigious Malcolm Baldrige National Quality Award. Founded in 1963,

LANB is headquartered in Los Alamos, New Mexico. Trinity voting common stock trades on the OTCQX Market under the symbol "TRIN."

See "Information About the Companies" in this proxy statement/prospectus.

The Rights of Trinity Shareholders Following the Merger Will Be Different (Page 124)

The rights of Enterprise stockholders are governed by Delaware law and by Enterprise's certificate of incorporation, as amended, and amended and restated bylaws. The rights of Trinity shareholders are governed by New Mexico law, and by Trinity's amended and restated articles of incorporation and amended and restated bylaws. Upon completion of the Merger, the rights of both stockholder groups will be governed by Delaware law and Enterprise's certificate of incorporation, as amended, and amended and restated bylaws.

## SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF ENTERPRISE

You should read the selected consolidated financial data set forth below in conjunction with Enterprise's Management's Discussion and Analysis of Financial Condition and Results of Operations and the Enterprise consolidated financial statements and related notes incorporated by reference into this proxy statement/prospectus. The financial data as of and for the fiscal years ended December 31, 2017, 2016, 2015, 2014, and 2013 is derived from Enterprise's audited financial statements. The financial data as of and for the nine month periods ended September 30, 2018 and 2017 is derived from Enterprise's unaudited financial statements incorporated by reference into this proxy statement/prospectus, which have been prepared on the same basis as Enterprise's audited financial statements. See "Where You Can Find More Information." Enterprise's historical results may not be indicative of Enterprise's future performance. In addition, results for the nine month periods ended September 30, 2018 and 2017 may not be indicative of the results that may be expected for the full fiscal year or future periods.

(in thousands, except per share data)	For the Nine Months ended September 30,		For the Years ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
<b>EARNINGS SUMMARY</b>							
Interest income	\$ 173,800	\$ 147,750	\$ 202,539	\$ 149,224	\$ 132,779	\$ 131,754	\$ 153,289
Interest expense	32,488	17,850	25,235	13,729	12,369	14,386	18,137
Net interest income	141,312	129,900	177,304	135,495	120,410	117,368	135,152
Provision (provision reversal) for portfolio loan losses	6,588	7,578	10,764	5,551	4,872	4,409	(642 )
Provision (provision reversal) for Purchased credit impaired loan losses	(2,064 )	(355 )	(634 )	(1,946 )	(4,414 )	1,083	4,974
Noninterest income	27,645	23,282	34,394	29,059	20,675	16,631	9,899
Noninterest expense	88,284	86,791	115,051	86,110	82,226	87,463	90,639
Income before income tax expense	76,149	59,168	86,517	74,839	58,401	41,044	50,080
Income tax expense(1)	10,461	18,507	38,327	26,002	19,951	13,871	16,976
Net income(1)	\$ 65,688	\$ 40,661	\$ 48,190	\$ 48,837	\$ 38,450	\$ 27,173	\$ 33,104
<b>PER SHARE DATA</b>							
Basic earnings per common share(1)	\$ 2.84	\$ 1.77	\$ 2.10	\$ 2.44	\$ 1.92	\$ 1.38	\$ 1.78
Diluted earnings per common share(1)	2.81	1.75	2.07	2.41	1.89	1.35	1.73
Cash dividends paid on common shares	0.34	0.33	0.44	0.41	0.26	0.21	0.21
Book value per common share	25.41	23.69	23.76	19.31	17.53	15.94	14.47
Tangible book value per common share	19.94	18.09	18.20	17.69	15.86	14.20	12.62

(1) Includes \$12.1 million (\$0.52 per share) deferred tax asset revaluation charge for year ended December 31, 2017, due to U.S. corporate income tax reform.

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(in thousands, except percentage data)	For the Nine Months ended		For the Years ended December 31,					
	2018	2017	2017	2016	2015	2014	2013	
<b>BALANCE SHEET DATA:</b>								
Ending balances:								
Portfolio loans	\$4,249,758	\$3,996,501	\$4,066,659	\$3,118,392	\$2,750,737	\$2,433,916	\$2,137,313	
Allowance for portfolio loan losses	41,892	38,292	38,166	37,565	33,441	30,185	27,289	
Non-core acquired loans, net of allowance for loan losses	15,378	29,258	25,980	33,925	64,583	83,693	125,100	
Goodwill	117,345	117,345	117,345	30,334	30,334	30,334	30,334	
Other intangible assets, net	9,148	11,745	11,056	2,151	3,075	4,164	5,418	
Total assets	5,517,539	5,231,488	5,289,225	4,081,328	3,608,483	3,277,003	3,170,197	
Deposits	4,210,476	4,059,211	4,156,414	3,233,361	2,784,591	2,491,510	2,534,953	
Subordinated debentures and notes	118,144	118,093	118,105	105,540	56,807	56,807	62,581	
FHLB advances	401,000	248,868	172,743	—	110,000	144,000	50,000	
Other borrowings	161,795	209,104	253,674	276,980	270,326	239,883	214,331	
Shareholders' equity	586,837	546,336	548,573	387,098	350,829	316,241	279,705	
Tangible common equity	460,344	417,246	420,172	354,613	317,420	281,743	243,953	
Average balances:								
Portfolio loans	\$4,178,900	\$3,749,335	\$3,810,055	\$2,915,744	\$2,520,734	\$2,255,180	\$2,097,920	
Non-core acquired loans	25,705	37,043	35,761	55,992	87,940	119,504	168,662	
Earning assets	5,015,471	4,539,350	4,611,670	3,570,186	3,163,339	2,921,978	2,875,765	
Total assets	5,409,404	4,897,343	4,980,229	3,796,478	3,381,831	3,156,994	3,126,537	
Interest-bearing liabilities	3,729,263	3,359,423	3,396,382	2,634,700	2,344,861	2,209,188	2,237,111	
Shareholders' equity	569,915	524,323	532,306	371,587	335,095	301,756	259,106	
Tangible common equity	442,496	410,145	414,458	338,662	301,165	266,655	222,186	
<b>SELECTED RATIOS:</b>								
Return on average	15.41	% 10.37	% 9.05	% 13.14	% 11.47	% 9.01	% 12.78	%

common equity							
Return on							
average tangible	19.85	13.25	11.63	14.42	12.77	10.19	14.90
common equity							
Return on							
average assets	1.62	1.11	0.97	1.29	1.14	0.86	1.06
Efficiency ratio	52.25	56.66	54.35	52.33	58.28	65.27	62.49
Total loan yield							
(1)	5.06	4.80	4.84	4.66	4.72	5.14	6.36
Cost of							
interest-bearing	1.16	0.71	0.74	0.52	0.53	0.65	0.81
liabilities							
Net interest							
spread (1)	3.49	3.68	3.69	3.71	3.72	3.91	4.60
Net interest							
margin (1)	3.78	3.87	3.88	3.84	3.86	4.07	4.78
Nonperforming							
loans to							
portfolio loans	0.40	0.23	0.39	0.48	0.33	0.91	0.98
(2)							
Nonperforming							
assets to total	0.32	0.18	0.31	0.39	0.48	0.74	0.90
assets (2) (3)							
Net charge-offs							
to average loans	0.09	0.24	0.27	0.05	0.06	0.07	0.31
(2)							
Allowance for							
loan losses to	0.99	0.97	0.95	1.20	1.22	1.24	1.28
portfolio loans							
(2)							
Dividend							
payout ratio -	11.97	18.96	21.27	16.81	13.68	15.37	11.92
basic							

(1) Fully tax equivalent.

(2) Amounts and ratios exclude purchased credit impaired (“PCI”) loans and related assets, except for their inclusion in total assets.

(3) Other real estate from PCI loans included in nonperforming assets beginning with the year ended December 31, 2015 due to termination of all existing FDIC loss share agreements.

## SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF TRINITY

The following table sets forth certain of Trinity's selected historical consolidated financial and operating data for each of the periods for the dates indicated. The selected historical consolidated financial data as of and for the years ended December 31, 2017 and 2016 has been derived from Trinity's audited consolidated financial statements included elsewhere in this proxy statement/prospectus. The selected historical consolidated financial data as of and for the years ended December 31, 2015, 2014 and 2013 has been derived from our audited consolidated financial statements not included in this proxy statement/prospectus. The selected historical consolidated financial data as of and for the nine months ended September 30, 2018 and 2017 has been derived from Trinity's unaudited consolidated financial statements included elsewhere in this proxy statement/prospectus. Trinity's management believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its results and operations as of the dates and for the interim periods indicated. The historical results presented are not necessarily indicative of future results.

	As of and For the Nine Months Ended September 30,		As of and For the Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
(dollars in thousands, except per share data)							
<b>EARNINGS SUMMARY:</b>							
Interest income	\$33,384	\$ 34,415	\$46,116	\$47,848	\$ 47,604	\$ 52,150	\$ 60,695
Interest expense	3,069	3,359	4,429	5,367	5,876	7,356	8,821
Net interest income	30,315	31,056	41,687	42,481	41,728	44,794	51,874
Provision for loan losses	(1,480)	(1,220)	(1,220)	1,800	500	2,000	0
Net trust income	2,255	1,953	2,581	2,260	2,604	2,564	2,359
Other non-interest income	6,302	6,047	6,361	9,567	7,525	6,441	13,106
Total non-interest income	8,557	8,000	8,942	11,827	10,129	9,005	15,465
Noninterest expense	28,267	38,474	48,909	50,071	49,443	56,621	54,476
Income (loss) before income taxes	12,085	1,802	2,940	2,437	1,914	(4,822)	12,863
Income tax expense (benefit)	2,579	3,487	8,730	(13,676)	0	1,170	0
Net income (loss)	9,506	(1,685)	(5,790)	16,113	1,914	(5,992)	12,863
<b>PER SHARE DATA:</b>							
Net income (loss) per common share-diluted	0.48	(0.160)	(0.380)	1.71	(0.290)	(1.430)	1.66
Book value at end of period <sup>(1)</sup>	5.47	5.72	5.37	6.88	6.51	7.20	8.63
Dividends declared - common stock	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends declared - preferred stock	0.00	0.00	20.63	114.48	101.91	86.56	57.46
Average common shares outstanding and dilutive potential common shares	19,685,995	15,647,178	17,088,806	18,620,611	6,483,637	6,452,557	6,449,726
outstanding	19,930,757	15,647,178	17,122,148	18,934,608	6,483,637	6,452,557	6,449,726
<b>BALANCE SHEET DATA:</b>							
Total assets	1,253,591	1,322,486	1,287,533	1,425,437	1,398,985	1,446,206	1,550,020
Cash and cash equivalents	14,691	79,967	35,434	119,335	188,875	247,398	291,198
Total securities available for sale	437,975	434,521	468,733	439,650	316,040	216,022	123,304
Gross loans	711,639	735,017	700,144	785,490	839,788	910,547	1,057,088
Allowance for loan losses	9,528	13,200	13,803	14,352	17,392	24,783	28,358
Total deposits	1,097,413	1,167,319	1,127,347	1,215,089	1,253,958	1,282,592	1,383,065



Borrowings	42,166	39,237	39,241	39,227	39,416	59,416	59,416
Shareholders' equity <sup>(1)</sup>	107,769	100,364	105,546	137,299	78,990	83,022	92,076

	As of and For the Nine Months Ended September 30,		As of and For the Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
<b>SELECTED RATIOS:</b>							
Net interest margin	3.36	% 3.29	% 3.33	% 3.16	% 3.02	% 3.15	% 3.53
Nonperforming loans to total loans	1.23	% 2.19	% 2.47	% 2.73	% 3.60	% 5.29	% 4.92
Nonperforming assets to total assets	1.17	% 1.84	% 1.85	% 2.10	% 2.76	% 4.32	% 4.29
Allowance for loan losses to nonperforming loans	109.39	% 81.86	% 79.60	% 66.82	% 57.35	% 51.40	% 54.41
Allowance for loan losses to total loans	1.35	% 1.80	% 1.97	% 1.83	% 2.07	% 2.72	% 2.68
Net charge-offs to average loans	0.40	% (0.01)	% (0.09)	% 0.60	% 0.91	% 0.57	% 0.64
<b>CAPITAL RATIOS:</b>							
Total capital (to risk-weighted assets)	17.55	% 16.98	% 18.20	% 20.05	% 14.10	% 14.27	% 13.72
Tier 1 capital (to risk-weighted assets)	16.43	% 14.54	% 15.90	% 18.75	% 11.13	% 12.10	% 11.93
Common equity tier 1 capital (to risk weighted assets)	13.51	% 11.63	% 12.72	% 6.82	% 4.85	% NA	% NA
Tier 1 capital (to average assets)	11.20	% 9.50	% 10.18	% 12.01	% 7.11	% 7.54	% 8.02

<sup>(1)</sup> The book value per share metrics include stock owned by the Employee Stock Ownership Plan (“ESOP”), which is recorded as a mezzanine liability on Trinity’s GAAP financial statements.

#### SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information and explanatory notes show the historical financial positions and results of operations of Enterprise and Trinity, and have been prepared to illustrate the effects of the Merger involving Enterprise and Trinity under the acquisition method of accounting with Enterprise treated as the acquirer. Under the acquisition method of accounting, the assets and liabilities of Trinity, as of the effective date of the Merger, will be recorded by Enterprise at their respective fair values along with identifiable intangible assets and the excess of the Merger Consideration over the fair value of Trinity’s net assets will be allocated to goodwill.

The unaudited pro forma condensed combined income statements for the fiscal year ended December 31, 2017 and the nine months ended September 30, 2018 are presented as if the Merger had occurred on January 1, 2017, the first day of the Enterprise 2017 fiscal year. The unaudited pro forma condensed combined balance sheet as of September 30, 2018 is presented as if the Merger with Trinity had occurred on September 30, 2018. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the Merger and, with respect to the income statements only, expected to have a continuing impact on consolidated results of operations.

As explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the Merger is completed. Adjustments may include, but not be limited to, changes in (i) Trinity’s balance sheet through the effective time of the Merger; (ii) the aggregate value of Merger Consideration paid if the price of Enterprise’s common stock varies from the assumed \$43.45 per share; (iii) total Merger-related expenses if

completion and/or implementation costs vary from currently estimated amounts; and (iv) the underlying values of assets and liabilities if market conditions differ from current assumptions.

The unaudited pro forma condensed combined financial information is provided for informational purposes only. The unaudited pro forma condensed combined financial information is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The adjustments included in these unaudited pro forma condensed combined financial statements are preliminary and may be revised. The unaudited pro forma condensed combined

financial information also does not consider any potential impacts of potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors. The preparation of the unaudited pro forma condensed combined financial information and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma condensed combined financial statements should be read together with:

• The accompanying notes to the unaudited pro forma condensed combined financial information;

Enterprise's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2017, included in Enterprise's Annual Report on Form 10-K for the year ended December 31, 2017, which are incorporated by reference in this proxy statement/prospectus;

- Trinity's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2017, included in this proxy statement/prospectus;

Enterprise's separate unaudited historical consolidated financial statements and accompanying notes as of and for the nine months ended September 30, 2018 included in Enterprise's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, which are incorporated by reference in this proxy statement/prospectus; and

• Trinity's separate unaudited historical consolidated financial statements and accompanying notes as of and for the nine months ended September 30, 2018 included in this proxy statement/prospectus.

Pro Forma Condensed Combined Balance Sheet  
(Unaudited)

	As of September 30, 2018			
(in thousands)	EFSC	TRIN	Pro Forma Adjustments	Pro Forma Consolidated
<b>Assets</b>				
Cash and cash equivalents	\$156,065	\$14,691	\$ (42,350 )	A \$128,406
Interest-bearing deposits greater than 90 days	3,405	—	—	3,405
Securities	737,459	445,744	(4,074 )	B 1,179,129
Loans held for sale	738	6,815	—	7,553
Loans	4,267,430	704,824	(25,034 )	C 4,947,220
Less: Allowance for loan losses	44,186	9,528	(9,528 )	D 44,186
Total loans, net	4,223,244	695,296	(15,506 )	4,903,034
Other real estate	408	5,982	(1,755 )	E 4,635
Other investments, at cost	37,885	5,819	—	43,704
Fixed assets, net	32,354	28,027	8,775	F 69,156
Accrued interest receivable	19,879	4,883	—	24,762
State tax credits held for sale	45,625	—	—	45,625
Goodwill	117,345	—	93,371	G 210,716
Intangible assets, net	9,148	—	23,794	H 32,942
Other assets	133,984	46,334	4,836	I 185,154
Total assets	\$5,517,539	\$1,253,591	\$ 67,091	\$ 6,838,221
<b>Liabilities and Shareholders' Equity</b>				
Demand deposits	\$1,062,126	\$175,655	\$ —	\$ 1,237,781
Interest-bearing transaction accounts	743,351	376,405	—	1,119,756
Money market accounts	1,523,416	18,976	—	1,542,392
Savings	207,346	379,213	—	586,559
Time deposits	674,237	147,164	—	821,401
Total deposits	4,210,476	1,097,413	—	5,307,889
Subordinated debentures and notes	118,144	26,766	(4,018 )	J 140,892
Federal Home Loan Bank advances	401,000	15,400	—	416,400
Other borrowings	161,795	—	—	161,795
Accrued interest payable	2,433	284	—	2,717
Other liabilities	36,854	5,959	8,603	K 51,416
Total liabilities	4,930,702	1,145,822	4,585	6,081,109
Stock owned by Employee Stock Ownership Plan	—	5,183	(5,183 )	L —
<b>Shareholders' equity:</b>				
Common stock	239	11,660	163,247	L 175,146
Common stock, non-voting	—	8,044	(8,044 )	L —
Treasury stock	(30,108 )	—	—	(30,108 )
Additional paid in capital	349,317	36,222	(36,222 )	L 349,317
Retained earnings	284,016	64,093	(68,725 )	L 279,384
Common stock related to ESOP	—	(5,183 )	5,183	L —
Accumulated other comprehensive loss	(16,627 )	(12,250 )	12,250	B (16,627 )

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Total shareholders' equity	586,837	102,586	67,689	757,112
Total liabilities and shareholders' equity	\$5,517,539	\$1,253,591	\$ 67,091	\$ 6,838,221

Pro Forma Condensed Combined Income Statement  
(Unaudited)

(in thousands)	Nine months ended September 30, 2018			
	EFSC	TRIN	Pro Forma Adjustments	Pro Forma Consolidated
Interest income				
Loans	\$ 158,781	\$ 25,439	\$ 475	C \$ 184,695
Securities	13,513	7,689		21,202
Other	1,506	256		1,762
Total interest income	173,800	33,384	475	207,659
Interest expense				
Deposits	23,187	1,255		24,442
Borrowed funds	4,996	313		5,309
Subordinated debentures and notes	4,305	1,501	71	5,877
Total interest expense	32,488	3,069	71	J 35,628
Net interest income	141,312	30,315	404	172,031
Provision (provision reversal) for portfolio loan losses	6,588	(1,480 )		5,108
Provision reversal for purchased credit impaired loan losses	(2,064 )	—		(2,064 )
Net interest income after provision for loan losses	136,788	31,795	404	168,987
Noninterest income				
Service charges on deposit accounts	8,855	712		9,567
Wealth management revenue	6,267	2,255		8,522
Card services revenue	4,926	1,593		6,519
Gain on sale of other real estate	13	764		777
Gain on state tax credits, net	508	—		508
Gain on sale of investment securities	9	—		9
Miscellaneous income	7,067	3,233		10,300
Total noninterest income	27,645	8,557	—	36,202
Noninterest expense				
Employee compensation and benefits	49,370	16,286		65,656
Occupancy	7,142	1,592	439	F 9,173
Data processing	4,634	2,894		7,528
Professional fees	2,619	1,540		4,159
FDIC and other insurance	2,682	289		2,971
Loan legal and other real estate expense	598	438		1,036
Other	21,239	5,228	2,920	H 29,387
Total noninterest expense	88,284	28,267	3,359	119,910
Income before income tax expense	76,149	12,085	(2,955 )	85,279
Income tax expense	10,461	2,579	(730 )	12,310
Net income	\$ 65,688	\$ 9,506	\$ (2,225 )	\$ 72,969

Note: Excludes impact of fair value adjustment on securities due to the assumption that Trinity's securities portfolio will be repositioned into higher-yielding securities upon close.





Pro Forma Condensed Combined Income Statement  
(Unaudited)

(in thousands)	Year ended December 31, 2017			
	EFSC	TRIN	Pro Forma Adjustments	Pro Forma Consolidated
Interest income				
Loans	\$ 185,452	\$ 36,761	\$ 634	C \$ 222,847
Securities	15,834	8,615		24,449
Other	1,253	740		1,993
Total interest income	202,539	46,116	634	249,289
Interest expense				
Deposits	17,200	1,763		18,963
Borrowed funds	2,940	150		3,090
Subordinated debentures and notes	5,095	2,516	95	7,706
Total interest expense	25,235	4,429	95	J 29,759
Net interest income	177,304	41,687	539	219,530
Provision (provision reversal) for portfolio loan losses	10,764	(1,220 )		9,544
Provision reversal for purchased credit impaired loan losses	(634 )	—		(634 )
Net interest income after provision for loan losses	167,174	42,907	539	210,620
Noninterest income				
Service charges on deposit accounts	11,043	990		12,033
Wealth management revenue	8,102	2,581		10,683
Card services revenue	5,433	1,639		7,072
Mortgage loan servicing fees	—	1,829		1,829
Gain on sale of other real estate	93	846		939
Gain on state tax credits, net	2,581	—		2,581
Gain (loss) on sale of investment securities	22	(1,248 )		(1,226 )
Loss on sale of loans	—	(394 )		(394 )
Miscellaneous income	7,120	2,699		9,819
Total noninterest income	34,394	8,942	—	43,336
Noninterest expense				
Employee compensation and benefits	61,388	23,579		84,967
Occupancy	9,057	3,124	585	F 12,766
Data processing	6,272	5,114		11,386
Professional fees	3,813	5,397		9,210
FDIC and other insurance	3,194	891		4,085
Loan legal and other real estate expense	2,220	1,066		3,286
Merger related expenses	6,462	—		6,462
Other	22,645	9,738	4,425	H 36,808
Total noninterest expense	115,051	48,909	5,010	168,970
Income before income tax expense	86,517	2,940	(4,471 )	84,986
Income tax expense	38,327	8,730	(1,104 )	45,953
Net income (loss)	\$ 48,190	\$ (5,790 )	\$ (3,367 )	\$ 39,033

Note: Excludes impact of fair value adjustment on securities due to the assumption that Trinity's securities portfolio will be repositioned into higher-yielding securities upon close.



Notes to Unaudited Pro Forma Condensed Combined Financial Statements

NOTE 1 – BASIS OF PRESENTATION

The unaudited pro forma condensed combined financial information has been prepared under the acquisition method of accounting for business combinations. The unaudited pro forma condensed combined statements of income for the year ended December 31, 2017 and nine months ended September 30, 2018 are presented as if the Merger occurred on January 1, 2017. The unaudited pro forma condensed combined balance sheet as of September 30, 2018 is presented as if the Merger occurred as of that date. This information is not intended to reflect the actual results that would have been achieved had the Merger actually occurred on those dates. The pro forma adjustments are preliminary, based on estimates, and are subject to change as more information becomes available and after final analyses of the fair values of both tangible and intangible assets acquired and liabilities assumed are completed. Accordingly, the final fair value adjustments may be materially different from those presented in this document.

NOTE 2 – PURCHASE PRICE

Each share of Trinity common stock that is outstanding immediately prior to the Merger will be converted into the right to receive \$1.84 in cash, without interest and subject to adjustment, and 0.1972 shares of Enterprise common stock, subject to adjustment as described in this proxy statement/prospectus. The Merger Agreement provides that at the effective time of the Merger, each unsettled or unvested Trinity Stock Award issued and outstanding immediately prior to the effective time of the Merger that will vest at such effective time pursuant to its terms will fully vest and be free of any restrictions and be exchanged for the same Merger Consideration that all other shares of Trinity common stock are entitled to receive in the Merger. The outstanding restricted stock units granted to each of the named executive officers under the Trinity Capital Corporation 2015 Long-Term Incentive Plan will vest in full upon the effective time of the Merger.

NOTE 3 – ALLOCATION OF PURCHASE PRICE

Under the acquisition method of accounting, Trinity's assets acquired and liabilities assumed and any identifiable intangible assets are required to be adjusted to their estimated fair values at the acquisition date. The excess of the purchase price over the fair value of the net assets acquired, net of deferred taxes, is allocated to goodwill. Estimated fair value adjustments included in the pro forma financial statements are based upon available information, and certain assumptions considered reasonable, and may be revised as additional information becomes available. The following are the pro forma adjustments made to record the Merger and to adjust Trinity's assets and liabilities to their estimated fair values at September 30, 2018.

(in thousands)

Purchase price allocation of Trinity Capital Corporation	
Enterprise Financial Services Corp common stock paid at closing price of \$43.45 as of October 31, 2018	\$ 174,907
Cash to be paid for Trinity common shares	37,640
Cash to be paid for Trinity restricted stock units	78
Purchase price	\$ 212,625
Historical net assets of Trinity as of September 30, 2018	\$ 107,769
Fair value adjustments as of September 30, 2018	
Securities	(4,074 )
Loans	(25,034 )
Allowance for loan losses	9,528
Other real estate owned	(1,755 )
Goodwill	93,371
All other intangible assets	23,794
Furniture and equipment	8,775
Deferred taxes on purchase accounting adjustments, net	(3,767 )
Subordinated debentures	4,018
Purchase price	\$ 212,625

Any change in the price of Enterprise common stock would change the purchase price allocated to goodwill. The following table represents the sensitivity of the purchase price and resulting goodwill to changes in the price of Enterprise common stock of \$37.42, the closing price of Enterprise common stock on December 28, 2018:

(in thousands)	Purchase Price	Goodwill
Up 20%	\$ 218,388	\$ 99,135
Up 10%	203,320	84,066
As presented in pro forma financial information	212,625	93,371
Down 10%	173,184	53,930
Down 20%	158,116	38,862

The following pro forma adjustments are reflected in the unaudited pro forma condensed combined financial information:

A. Cash to be paid for Trinity common stock and restricted stock units of \$37.7 million and Enterprise's and Trinity's estimated transaction expenses, net of tax, of \$4.6 million.

B. Fair value adjustment on securities of \$4.1 million, net of existing accumulated other comprehensive income.

C. Credit fair value adjustment on loans of \$21.5 million and interest rate fair value adjustment on loans of \$3.5 million, determined based on assigned risk ratings and the present value of estimated expected cash flows (including the estimated fair value of loan collateral).

D. Elimination of Trinity's allowance for loan losses.

E. Fair value adjustment on other real estate owned based on Enterprise's management's estimate.

F. Fair value adjustment on premises, furniture, and equipment based on Enterprise's management's estimate.

G. Estimate of goodwill that will be recognized as part of the transaction.

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H. Adjustment to record estimate of core deposit intangible asset that will be recognized as part of the purchase accounting transaction. The core deposit intangible is assumed to be amortized using the sum of years' digits method over 10 years.

I. Deferred tax asset related to the loan, allowance for loan losses, other real estate owned, and securities fair value adjustments using a statutory tax rate of 25%.

J. Fair value adjustment on Trinity's trust preferred securities based on current interest rates.

K. Deferred tax liability related to the core deposit intangible, trust preferred securities, and premises, furniture, and equipment fair value adjustments using a statutory tax rate of 25%.

L. Elimination of Trinity shareholders' equity and the issuance of Enterprise shares in the Merger. Trinity shareholders are expected to receive (i) \$1.84 in cash, without interest and subject to adjustment, and (ii) 0.1972 shares of Enterprise common stock for each share of Trinity common stock held by them immediately prior to the effective time of the Merger. The fair value of Enterprise common stock was based on the October 31, 2018 closing price of \$43.45 per share. Includes Enterprise's and Trinity's estimated transaction expenses, net of tax, of \$4.6 million.

#### NOTE 4 – ESTIMATED ACQUISITION AND INTEGRATION RELATED EXPENSES

The table below reflects Enterprise's current estimate of the aggregate acquisition and integration related expenses of \$15.8 million (net of \$5.2 million of taxes, computed using a 25% tax rate) expected to be incurred in connection with the Merger, which are excluded from the pro forma financial statements. The current estimates of these expenses are as follows:

(in thousands)

Change of control and retention plan payments	\$4,600
Professional fees	6,100
Data processing, termination, and conversion	9,200
Other expense	1,100
Pre-tax acquisition and integration related expenses	21,000
Income tax benefit	5,200
Total acquisition and integration related expenses	\$15,800

## COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA

Presented below are Enterprise's and Trinity's historical per share data for the year ended December 31, 2017 and for the nine months ended September 30, 2018, and unaudited pro forma combined per share data for the year ended December 31, 2017 and for the nine months ended September 30, 2018. Except for the historical information of Enterprise and Trinity as of and for the year ended December 31, 2017, the information provided in the table below is unaudited. The unaudited pro forma data and equivalent per share information gives effect to the Merger as if the transaction had been effective on the dates presented in the case of the book value data, and as if the transaction had been effective on January 1, 2017 in the case of earnings per share. This information should be read together with the historical consolidated financial statements and related notes of Enterprise and Trinity, incorporated by reference or included in this proxy statement/prospectus, and with the unaudited pro forma condensed combined financial statements included under "Selected Unaudited Pro Forma Condensed Combined Financial Information."

The unaudited pro forma financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined company had the companies actually been combined at the beginning of the period presented. The unaudited pro forma financial information also does not consider any potential impacts of current market conditions on revenues, potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors.

	EFSC Historical	TRIN Historical	Combined Pro Forma Amounts for EFSC	Pro Forma TRIN Equivalent Share <sup>(1)</sup>
Book value per common share at September 30, 2018 <sup>(2)(4)</sup>	\$ 25.41	\$ 5.47	\$ 27.88	\$ 5.50
Book value per common share at December 31, 2017 <sup>(2)(4)</sup>	23.76	5.37	26.65	5.25
Cash dividends paid per common share for the nine months ended September 30, 2018 <sup>(3)</sup>	0.34	—	0.34	0.07
Cash dividends paid per common share for the year ended December 31, 2017 <sup>(3)</sup>	0.44	—	0.44	0.09
Basic earnings per common share for the nine months ended September 30, 2018	2.84	0.48	2.69	0.53
Basic earnings (loss) per common share for the year ended December 31, 2018	2.10	(0.38 )	1.49	0.29
Diluted earnings per common share for the nine months ended September 30, 2018	2.81	0.48	2.67	0.53
Diluted earnings (loss) per common share for the year ended December 31, 2017	2.07	(0.38 )	1.48	0.29

<sup>(1)</sup> Calculated by multiplying the "Combined Pro Forma Amounts for EFSC" by 0.1972, which is the exchange ratio for the Stock Consideration payable to Trinity shareholders in the Merger.

<sup>(2)</sup> "Combined Pro Forma Amounts for EFSC" have been calculated based on pro forma total shareholders' equity of \$757 million and \$719 million as of September 30, 2018 and December 31, 2017, respectively, divided by shares of Enterprise common stock outstanding of 27,154,472 and 26,978,472 at September 30, 2018 and December 31, 2017, respectively.

<sup>(3)</sup> The combined pro forma cash dividends per common share for the nine months ended September 30, 2018 and the year ended December 31, 2017 represent the actual cash dividends per share paid by Enterprise for those periods.

<sup>(4)</sup> The book value per share metrics include stock owned by the Employee Stock Ownership Plan (“ESOP”), which is recorded as a mezzanine liability on Trinity’s GAAP financial statements.



## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus, as well as Enterprise's other filings with the SEC and Trinity's other communications with its shareholders, may contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA") with respect to and regarding the financial conditions, results of operations, earnings outlook and business prospects of Enterprise, EB&T, Trinity and LANB and the potential combined company and may include statements for the periods following completion of the Merger.

Forward-looking statements typically are identified with use of terms such as "may," "might," "will," "should," "expect," "plan," "strategies," "anticipate," "intend," "believe," "estimate," "predict," "possible," "potential," "project," "could," "continue" and these terms and similar words, although some forward-looking statements are expressed differently. Such statements include, but are not limited to, statements about the benefits of the pending Merger including future financial and operating results, plans, objectives, expectations and intentions, and other statements that are not historical facts, such as, without limitation, statements that discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. Forward-looking statements involve certain risks and uncertainties that are subject to change based on factors which are, in many instances beyond Enterprise's or Trinity's control. The ability of Enterprise or Trinity to predict results or the actual effect of future plans or strategies or those of the combined company is inherently uncertain. We caution you not to place undue reliance on these statements. Forward-looking statements are made only as of the date of this proxy statement/prospectus, and Enterprise and Trinity undertake no obligation to update any forward-looking statements to reflect new information or events or conditions after the date hereof.

In connection with the safe harbor provisions of the PSLRA, we are hereby identifying important factors that could affect our financial performance and could cause our actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any forward-looking statements.

Among the factors that could have an impact on our ability to achieve operating results, growth plan goals, and the beliefs expressed or implied in forward-looking statements are:

• the challenges and costs of integrating operations of the business of Enterprise and Trinity;

• expected revenue synergies, cost savings and other financial or other benefits of the proposed Merger between Enterprise and Trinity might not be realized within the expected time frames or might be less than projected;

• revenues following the Merger may be lower than expected;

• deposit attrition, operating costs, customer loss and business disruption following the Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;

• the ability to obtain governmental approvals of the Merger, or the ability to obtain such approvals in a timely manner;

• the potential impact of announcement or completion of the Merger on relationships with third parties, including customers, employees, and competitors;

• business disruption before and following the Merger, including diversion of management's attention and time from ongoing business operations and opportunities;

• the failure of holders of Trinity common stock to approve the Merger Proposal (in which Enterprise stock will not be issued to Trinity shareholders);

- debt service obligations on new debentures;
- reputational risks and the reaction of Enterprise's customers to the Merger;
- changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;
- credit risk;
- outcomes of litigation and other contingencies;
- exposure to general and local economic conditions;
- adverse changes in the securities market;
- risks associated with inflation, interest rate, securities market and monetary fluctuations;
- changes in the interest rate environment may affect interest margins;
- consolidation within the banking industry and any existing or changing competition from banks and other financial institutions;
- our ability to attract and retain relationship officers and other key personnel;  
and
- burdens imposed by federal and state regulation and any changes in regulatory requirements.

The foregoing list of important factors may not be all inclusive, and we specifically decline to undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events unless obligated to do so under federal securities laws. Because these forward-looking statements are subject to assumptions and uncertainties, Enterprise's and Trinity's actual results may differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are predicated on the beliefs and assumptions of the management of each of Enterprise and Trinity based on information known to them as of the date of this proxy statement/prospectus. Trinity shareholders are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus. All subsequent written and oral forward-looking statements concerning the Merger or other matters addressed in this proxy statement/prospectus and attributable to Enterprise or Trinity or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

For a further discussion of these and other risks, uncertainties and other factors applicable to Enterprise and Trinity, see "Risk Factors" in this proxy statement/prospectus and Enterprise's other filings with the SEC, including Enterprise's Annual Report on Form 10-K for the year ended December 31, 2017, incorporated by reference into this proxy statement/prospectus.

#### RECENT DEVELOPMENTS

There are no recent developments to report.



## RISK FACTORS

In addition to the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the heading “Cautionary Statement Regarding Forward-Looking Statements,” you should carefully consider the following risk factors in deciding how to vote on the proposals presented in this proxy statement/prospectus. You should also consider the other information in, and the other documents incorporated by reference into, this proxy statement/prospectus, including in particular the risk factors associated with Enterprise’s business contained under the heading “Risk Factors” in Enterprise’s Annual Report on Form 10-K for the year ended December 31, 2017. See “Where You Can Find More Information.”

Because the market price of Enterprise common stock will fluctuate and the exchange ratio will not be adjusted for such changes, Trinity shareholders cannot be certain of the market value of the Enterprise common stock that they will receive upon completion of the Merger.

Upon completion of the Merger, Trinity shareholders will receive as Stock Consideration for each share of Trinity common stock they hold immediately prior to the completion of the Merger a fixed exchange ratio of 0.1972 of Enterprise common stock. The exchange ratio is fixed in the Merger Agreement and will not be adjusted for changes in the market price of either Enterprise common stock or Trinity common stock. Any change in the market price of Enterprise common stock prior to completion of the Merger will affect the value of any shares of Enterprise common stock Trinity shareholders receive as consideration in the Merger. The market price of Enterprise common stock may fluctuate as a result of a variety of factors, including general market and economic conditions, changes in business, operations and prospects, and regulatory considerations. Many of these factors are outside our control. Accordingly, at the time of the Special Meeting, Trinity shareholders will not know or be able to calculate the market price of Enterprise common stock that they will receive upon completion of the Merger.

Combining Enterprise with Trinity and EB&T with LANB may be more difficult, costly or time-consuming than expected, or could result in the loss of customers.

Enterprise and Trinity, as well as EB&T and LANB have operated, and until the completion of the Merger will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company’s ongoing business or inconsistencies in standards, controls, procedures and policies that adversely affect each party’s ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the Merger. As with any merger of banking institutions, there also may be distributions that cause the loss of customers or cause customers to withdraw their deposits, which could negatively affect the performance and earnings of the combined institutions. There can be no assurance that customers will readily accept changes to their banking arrangements after the Merger.

Holders of Trinity common stock will have reduced ownership and voting interests after the Merger and will exercise less influence over management.

Holders of Trinity common stock currently have the right to vote on matters affecting Trinity. Upon the completion of the Merger, each Trinity shareholder will become a stockholder of Enterprise with a percentage ownership of Enterprise with respect to such shares that is smaller than the shareholder’s current percentage ownership of Trinity. Following the effective time of the Merger, the former shareholders of Trinity as a group would receive shares in the Merger constituting approximately 15.0% of the outstanding shares of Enterprise common stock immediately after the Merger based on the number of shares of Enterprise common stock outstanding as of December 28, 2018, the latest practicable date before the filing of this proxy statement/prospectus. Because of this, Trinity shareholders will have less influence on the management and policies of Enterprise than they now have on the management and policies of Trinity.

Failure to complete the Merger in certain circumstances could require Trinity to pay a termination fee, or in other circumstances, could require Enterprise or Trinity to pay liquidated damages, in addition to transaction expenses.

If the Merger Agreement is terminated in certain circumstances, Trinity could be required to pay to Enterprise \$9,500,000 as a termination fee. If the Merger Agreement is terminated upon a material breach, the breaching party may be required to pay a liquidated damages fee of \$2,000,000. Both Trinity and Enterprise have already incurred, and will continue to incur, substantial expenses in connection with the transactions described in this proxy statement/prospectus, whether or not the Merger is completed and the expected benefits of the Merger are realized. See “The Merger Agreement — Termination Fee; Effect of Termination,” beginning on page 80.

The termination fee and non-solicitation provisions of the Merger Agreement limit Trinity’s ability to pursue alternatives to the Merger with Enterprise.

The Merger Agreement contains terms and conditions that make it difficult for Trinity to enter into a business combination with a party other than Enterprise. Subject to limited exceptions, Trinity and its directors, officers and agents are prohibited from initiating or knowingly encouraging inquiries with respect to alternative acquisition proposals. The prohibition limits Trinity’s ability to seek offers that may be superior from a financial point of view from other possible acquirers. If Trinity receives an unsolicited superior proposal from a third party that the Trinity board of directors determines in good faith it has a fiduciary duty to accept, and the Merger Agreement is terminated, then Trinity would be obligated to pay a \$9,500,000 termination fee to Enterprise. The presence of those restrictions in the Merger Agreement could discourage a competing third party from considering or proposing an acquisition generally, including on better terms than offered by Enterprise. Further, the termination fee might result in a potential competing third party acquirer proposing a lower per share price than it might otherwise have proposed in order to acquire Trinity.

Completion of the Merger is subject to the receipt of approvals from regulatory authorities that may impose conditions that could have an adverse effect on us.

Before the Merger may be completed, we must obtain various approvals or consents from the FDIC, the Division and the Reserve Bank. These regulatory authorities may impose conditions on the completion of the Merger or require changes to the terms of the Merger. Although we do not currently expect the imposition of any conditions or changes, there can be no assurance that such conditions or changes will not be imposed. Such conditions or changes could have the effect of delaying completion of the Merger or imposition additional costs on or limiting our revenues following the Merger, any of which might have a material adverse effect on us following the Merger. Furthermore, we are not obligated to complete the Merger if the regulatory approvals received in connection with the Merger include any conditions that would have a material adverse effect on Enterprise and its subsidiaries, taken as a whole and giving effect to the Merger.

Failure to complete the Merger could negatively impact the stock prices and future businesses and financial results of Enterprise and Trinity.

There can be no assurance that the Merger will become effective. If the Merger is not completed, the ongoing businesses of Enterprise and Trinity may be adversely affected, and Enterprise and Trinity will be subject to a number of risks, including the following:

- Enterprise and Trinity will be required to pay certain costs relating to the Merger, whether or not the Merger is completed, such as legal, accounting, financial advisor, proxy solicitation and printing fees;
- under the Merger Agreement, Trinity is subject to restrictions on the conduct of its business before completing the Merger, which may adversely affect its ability to execute certain of its business strategies if the Merger Agreement is terminated; and
- matters relating to the Merger may require substantial commitments of time and resources by Enterprise and Trinity management, which could otherwise have been devoted to other opportunities that may have been beneficial to Enterprise or Trinity as independent companies.



In addition, if the Merger is not completed, Enterprise and/or Trinity may experience negative reactions from the financial markets and from their respective customers and employees. Enterprise and/or Trinity also could be subject to litigation related to any failure to complete the Merger or to proceedings commenced by Enterprise or Trinity against the other seeking damages or to compel the other to perform their obligations under the Merger Agreement. These factors and similar risks could have an adverse effect on the results of operation, business and stock prices of Enterprise and Trinity.

The Merger is subject to certain closing conditions that, if not satisfied or waived, will result in the Merger not being completed, which may cause the price of Trinity common stock to decline.

Specified conditions set forth in the Merger Agreement must be satisfied or waived to complete the Merger. If the conditions are not satisfied or waived, to the extent permitted by law, the Merger will not occur or will be delayed, and we may lose some or all of the intended benefits of the Merger. The following conditions described in “The Merger Agreement — Conditions to Completion of the Merger” must be satisfied or waived, before Enterprise and Trinity are obligated to complete the Merger.

In addition, the Merger Agreement may be terminated in certain circumstances if the Merger is not consummated on or before June 30, 2019, provided that if additional time is necessary to obtain the requisite regulatory approvals, this date may be automatically extended by three (3) months. We cannot assure you that all of the conditions precedent in the Merger Agreement will be satisfied, or to the extent legally permissible, waived or that the acquisition of Trinity will be completed.

If the Merger is not completed, the trading quotations of Trinity voting common stock on the OTCQX Market may decline to the extent that the current prices reflect a market assumption that the Merger will be completed. In addition, Trinity would not realize any of the expected benefits of having completed the Merger.

Some directors and officers of Trinity have interests in the Merger that may differ from the interests of other shareholders.

In considering the recommendation of the Trinity board of directors to approve the Merger, you should be aware that some executive officers and directors of Trinity may have economic interests in the Merger other than their interests as shareholders. Pursuant to the terms of the Merger Agreement, Enterprise is required to take all action necessary to appoint or elect, effective as of the effective time of the Merger, two (2) current Trinity directors, each of whom must be independent with respect to Enterprise for purposes of the listing requirements of NASDAQ, and mutually agreeable to Enterprise and Trinity, as directors of Enterprise; and EB&T is required to take all action necessary to appoint or elect, effective as of the effective time of the Merger, one (1) current Trinity director, mutually agreeable to EB&T and LANB, as a director of EB&T. Tony Scavuzzo and James F. Deutsch, each current directors of Trinity, will join the Enterprise board of directors (the “Enterprise Board”), and James E. Goodwin, Jr., Chairman of the board of directors of each of Trinity and LANB, will join the EB&T board of directors (the “EB&T Board”). Each individual will serve until the first annual meeting of shareholders of Enterprise and EB&T, respectively, following the effective time of the Merger in accordance with applicable law and the articles of incorporation and bylaws of Enterprise or the articles of association and bylaws of EB&T, as applicable. Subject to the fiduciary duties of the Enterprise Board and the EB&T Board, each of Enterprise and EB&T is required to include such individuals on the list of nominees for director presented by the respective board of directors and for which the such board of directors will solicit proxies at the first annual meeting of shareholders of Enterprise and EB&T, respectively, following the effective time of the Merger.

Certain of the executive officers of Trinity have entered into change in control agreements that provide severance payments and additional benefits if they are terminated without cause (or if they voluntarily terminate employment with good reason) within a specific period following completion of the Merger. In connection with the Merger, unsettled or unvested restricted stock units or other stock-based awards granted by Trinity to certain executive officers issued and outstanding immediately prior to the effective time of the Merger will fully vest and entitle the executive to

Merger Consideration. The Merger Agreement also provides for the continued indemnification of Trinity's current and former directors and executive officers following the Merger and for the continuation of directors' and officers' insurance for

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these individuals for six years after the Merger. See “Proposal I – The Merger — Interests of Trinity’s Directors and Executive Officers in the Merger” beginning on page 64.

These arrangements may create potential conflicts of interest. These interests of Trinity’s directors and officers may cause some of these persons to view the proposed Merger differently than how other Trinity shareholders view it. The Trinity and Enterprise boards of directors were aware of these interests and considered them, among other things, in their approval of the Merger Agreement and the transactions contemplated thereby, including the Merger. Trinity shareholders should consider these interests in conjunction with the recommendation of the Trinity board of directors with respect to approval of the Merger. See “The Merger — Interests of Trinity’s Directors and Executive Officers in the Merger” beginning on page 64 .

Enterprise may fail to realize the anticipated benefits of the Merger.

The success of the Merger will depend on, among other things, Enterprise’s ability to realize anticipated cost savings and to combine the businesses of Enterprise and Trinity without materially disrupting the existing customer relationships of Enterprise and Trinity and suffering decreased revenues as a result of the loss of those customers. If Enterprise is not able to successfully achieve these objectives, the anticipated benefits of the Merger may not be realized fully or at all or may take longer to realize than expected.

Trinity is subject to business uncertainties and contractual restrictions while the Merger is pending.

Uncertainties about the effect of the Merger on employees and customers may have an adverse effect on Trinity and consequently on Enterprise. These uncertainties may impair Trinity’s ability to attract, retain and motivate key personnel until the Merger is completed, and could cause customers and others that deal with Trinity to consider changing existing business relationships with Trinity. Retention of certain employees may be challenging during the pendency of the Merger, as certain employees may experience uncertainty about their future roles. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the business, Trinity’s business prior to the Merger and Enterprise’s business following the Merger could be negatively impacted. In addition, the Merger Agreement restricts Trinity from taking specified actions relative to its business without the prior consent of Enterprise. These restrictions may prevent Trinity from pursuing attractive business opportunities that may arise prior to the completion of the Merger. See “The Merger Agreement — Conduct of Business Pending the Merger” beginning on page 73.

The unaudited pro forma condensed combined financial information included in this proxy statement/prospectus is preliminary and the actual financial condition and results of operation after the Merger may differ materially.

The unaudited pro forma financial information included in this proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company’s actual financial position or results of operations would have been had the Merger been completed on the date(s) indicated. The preparation of the pro forma financial information is based upon available information and certain assumptions and estimates that Enterprise and Trinity currently believe are reasonable. The unaudited pro forma financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to Trinity’s net assets. The purchase price allocation reflected in this proxy statement/prospectus is preliminary, and the final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Trinity as of the date of the completion of the Merger. The pro forma financial information is stated as of the dates provided and does not include any transactions subsequent to such date. In addition, following the completion of the Merger, there may be further refinements of the purchase price allocation as additional information becomes available. Accordingly, the final purchase accounting adjustments may differ materially from the pro forma adjustments reflected in this proxy statement/prospectus. See “Selected Unaudited Pro Forma Condensed Combined Financial Information.”

The fairness opinion delivered to the Trinity board of directors by Trinity's financial advisor prior to the signing of the Merger Agreement will not reflect changes in circumstances subsequent to the date of the fairness opinion.

KBW delivered its opinion to the Trinity board of directors on November 1, 2018. The opinion is dated November 1, 2018 and speaks only as of that date. The opinion does not reflect changes that may occur or may have occurred after the date of the opinion, including changes to the operations and prospects of Enterprise or Trinity, changes in general market and economic conditions or regulatory or other factors. Any such changes, or changes in other factors beyond the control of Enterprise or Trinity, may materially alter or affect the relative values of Enterprise and Trinity.

If the Merger does not constitute a reorganization under Section 368(a) of the Code, then Trinity shareholders may be responsible for the payment of additional U.S. federal income taxes related to the Merger.

Trinity and Enterprise believe that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. However, if the IRS determines that the Merger does not qualify as a nontaxable reorganization under Section 368(a) of the Code, then the exchange of Trinity common stock for Enterprise common stock pursuant to the Merger would be a taxable transaction, regardless of the form of consideration received in exchange for such Trinity common stock. The Merger would be treated for federal income tax purposes as a taxable sale by Trinity of all of its assets to Enterprise followed by a deemed liquidation of Enterprise. Trinity would recognize gain or loss on the deemed taxable sale of all of its assets to Enterprise. In addition, each Trinity shareholder would recognize a gain or loss equal to the difference between the (i) the sum of the fair market value of the shares of Enterprise common stock and the amount of cash received by such shareholder in the Merger and (ii) such shareholder's adjusted tax basis in its shares of Trinity common stock surrendered pursuant to the Merger.

## SPECIAL MEETING OF TRINITY SHAREHOLDERS

This document is being provided to holders of Trinity common stock as Trinity's proxy statement in connection with the solicitation of proxies by and on behalf of its board of directors to be voted at the Special Meeting and at any adjournment or postponement thereof. This document is also being provided to holders of Trinity common stock as Enterprise's prospectus in connection with the issuance by Enterprise of shares of its common stock as a result of the proposed Merger.

### Date, Time and Place

The Special Meeting is scheduled to be held as follows:

Date: February 5, 2019

Time: 10:00 a.m., Mountain Time

Place: Crossroads Bible Church, 97 E Road, Los Alamos, New Mexico 87544

### Matters to Be Considered

At the Special Meeting, Trinity shareholders will be asked to consider and act upon the following matters:

- a proposal to approve the Merger Agreement and the transactions contemplated thereby, including the Merger;
- a proposal to approve a non-binding advisory resolution to approve the compensation that will or may become payable to the named executive officers of Trinity in connection with the Merger; and
- a proposal to adjourn or postpone the Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the Merger Proposal.

### Recommendation of the Trinity Board of Directors

On November 1, 2018, the Trinity board of directors unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Merger. Based on Trinity's reasons for the Merger described in "Proposal I – The Merger — Trinity's Reasons for the Merger; Recommendation of the Trinity Board of Directors" on page 46, the Trinity board of directors believes that the Merger is in the best interests of Trinity and its shareholders. Accordingly, the Trinity board of directors recommends that Trinity shareholders vote "FOR" the Merger Proposal, "FOR" the Advisory Vote Proposal and "FOR" the Adjournment Proposal.

### Record Date; Quorum

The Trinity board of directors has fixed the close of business on December 31, 2018 for determining the holders of Trinity common stock entitled to receive notice of and to vote at the Special Meeting.

As of the record date for the Special Meeting, there were 19,821,933 shares of Trinity common stock outstanding and entitled to notice of the Special Meeting, 12,085,733 of which are shares of Trinity voting common stock and 7,736,200 of which are shares of Trinity non-voting common stock, and such outstanding shares of Trinity common stock were held by approximately 1,262 holders of record. Each share of Trinity common stock entitles the holder to one vote at the Special Meeting on each proposal to be considered at the Special Meeting.

The Special Meeting will conduct business only if a majority of the outstanding shares of Trinity common stock is represented in person or by proxy at the Special Meeting in order to constitute a quorum. If you submit valid proxy instructions or attend the Special Meeting in person, your shares will be counted to determine whether there is

a quorum, even if you abstain from voting. If you fail to provide voting instructions to your broker, bank or other nominee with respect to a proposal, that broker, bank or other nominee will not vote your shares with respect to that proposal.

#### Required Vote; Treatment of Abstentions; Broker Non-Votes and Failure to Vote

Approval of the Merger Agreement requires the affirmative vote of at least two-thirds of the outstanding shares of Trinity voting common stock and the affirmative vote of at least two-thirds of the outstanding shares of Trinity non-voting common stock. Holders of these two classes of common stock will vote as separate voting groups on the proposal to approve the Merger Agreement. While holders of shares of Trinity non-voting common stock typically do not have voting rights, New Mexico law provides voting rights to otherwise non-voting classes of stock in connection with certain fundamental transactions, such as the proposed Merger. Failure to submit valid proxy instructions or to vote in person will have the same effect as a vote against the Merger Agreement. Broker non-votes and abstentions from voting will also have the same effect as a vote against the Merger Agreement.

Approval of a non-binding advisory resolution to approve the compensation that will or may become payable to the named executive officers of Trinity in connection with the Merger requires that the votes cast in favor of the proposal exceed the votes cast against the proposal. The failure to vote in person or submit valid proxy instructions, broker non-votes and abstentions will have no effect on the voting on this proposal.

Approval to adjourn the meeting if necessary to permit further solicitation of proxies requires that the votes cast in favor of the proposal exceed the votes cast against the proposal. The failure to vote in person or submit valid proxy instructions, broker non-votes and abstentions will have no effect on the voting on this proposal.

#### Shares Held by Trinity Directors and Executive Officers

As of the record date of the Special Meeting, the directors and executive officers of Trinity and their affiliates beneficially owned, in the aggregate, 923,050 shares of Trinity voting common stock, representing approximately 7.7% of the shares of Trinity voting common stock outstanding on that date. As of the same date, neither Enterprise nor any its subsidiaries, directors or executive officers owned any shares of Trinity common stock. All of the directors and executive officers of Trinity and principal shareholders of Trinity entered into voting agreements with Enterprise to vote the shares of Trinity voting common stock owned by them in favor of the proposal to approve the Merger Agreement and the transactions contemplated thereby, including the Merger, representing approximately 38.12% of the shares of Trinity voting common stock outstanding as of the date of such agreement.

#### Voting by Proxy; Revocability of Proxies

You may vote in person at the Special Meeting or by proxy. To ensure your representation at the Special Meeting, Trinity recommends that you vote by proxy even if you plan to attend the Special Meeting. You can always change your vote at the Special Meeting.

If you hold shares of Trinity common stock in your name as a shareholder of record on the record date of the Special Meeting, you can vote your shares (i) via the Internet at the website

<http://www.cstproxy.com/trinitycapitalcorp/sm2019>, (ii) by telephone at the number 1 (866) 894-0536, (iii) by completing and mailing the enclosed proxy card or (iv) by voting in person at the Special Meeting. Please refer to the specific instructions set forth in the enclosed proxy card. Trinity encourages you to vote via the Internet.

Trinity shareholders whose shares are held in "street name" by their broker, bank or other nominee must follow the instructions provided by their broker, bank or other nominee to vote their shares. Your broker, bank or other nominee may allow you to deliver your voting instructions via telephone or the Internet. If your shares are held in "street name" and you wish to vote in person at the Special Meeting, you will have to obtain a "legal proxy" from your broker, bank or other nominee entitling you to vote at the Special Meeting.

If you are a shareholder of record of Trinity common stock, voting instructions are included on the enclosed proxy card. If you properly complete and timely submit your proxy, your shares will be voted as you have directed. You may vote for, against or abstain with respect to each matter. If you are the shareholder of record of your shares of Trinity common stock and submit your proxy without specifying a voting instruction, your shares of Trinity common stock will be voted "FOR" the Merger Proposal, "FOR" the Advisory Vote Proposal and "FOR" the Adjournment Proposal. If your shares are held in street name and you return an incomplete instruction card to your broker, bank or other nominee, that broker, bank or other nominee will not vote your shares with respect to any matter.

#### Revocability of Proxies and Changes to a Trinity Shareholder's Vote

If you hold stock in your name as a Trinity shareholder of record as of the record date, you may change your vote or revoke any proxy at any time before the Special Meeting is called to order by (i) delivering a written notice of revocation to Trinity's Corporate Secretary, (ii) completing, signing and returning a new proxy card with a later date than your original proxy card prior to such time that the proxy card for any such Trinity shareholder must be received, and any earlier proxy will be revoked automatically, (iii) logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically and following the instructions indicated on the proxy card, (iv) calling the telephone number specified on such shareholder's proxy card in the same manner such shareholder would to submit their proxy telephonically and following the instructions indicated on the proxy card or (v) attending the Special Meeting in person, notifying the Corporate Secretary that you are revoking your proxy and voting by ballot at the Special Meeting.

Any Trinity shareholder entitled to vote in person at the Special Meeting may vote in person regardless of whether a proxy has been previously given, but your attendance by itself at the Special Meeting will not automatically revoke your proxy unless you give written notice of revocation to the Corporate Secretary of Trinity before the Special Meeting is called to order.

Attendance at the Special Meeting will not, in and of itself, constitute a revocation of a proxy. If you hold shares of Trinity common stock in your name as a Trinity shareholder of record, all written notices of revocation and other communications about revoking your proxy should be addressed to:

Trinity Capital Corporation

Post Office Box 60

Los Alamos, New Mexico 87544

Attention: Corporate Secretary

If you hold your shares of Trinity common stock in "street name" through a bank, broker or other nominee, you should contact your bank, broker or nominee to change your vote or revoke your proxy.

If any matters not described in this proxy statement/prospectus are properly presented at the Special Meeting, the persons named in the proxy card will use their judgment to determine how to vote your shares of Trinity common stock. Trinity does not know of any other matters to be presented at the Special Meeting.

#### Solicitation of Proxies

Trinity will pay for this proxy solicitation. Additionally, directors, officers and employees of Trinity and LANB may solicit proxies personally and by telephone. None of these persons will receive additional or special compensation for soliciting proxies. Trinity will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

#### Contact Us

You may find copies of Trinity's Proxy Materials at [www.lanb.com](http://www.lanb.com) under the About-Investor Relations link. You may find copies of all of Trinity's filings on the SEC's website at <http://www.sec.gov> or through Trinity's website at <http://www.lanb.com/home/tcc-investor-relations/SEC-Filings>. If you need help voting your shares or need to change

or correct your name, address or other information, please contact Continental by telephone at (212) 509-4000, by email at [cstmail@continentalstock.com](mailto:cstmail@continentalstock.com), or by mail at:

Trinity Capital Corporation  
c/o Continental Stock & Transfer Company  
1 State Street, 30<sup>th</sup> Floor  
New York, New York 10004-1561

For all other questions, please see our Frequently Asked Questions and instructions for online voting on the Trinity Investor Relations site at <https://www.snl.com/IRW/FAQ/1017156> or contact us by telephone at (505) 662-1099, by email at [tcc@lanb.com](mailto:tcc@lanb.com) or by mail at:

Trinity Capital Corporation  
Post Office Box 60  
Los Alamos, New Mexico 87544

## PROPOSAL I – THE MERGER

The following discussion describes certain material information about the Merger Agreement and the Merger. This description does not purport to be complete and is qualified entirely by reference to this proxy statement/prospectus, including the Merger Agreement which is attached as Appendix A and incorporated by reference into this proxy statement/prospectus. We urge you to read carefully this entire document, including the Merger Agreement, for a more complete understanding of the Merger.

### Terms of the Merger

Enterprise's board of directors and the Trinity board of directors have each unanimously approved and adopted the Merger Agreement and the transactions contemplated thereby, including the Merger. The Merger Agreement provides for combining our companies through the Merger of Trinity with and into Enterprise, with Enterprise being the surviving company. As a result of the Merger, the separate existence of Trinity will terminate. As soon as practicable thereafter, LANB, Trinity's wholly owned bank subsidiary, will merge with and into EB&T, Enterprise's wholly owned bank subsidiary, with EB&T being the surviving bank. Following the Bank Merger, EB&T will continue its corporate existence as a Missouri state-chartered trust company with banking powers. Upon receiving required regulatory and shareholder approvals, we expect to complete the Merger and the Bank Merger in the first half of 2019.

If the Merger Agreement is approved and the Merger is completed, each share of Trinity voting common stock and non-voting common stock outstanding immediately prior to the effective time of the Merger will be converted into the right to receive: (i) \$1.84 in cash, without interest and subject to adjustment, and (ii) 0.1972 shares of Enterprise common stock, together with cash in lieu of a fractional share of Enterprise common stock.

The Merger Agreement provides that at the effective time of the Merger, each unsettled or unvested Trinity Stock Award issued and outstanding immediately prior to the effective time of the Merger that will vest at such effective time pursuant to its terms will fully vest and be free of any restrictions and be exchanged for the same Merger Consideration that all other shares of Trinity common stock are entitled to receive in the Merger.

Following the consummation of the Merger, Enterprise's certificate of incorporation, as amended, and amended and restated bylaws as in effect immediately prior to the Merger will continue as the governing corporate documents of Enterprise. The directors and executive officers of Enterprise immediately prior to the Merger will continue as the directors and executive officers of Enterprise after the Merger, in each case, until their respective successors are duly elected or appointed and qualified. Pursuant to the terms of the Merger Agreement, Enterprise is required to take all action necessary to appoint or elect, effective as of the effective time of the Merger, two (2) current Trinity directors, each of whom must be independent with respect to Enterprise for purposes of the listing requirements of NASDAQ, and each of whom must be mutually agreeable to Enterprise and Trinity, as directors of Enterprise. The directors to be appointed to the Enterprise board of directors will be Tony Scavuzzo and James F. Deutsch. Each individual will serve until the first annual meeting of shareholders of Enterprise following the effective time of the Merger in accordance with applicable law and the articles of incorporation and bylaws of Enterprise. Subject to the fiduciary duties of the Enterprise board of directors, Enterprise is required to include such individuals on the list of nominees for director presented by the Enterprise board of directors, and for which the Enterprise board of directors will solicit. In addition, pursuant to the terms of the Merger Agreement, EB&T is required to take all action necessary to appoint or elect, effective as of the effective time of the Merger, one (1) current Trinity director, mutually agreeable to EB&T and LANB, as a director of EB&T. The director to be appointed to the EB&T board of directors will be James E. Goodwin, Jr., Chairman of the board of directors of each of Trinity and LANB.

For additional and more detailed information regarding the legal documents that govern the Merger, including information about the conditions to the Merger and the provisions for terminating or amending the Merger Agreement, see "The Merger Agreement — Amendment of the Merger Agreement" beginning on page 79.

## Background of the Merger

The Trinity board of directors has regularly reviewed and discussed Trinity's business, performance, prospects and long-term strategy in the context of developments in the banking industry, the competitive landscape and the regulatory environment. The Trinity board of directors has considered, from time to time, various potential strategic alternatives, including transactions involving other financial institutions, such as potential acquisitions of bank holding companies of a smaller size or business combinations with larger banks. The Trinity board of directors also considered standalone alternatives such as increasing its number of traditional bank branches through organic growth or acquiring branches of other banking institutions.

In planning for the June 2018 regular meeting of the Trinity board of directors, it was determined that it would be prudent to discuss the current and future financial markets and the future challenges facing a bank of Trinity's size and financial position with a financial advisor.

At the June 27, 2018 regular meeting of the Trinity board of directors, the Trinity board of directors invited representatives of KBW, a nationally-recognized investment banking firm with substantial experience in transactions similar to the Merger, to discuss strategic considerations relating to community banks, including, but not limited to, the current merger and acquisition environment. The Trinity board of directors also reviewed with Trinity's management the financial forecast of Trinity and further discussed the merits of continuing operations on a standalone basis. In light of LANB's strong core deposits, LANB's low loan to deposit ratio and the rising interest rate environment, the Trinity board of directors considered whether Trinity had an opportunity to better leverage its strengths and minimize its weaknesses by engaging in a strategic business combination to enhance shareholder value. The Trinity board of directors also considered the potential risks associated with a potential business combination, including untimely disclosure of confidential information or the consequences of an abandoned transaction to Trinity's shareholders, employees and customers. The Trinity board of directors determined that it was in the best interest of Trinity's shareholders to further explore whether to conduct a limited market check with certain strategic parties in order to ascertain the level of potential interest in a possible business combination involving Trinity. At the conclusion of the meeting, the Trinity board of directors requested that KBW assist with gathering information for the Trinity board of directors to consider at its next meeting regarding a potential business combination.

A special committee of the Trinity board of directors comprised of Chairman James E. Goodwin, Jr., John S. Gulas, Charles A. Slocumb, James F. Deutsch and Tony Scavuzzo was established and ratified by the Trinity board of directors to, among other things, (1) identify and evaluate, with KBW's assistance, potential merger partners, (2) direct and oversee communications and discussions with respect to a potential business combination involving Trinity with Trinity's advisors on behalf of the Trinity board of directors, and (3) make reports to the entire Trinity board of directors at the appropriate times with respect to such related matters as the special committee deems appropriate.

On July 13, 2018, the special committee held a meeting at which representatives of KBW were present. During the meeting, the special committee engaged in a lengthy discussion with the representatives of KBW about the attributes of potential merger partners, including, but not limited to, compatibility of business models, cultural synergies, overall impact to LANB's franchise, financial performance in their respective markets, recent transactions, stock market performance, and apparent financial ability to pay and complete a possible business combination with Trinity. The special committee then discussed the potential benefits and risks of contacting such potential merger partners regarding a potential business combination, including the risk of potential disruption to Trinity's business and relationships with employees and customers should information about such outreach become known to the public. Following extensive discussion, the special committee recommended that the Trinity board of directors instruct KBW to contact five potential merger partners (and depending upon the response of those initial five potential merger partners, a sixth potential merger partner) identified by the special committee, with KBW's input, to be most likely to be interested in exploring a potential business combination with Trinity at that time.



On July 16, 2018, the Trinity board of directors held a meeting at which representatives of Trinity's management team and KBW were present. KBW reviewed with the Trinity board of directors the same information discussed with the special committee on July 13, 2018, including information about potential merger partners. The Trinity board of directors then spent considerable time evaluating potential merger partners, including their perceived impact on the

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LANB franchise. The Trinity board of directors also engaged in an extensive discussion with KBW, Trinity's management team and members of the special committee regarding, among other things, Trinity's likely standalone performance, deposit composition and deposit betas and growth expectations, the potential risks to Trinity and LANB if confidentiality is not maintained and the potential damage from a process that does not conclude in a successful transaction. Following such discussion, the Trinity board of directors authorized KBW to act as Trinity's financial advisor in connection with a potential business combination and instructed KBW to contact five potential merger partners (and depending upon the response of those initial five potential merger partners, a sixth potential merger partner) to solicit their interest in a potential business combination with Trinity. The Trinity board of directors delegated to the special committee the authority to review and assess, with the assistance of Trinity's legal and financial advisors, any transaction proposals received from potential merger partners and to determine whether to present any of them to the Trinity board of directors for its consideration.

Between July 18, 2018 and July 19, 2018, in accordance with the directives of the Trinity board of directors, KBW contacted the five potential merger partners selected by the Trinity board of directors with KBW's input regarding a potential business combination involving Trinity and to communicate a proposed timeline and process with respect to such potential business combination. Of the five potential merger partners initially contacted by KBW, two indicated that they were not interested in pursuing a potential business combination with Trinity at that time due to other commitments. The other three potential merger partners entered into confidentiality agreements with Trinity and were provided access to an electronic data room in order to conduct due diligence, including Party A ("Party A") and Party B ("Party B"). KBW then contacted the sixth potential merger partner selected by the Trinity board of directors, who also entered into confidentiality agreement with Trinity and was provided access to an electronic data room in order to conduct due diligence. Finally, the special committee identified a seventh potential merger partner that was not previously discussed with KBW and instructed KBW to contact such potential merger partner regarding a potential business combination involving Trinity. The seventh potential merger partner indicated that it was not interested in pursuing a potential business combination with Trinity at that time due to other commitments.

On September 18, 2018, representatives of Trinity's management team and the Chairman of the Trinity board of directors met with representatives of Party A as part of Party A's diligence efforts and to discuss their respective businesses.

On September 18, 2018 a representative of Enterprise contacted a representative of KBW to communicate Enterprise's interest in a potential business combination with Trinity. Enterprise had not been identified by the Trinity board of directors as a potential merger partner because of the perception that the LANB franchise was outside of Enterprise's desired markets. On September 19, 2018 Trinity entered into a confidentiality agreement with Enterprise, and on September 19, 2018, Trinity provided Enterprise with access to an electronic data room in order to conduct due diligence.

On September 21, 2018, representatives of Trinity's management team and the Chairman of the Trinity board of directors met with representatives of Party B as part of Party B's diligence efforts and to discuss their respective businesses.

On September 24, 2018, representatives of Trinity's management team held a teleconference with representatives of Enterprise to provide an initial overview of Trinity's business.

On September 26, 2018, Trinity received a nonbinding indication of interest from Party A, pursuant to which Party A proposed to acquire Trinity for \$12.35 per share of Trinity common stock, with the consideration to consist of approximately 85% Party A common stock and 15% cash and the exchange ratio to be fixed based on the 10-day volume weighted average price of Party A common stock as of the date of the nonbinding indication of interest.

On September 26, 2018, following the completion of due diligence, Trinity received a nonbinding indication of interest from Party B, pursuant to which Party B proposed to acquire Trinity for \$10.85 per share of Trinity common stock, with the consideration to consist of 100% Party B common stock and the exchange ratio to be determined based on the 20-day volume weighted average price of Party B common stock price prior to the execution of a definitive agreement.

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Also on September 26, 2018, Trinity received a nonbinding indication of interest from Enterprise, pursuant to which Enterprise proposed to acquire Trinity for \$12.25 per share of Trinity common stock (equating to approximately \$250 million in aggregate transaction value, based on the closing price of Enterprise common stock on the preceding day), with the consideration to consist of up to 15% cash with the remainder in shares of Enterprise common stock and the exchange ratio to be fixed based on the 15-day volume weighted average price of Enterprise common stock as of the execution of a definitive agreement.

In their respective nonbinding indications of interest, each of Party A, Party B and Enterprise requested that Trinity enter into an exclusivity agreement. The other potential merger partners who had entered into confidentiality agreements with Trinity indicated that they were not interested in pursuing or were unable to pursue a strategic transaction at that time.

On September 27, 2018, representatives of Trinity's management team and the Chairman of the Trinity board of directors met with representatives of Enterprise to discuss their respective businesses.

On September 29, 2018, the special committee held a meeting at which representatives of KBW and Hunton, the legal advisor to Trinity in connection with the Merger, were present to discuss the nonbinding indications of interest received from Party A, Party B and Enterprise. Representatives of KBW reviewed with the special committee the discussions held with Party A, Party B and Enterprise and relayed the rationale provided by each party for a business combination with Trinity; the terms of each nonbinding indication of interest; and information regarding each of Trinity, Party A, Party B and Enterprise on a standalone basis. Taking into account the information reviewed with it by KBW, the special committee also considered, among other things, the implied purchase price of each offer in light of recent stock performance of the potential merger partner and when the exchange ratio was proposed to be set; the pro forma ownership of Trinity shareholders in the combined company; the market performance of each party's stock price; the potential synergies in a potential business combination with Party A, Party B or Enterprise; the opportunities of the resulting company in the case of each potential merger partner and whether such prospects might impact the combined company's future stock price; the extent to which each potential merger partner's operations overlapped with Trinity's geographic markets; whether Party A, Party B or Enterprise paid a regular dividend; the likelihood of consummating a business combination on a timely basis, including each potential merger partner's relative experience in completing acquisitions of financial institutions of a similar size as Trinity; and the risks to Trinity of remaining independent, including the challenges in meeting projections and threats of competition from other financial services companies. Based on such considerations, the special committee determined that the proposals submitted by Party A and Party B were insufficient to move forward with an exclusive arrangement and that it be recommended to the Trinity board of directors that Trinity seek an improved purchase price from Enterprise in exchange for exclusivity.

On October 1, 2018, the Trinity board of directors held a meeting at which representatives from KBW and Hunton were present to discuss the nonbinding indications of interest received from Party A, Party B and Enterprise. Representatives of KBW reviewed with the Trinity board of directors its prior discussions with the special committee in conjunction with the nonbinding indications of interest received from Party A, Party B and Enterprise. Representatives of Hunton reviewed the directors' fiduciary duties applicable to their consideration of a business combination, including their ability to decide not to pursue a business combination or reject any proposal if such proposal is not in the best interests of Trinity and its shareholders. The Trinity board of directors engaged in a robust discussion with respect to the three nonbinding indications of interest and a potential business combination, including how engaging in a potential business combination compared to Trinity's stand-alone prospects, the terms of each nonbinding indication of interest and the positive and negative attributes of each of Party A, Party B and Enterprise, including, but not limited to, the financial ability of each potential merger partner to consummate the potential business combination, the success of each potential merger partner with respect to previous acquisitions, historic dividend payments by each potential merger partner (noting that such dividends would be attractive, especially for

legacy Trinity shareholders), the perceived culture of each potential merger partner, the pro forma ownership of Trinity shareholders in the combined company and the representation of the Trinity shareholders on the combined company's board of directors. Following such discussion and taking into account the recommendation of the special committee, the Trinity board of directors determined that pursuing a potential business combination with Enterprise at that time was more likely to maximize Trinity shareholder value than the offers of Party A and Party B or Trinity's stand-alone prospects. The Trinity board

of directors instructed representatives of KBW to seek an improved purchase price from Enterprise in exchange for an exclusivity period of 30 days. The special committee met after the meeting of the Trinity board of directors to discuss next steps, including the communication of a potential transaction to other senior management at Trinity. Later that day, a representative of KBW contacted a representative of Wells Fargo, Enterprise's financial advisor, with the request of the Trinity board of directors for an improved offer.

On October 4, 2018, Enterprise sent Trinity a revised nonbinding indication of interest pursuant to which Enterprise proposed to acquire Trinity for \$12.30 per share of Trinity common stock (equating to approximately \$251 million in aggregate transaction value, based on the closing price of Enterprise common stock on the preceding day), with the consideration to consist of up to 15% cash with the remainder in common stock of Enterprise and a fixed exchange ratio of 0.1972 shares of Enterprise common stock for each share of Trinity common stock.

On October 4, 2018, the special committee held a meeting at which representatives of KBW and Hunton were present to discuss the revised nonbinding indication of interest received from Enterprise that same day. Representatives of KBW reviewed with the special committee the terms of Enterprise's revised nonbinding indication of interest, including that the revised nonbinding indication of interest reflected an improved exchange ratio, despite the decrease in the implied value of the per share consideration due to the corresponding decrease in Enterprise's stock price. The special committee acknowledged that the increased exchange ratio presented a better offer than what was originally proposed by Enterprise and noted that stock prices had declined in general and was not unique to Enterprise. Following this discussion, the special committee determined to present to the Trinity board of directors its recommendation to enter into an exclusivity agreement with Enterprise based on its revised nonbinding indication of interest.

On October 4, 2018, the Trinity board of directors held a meeting at which representatives of KBW and Hunton were present to discuss the revised nonbinding indication of interest from Enterprise. Representatives of KBW reviewed with the Trinity board of directors the terms of Enterprise's revised nonbinding indication of interest, including that the revised nonbinding indication of interest reflected an improved exchange ratio despite the decrease in the implied value of the per share consideration, and provided an overview of the state of the market, including the recent decline in stock prices. In response to questions from the Trinity board of directors, representatives from KBW explained that variances in the implied value of the per share consideration and the resulting impact on the transaction value as Enterprise stock price fluctuated were a result of the fixed exchange ratio. The Trinity board of directors discussed Trinity's tolerance for the volatility of Enterprise's common stock and the circumstances under which Trinity would have the right to terminate the transaction. Given the improved exchange ratio, the Trinity board of directors authorized Trinity to enter into an exclusivity agreement with Enterprise and to continue exchanging due diligence information with Enterprise with respect to a potential business combination.

Following authorization of the Trinity board of directors, Trinity and Enterprise executed an exclusivity agreement on October 5, 2018 providing for a 30-day exclusivity period.

Between October 5, 2018 and October 31, 2018, Enterprise performed its continuing due diligence review of Trinity, including through in-person meetings between the members of Enterprise's and Trinity's executive and business unit leadership teams from October 15, 2018 through October 19, 2018, conveying a broad range of financial, operational and strategic topics. In addition, executives from Trinity's and Enterprise's credit operations participated in an in-person meeting on October 23, 2018, and discussed various credit-related topics. In addition, Enterprise continued to review the materials in Trinity's electronic data room, and, during the same period, Trinity performed reverse due diligence of Enterprise.

On October 12, 2018, Enterprise's legal counsel, Holland & Knight, provided a draft merger agreement to Hunton. Between October 12, 2018 and November 1, 2018, the representatives of Enterprise and Trinity and their respective

legal counsel, with feedback from the parties' respective financial advisors, negotiated the terms of the Merger Agreement, including the scope of representations, warranties, covenants and closing conditions, including with respect to required balances of certain Trinity deposits at closing, and termination fee. On October 25, 2018, Holland & Knight delivered a draft of the proposed voting agreements to be executed by Trinity's directors, executive officers and shareholders owning more than five percent (5%) of the outstanding Trinity common stock.

Between October 22, 2018 and October 31, 2018, the Trinity special committee held five (5) meetings: October 22<sup>nd</sup>, October 28<sup>th</sup>, October 29<sup>th</sup>, October 30<sup>th</sup>, and October 31<sup>st</sup>. In addition, the Trinity board of directors met on October 26<sup>th</sup> at which the potential business combination was discussed. Representatives from Trinity's management team, KBW and Hunton were present at each of these meetings, during which Hunton and KBW reviewed the material terms of the then-current draft Merger Agreement, as well as the business and legal points that remained unresolved. During these meetings, members of Trinity's special committee, as well as Trinity board members, discussed at length various topics, including, but not limited to: overall market volatility, particularly with respect to bank and bank holding company stocks, and the potential decrease in overall transaction value resulting from such volatility; the risks to Trinity of remaining independent, such as meeting projections and threats of competition from other financial services companies; potential synergies and cultural fit of Enterprise and Trinity; transaction execution risk, closing conditions and termination rights and remedies; and Trinity's ability to designate individuals mutually acceptable to Trinity and Enterprise to serve on the boards of directors of Enterprise and EB&T upon consummation of the contemplated business combination. At the board meeting, representatives of Trinity's management updated the Trinity board of directors on the status of Enterprise's due diligence review of Trinity and Trinity's reverse due diligence of Enterprise. In addition, representatives of Hunton reviewed the directors' fiduciary duties in the context of the potential business combination and the regulatory approval process for the Merger.

During this time frame, meetings were also taking place between representatives of Trinity and Enterprise. On October 24, 2018, the Chairman of the Trinity Board of directors and Trinity's President and Chief Executive Officer met with certain members of the Enterprise board of directors and management to discuss Trinity's and Enterprise's respective businesses.

On October 29, 2018, representatives of Enterprise's management team and certain members of the Enterprise board of directors met with Mr. Deutsch and Mr. Scavuzzo in-person and telephonically to discuss Mr. Deutsch's and Mr. Scavuzzo's qualifications for serving on the Enterprise board of directors.

On October 31, 2018, the Chairman of the Trinity board of directors, representatives of Trinity's management team and Hunton, among others, participated in a reverse due diligence telephonic meeting with members of Enterprise's management team to review various operational matters.

Also on October 31, 2018, the Enterprise board of directors held a telephonic conference in which representatives of Enterprise's management team, Wells Fargo, Enterprise's financial advisor, and Holland & Knight participated. The parties discussed the status of negotiations with respect to the Merger Agreement and outstanding due diligence items, as well as the duties and obligations of Enterprise's board of directors within the context of the proposed business combination. Also on October 31<sup>st</sup>, the EB&T board of directors held a meeting at which representatives of Enterprise's management team and Holland & Knight were present and reviewed with the EB&T board of directors the terms, conditions, strategic rational and financial implications of the Merger Agreement, a copy and summary of which had been distributed to the EB&T board of directors prior to the meeting. A representative from Holland & Knight also reviewed and answered inquiries with the EB&T board of directors regarding their satisfaction of fiduciary duties under applicable law. Following extensive discussion and taking into account the factors described below under "The Merger — Enterprise's Reasons for the Merger; Recommendations of the Board of Enterprise," the EB&T board of directors adopted resolutions approving the Merger Agreement and the Merger, such approval being conditioned upon Enterprise board of directors' approval of the Merger Agreement and the Merger. Additionally, EB&T board of directors approved the appointment James E. Goodwin, Jr. to the EB&T board of directors, such appointment being conditioned upon the closing of the Merger.

On November 1, 2018, the Enterprise board of directors approved by unanimous written consent the substantially final form of the Merger Agreement and the Merger transaction, including the appointment of the two (2) directors identified by Trinity, such appointments conditioned upon the closing of the Merger, the individuals being mutually



acceptable to Enterprise and Trinity and otherwise qualifying to serve as Enterprise directors.

Also on November 1, 2018, the Trinity special committee met to approve the Merger Agreement and recommend that the Merger Agreement be presented to the Trinity board of directors for approval. Following the Trinity special committee meeting, on November 1, 2018, the Trinity board of directors held a meeting at which

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representatives of Trinity's management team, KBW and Hunton were present. Prior to the meeting, the members of the Trinity board of directors were provided with materials relating to the proposed business combination with Enterprise, including the substantially final form of the Merger Agreement and KBW's financial presentation regarding the financial aspects of the Merger. Management presented its final due diligence report to the Trinity board of directors. KBW reviewed with the Trinity board of directors its financial analyses relating to the proposed Merger Consideration and rendered to the Trinity board of directors an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in its opinion, the Merger Consideration to be received by the holders of Trinity common stock in the Merger was fair, from a financial point of view, to such holders. See "The Merger — Opinion of Trinity's Financial Advisor" beginning on page 50 of this document for more information about KBW's fairness opinion. A representative of Hunton reviewed with the Trinity board of directors their fiduciary duties in connection with their consideration of the proposed business combination and the terms of the Merger Agreement. After extensive discussion regarding the terms of the Merger Agreement and the voting agreements, a full analysis of Trinity's reasons for the engaging in the proposed business combination with Enterprise, including those set forth below under "The Merger — Reasons for the Merger," and consideration of other relevant issues, including a variety of business, financial and market factors, the Trinity board of directors unanimously adopted and approved the Merger Agreement and the Merger.

Following the Trinity and Enterprise board of director meetings, on November 1, 2018, Trinity and Enterprise entered into the Merger Agreement and announced the Merger. The parties to the voting agreements also entered into the voting agreements.

#### Enterprise's Reasons for the Merger; Recommendation of the Board of Enterprise

In reaching its decision to adopt and approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, the Enterprise board of directors evaluated the Merger in consultation with Enterprise management, as well as Enterprise's financial and legal advisors, and considered a number of factors, including the following material factors:

- management's view that the acquisition of Trinity provides an attractive opportunity to expand Enterprise's geographic presence into a new market in New Mexico, specifically into the Los Alamos and Santa Fe metropolitan service areas;

- Trinity's community banking orientation and its compatibility with Enterprise and its subsidiaries;

- management's assessment that Trinity presents a strong commercial banking franchise that is consistent with EB&T's relationship-based banking model while adding talent and depth to EB&T's operations;

- management's review of the business, operations, earnings and financial condition, including capital levels and asset quality, of Trinity and LANB;

- management's due diligence review of Trinity and LANB and the discussions thereof with its financial advisors and legal counsel;

- the projected impact of the proposed transaction on financial metrics, including earnings per share and tangible book value, and the projected earn-back period;

- the expectation of management that Enterprise will maintain its strong capital ratios upon completion of the proposed Merger;

- projected efficiencies to come from integrating certain of Trinity's operations into Enterprise's existing operations;



the financial and other terms of the Merger Agreement, including the mix of Cash Consideration and Stock Consideration, the expected tax treatment and the deal protection and termination fee provisions, which Enterprise reviewed with its outside financial and legal advisors;

LANB's compatibility with EB&T, which Enterprise management believes should facilitate integration and implementation of the Mergers, and the complementary nature of the products and customers of LANB and EB&T, which Enterprise management believes should provide the opportunity to mitigate integration risks and increase potential returns;

the fact that, concurrently with the execution of the Merger Agreement, all of the directors and certain officers and large shareholders of Trinity who beneficially owned in the aggregate approximately 5.0% of Trinity's outstanding voting common stock, were entering into voting agreements with Enterprise agreeing to vote for the Merger Proposal; and

the regulatory and other approvals required in connection with the transactions and the expected likelihood that such regulatory approvals will be received in a reasonably timely manner and without the imposition of burdensome conditions.

The above discussion of the information and factors considered by Enterprise's board of directors is not intended to be exhaustive, but includes a description of material factors considered by Enterprise's board of directors. Enterprise's board of directors further considered various risks and uncertainties related to each of these factors and the ability to complete the Mergers. In view of the wide variety of factors considered by Enterprise's board of directors in connection with its evaluation of the Mergers, Enterprise's board did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered. In considering the factors described above, individual directors may have given differing weights to different factors. Enterprise's board of directors collectively made its determination with respect to the Mergers based on the conclusion reached by its members, based on the factors that each of them considered appropriate, that the Mergers are in the best interests of Enterprise stockholders and that the benefits expected to be achieved from the Mergers outweigh the potential risks and vulnerabilities.

It should be noted that this explanation of the Enterprise board of directors' reasoning and all other information presented in this section is forward-looking in nature, and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 28.

Trinity's Reasons for the Merger; Recommendation of the Trinity Board of Directors

In reaching a determination to approve the Merger Agreement and the transactions contemplated thereby, including the Merger, the Trinity board of directors considered a number of factors, both positive and negative, and potential benefits and detriments of the Merger to Trinity and its shareholders. The Trinity board of directors identified the following factors and benefits of the Merger that, among others, the Trinity board of directors believes generally support its decision and recommendation:

the Trinity board of directors' understanding of, and presentations of Trinity's management regarding, the business capabilities, earnings and growth prospects, current and projected financial and regulatory condition, assets, results of operations, business strategy and current and prospective regulatory environment of both Trinity and Enterprise; the Trinity board of directors' analysis of other strategic alternatives for Trinity, including continuing to operate as a standalone company and the potential to acquire, be acquired or combine with other third parties, and the risks and uncertainties associated with each alternative, as well as the Trinity board of directors' assessment that none of these alternatives was reasonably likely to present superior opportunities for Trinity to create greater value for Trinity shareholders, taking into account the timing and the likelihood of accomplishing such alternatives and the risks of execution, as well as business, competitive, industry and market risks;



that the Merger will result in a combined company with greater financial resources and a higher lending limit than Trinity would have if it were to continue its operations as an independent entity;

the anticipated cost savings from expected increases in operating efficiency, reduced payments to vendors and third parties and elimination of duplicate executive management positions, while increasing responsiveness to compliance and regulatory requirements;

the lack of geographic overlap between Trinity and Enterprise, which will expand and diversify the markets in which the combined company operates and is expected to result in a high rate of retention of Trinity's employees after the announcement of the Merger, which retention is expected to benefit the combined company;

that Trinity will be able to pair its strong deposit franchise with Enterprise's sizeable loan portfolio thereby enhancing the combined net interest margin and adding Enterprise's track record to grow loans faster than Trinity can do so on a standalone basis;

Trinity's recovery from the recession and legacy issues from prior leadership made Trinity susceptible to another economic downturn and Trinity's management's view that Enterprise's greater resources provides the combined company greater resiliency;

that Enterprise's breadth and depth of management will offer Trinity greater expertise, an ability to offset staffing deficiencies and succession issues and greater bench strength;

that Enterprise's extensive trust and wealth management platform will offer Trinity's customers more expansive products and services while providing more scale to Trinity's operations and profitability;

Trinity's management's view that the Merger will allow for greater opportunities for Trinity's clients, customers and other constituencies within the communities in which Trinity operates, and that the potential synergies, low loan and deposit concentration levels allowing greater growth in all classes of commercial lending and diversification resulting from the Merger will enhance product offerings and customer service beyond the level believed to be reasonably achievable by Trinity on an independent basis;

the recommendation of Trinity's management in favor of the Merger, considered in light of the benefits to be received by them in connection with the Merger;

that the Merger Consideration represented a premium of 19.60% per share, based on the cash portion of the Merger Consideration and the closing prices of Trinity common stock and Enterprise common stock on October 31, 2018, the day before the public announcement of the execution of the Merger Agreement;

the financial presentation, dated November 1, 2018, of KBW to the Trinity board of directors and the opinion, dated November 1, 2018, of KBW to the Trinity board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of Trinity common stock of the Merger Consideration to be received by such holders in the Merger, as more fully described below under "Opinion of Trinity's Financial Advisor;"

the closing condition in the Merger Agreement that Trinity and Enterprise will have received the opinions of Hunton and Holland & Knight, respectively, that the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and the Trinity board of directors' expectation that Trinity shareholders will not recognize any gain or loss for U.S. federal income tax purposes as a result of the completion of the Merger, except with respect to the cash portion of the Merger Consideration and any cash they receive in lieu of fractional shares of Enterprise common stock;

the results of Trinity's due diligence investigation of Enterprise, including the Trinity board of directors' opinion of the reputation, competence, business practices, integrity and experience of Enterprise and its management;

that upon consummation of the Merger, Enterprise's board of directors will contain two (2) current members of the Trinity board of directors and EB&T's board of directors will contain one (1) current member of the Trinity board of directors;

that the terms and conditions of the Merger Agreement, including, but not limited to, the representations, warranties and covenants of the parties, the conditions to closing and the form and structure of the Merger Consideration, are reasonable;

the likelihood that the Merger will be completed based on, among other things, (i) each party's obligation to use its Commercially Reasonable Efforts (as defined in the Merger Agreement) to obtain regulatory approvals as promptly as practicable and (ii) the limited closing conditions contained in the Merger Agreement;

that the Merger Agreement provides Trinity with the ability to seek specific performance by Enterprise of its obligations under the Merger Agreement, including to consummate the Merger;

subject to certain limits set forth in the Merger Agreement, the Stock Consideration is a fixed exchange ratio of shares of Trinity common stock to Enterprise common stock; as a result, Trinity shareholders could benefit from an increase in the trading price of Enterprise common stock (or a decrease in the trading price of Trinity's common stock) during the pendency of the Merger;

the ability of the Trinity board of directors to change its recommendation that Trinity shareholders vote to approve the Merger Agreement, subject to the terms and conditions set forth in the Merger Agreement (including the right of Enterprise to match any competing bid and the payment of a termination fee); and

the greater liquidity that Trinity shareholders would be expected to experience as Enterprise shareholders in being able to trade a NASDAQ-listed security.

The Trinity board of directors also identified and considered a variety of uncertainties and risks concerning the Merger, including, but not limited to, the following:

- the possibility that the Merger may not be completed, or that its completion may be unduly delayed, for reasons beyond the control of Trinity or Enterprise;
- the regulatory approvals required to complete the Merger, the potential length of the regulatory approval process and the risks that the regulators could impose materially burdensome conditions that would allow either party to terminate the Merger Agreement or refuse to consummate the Merger;
- the time, attention and effort required from Trinity's management and employees, and for Company employee attrition, during the period prior to the completion of the Merger and the potential effect on Trinity's and Enterprise's respective business and relationships with customers, service providers and other stakeholders, whether or not the Merger is completed;
- the requirement that Trinity conduct its business in the ordinary course and the other restrictions on the conduct of Trinity's business prior to completion of the Merger, which may delay or prevent Trinity from undertaking business opportunities that may arise pending completion of the Merger;
- the potential that certain provisions of the Merger Agreement prohibiting Trinity from soliciting, and limiting its ability to respond to, proposals for alternative transactions, and requiring the payment of a termination fee could have the effect of discouraging an alternative proposal;

the transaction costs and expenses that will be incurred in connection with the Merger, including the costs of integrating the businesses of Trinity and Enterprise;

the possible effects of the pendency or consummation of the transactions contemplated by the Merger Agreement, including any suit, action or proceeding initiated in respect of the Merger;

the risk that benefits and synergies currently expected to result from the Merger may not be realized or may not be realized within the expected time period, and the risks associated with the integration of Trinity and Enterprise;

the lack of geographic overlap between Trinity and Enterprise, which may limit the combined company's ability to implement cost savings by eliminating branch locations and duplicate management and other employee positions;

the Stock Consideration is a fixed exchange ratio of shares of Trinity common stock to Enterprise common stock; as a result, Trinity shareholders could be adversely affected by a decrease in the trading price of Enterprise common stock (or an increase in the trading price of Trinity common stock) during the pendency of the Merger; and

the interests that certain officers and directors of Trinity have in the Merger.

The Trinity board of directors also considered in their deliberations concerning the combined company as a Delaware entity the following:

the ability of the combined company to draw upon well-established principles of corporate governance in making legal and business decisions;

- the expertise of the Delaware courts in dealing with corporate issues, including the Court of Chancery, which has exclusive jurisdiction over matters relating to the Delaware General Corporation Law and in most cases has the ability to process corporate litigation relatively quickly and effectively;

the substantial body of case law that has been developed by the Delaware courts construing Delaware corporate law, which will enhance the relative clarity and predictability of the laws applicable to the combined company;

that the Delaware General Assembly regularly considers and adopts statutory amendments that the Corporation Law Section of the Delaware State Bar Association proposes in an effort to ensure that the Delaware General Corporation Law continues to be responsive to the changing needs of businesses;

enhanced ability of the majority of shareholders to exercise control because Delaware law does not require cumulative voting; and

- enhanced ability to attract and retain directors and officers, including with respect to candidates who already are familiar with Delaware corporate law from their past business experience.

The foregoing discussion of information and factors considered by the Trinity board of directors is not intended to be exhaustive. In light of the variety of factors considered in connection with its evaluation of the Merger Agreement and the transactions contemplated thereby, the Trinity board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. Moreover, each member of the Trinity board of directors applied his or her own personal business judgment to the process and may have given different weight to different factors than other members gave to such factors.



Based on the factors described above, the Trinity board of directors determined that the Merger with Enterprise and the merger of LANB with EB&T were advisable and in the best interests of Trinity shareholders and unanimously approved the Merger Agreement.

#### Recommendation of the Trinity Board of Directors

The Trinity board of directors has unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Merger, and unanimously recommends that you vote “FOR” the Merger Proposal.

#### Opinion of Trinity’s Financial Advisor

Trinity engaged KBW to render financial advisory and investment banking services to Trinity, including an opinion to the Trinity board of directors as to the fairness, from a financial point of view, to the holders of Trinity common stock of the Merger Consideration to be received by such holders in the Merger of Trinity with and into Enterprise. Trinity selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the Merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the Trinity board of directors held on November 1, 2018, at which the Trinity board of directors evaluated the Merger. At this meeting, KBW reviewed the financial aspects of the Merger and rendered to the Trinity board of directors an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in its opinion, the Merger Consideration to be received by the holders of Trinity common stock in the Merger was fair, from a financial point of view, to such holders.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Appendix D to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

KBW’s opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the Trinity board of directors (in its capacity as such) in connection with its consideration of the financial terms of the Merger. KBW’s opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, to the holders of Trinity common stock of the Merger Consideration to be received by such holders in the Merger without regard to differences between Trinity voting common stock and Trinity non-voting common stock. It did not address the underlying business decision of Trinity to engage in the Merger or enter into the Merger Agreement or constitute a recommendation to the Trinity board of directors in connection with the Merger, and it does not constitute a recommendation to any holder of Trinity common stock or any shareholder of any other entity as to how to vote in connection with the Merger or any other matter, nor does it constitute a recommendation regarding whether or not any such shareholder should enter into a voting, shareholders’ or affiliates’ agreement with respect to the Merger or exercise any dissenters’ or appraisal rights that may be available to such shareholder.

KBW’s opinion was reviewed and approved by KBW’s Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of Trinity and Enterprise and bearing upon the Merger, including, among other things:

- draft of the Merger Agreement dated October 29, 2018 (the most recent draft then made available to KBW);

the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2017 of Trinity;

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the unaudited quarterly financial statements and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2018 and June 30, 2018 of Trinity;

the unaudited financial statements for the nine months ended September 30, 2018 of Trinity (provided to KBW by representatives of Trinity);

the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2017 of Enterprise;

the unaudited quarterly financial statements and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2018, June 30, 2018 and September 30, 2018 of Enterprise;

certain regulatory filings of Trinity and Enterprise and their respective subsidiaries, including the quarterly reports on Form Y-9C and the quarterly call reports required to be filed (as the case may be) with respect to each quarter during the three-year period ended December 31, 2017, as well as the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018;

certain other interim reports and other communications of Trinity and Enterprise provided to their respective shareholders; and

other financial information concerning the businesses and operations of Trinity and Enterprise that was furnished to KBW by Trinity and Enterprise or which KBW was otherwise directed by Trinity or Enterprise, as applicable, to use for purposes of KBW's analyses.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

the historical and current financial position and results of operations of Trinity and Enterprise;

the assets and liabilities of Trinity and Enterprise;

the nature and terms of certain other merger transactions and business combinations in the banking industry;

a comparison of certain financial and stock market information for Enterprise and Trinity with similar information for certain other companies the securities of which were publicly traded;

financial and operating forecasts and projections of Trinity that were prepared by, and provided to KBW and discussed with KBW by, Trinity management and that were used and relied upon by KBW at the direction of such management and with the consent of the Trinity board of directors;

publicly available consensus "street estimates" of Enterprise, as well as assumed Enterprise long-term growth rates that were provided to KBW by Enterprise management, all of which information was discussed with KBW by such management and used and relied upon by KBW based on such discussions, at the direction of Trinity management and with the consent of the Trinity board of directors; and

estimates regarding certain pro forma financial effects of the Merger on Enterprise (including, without limitation, the cost savings and related expenses expected to result from or be derived from the Merger) that were prepared by, and provided to and discussed with KBW by, Enterprise management, and used and relied upon by KBW based on such

discussions, at the direction of Trinity management and with the consent of the Trinity board of directors.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also participated in discussions that were held with the respective management of Trinity and Enterprise regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters as KBW deemed relevant to its inquiry. In addition, KBW considered the results of the efforts undertaken by Trinity, with KBW's assistance, to solicit indications of interest from third parties regarding a potential transaction with Trinity.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information that was provided to it or that was publicly available and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the management of Trinity as to the reasonableness and achievability of the financial and operating forecasts and projections of Trinity referred to above (and the assumptions and bases therefor), and KBW assumed that such forecasts and projections were reasonably prepared and represented the best currently available estimates and judgments of such management and that such forecasts and projections would be realized in the amounts and in the time periods estimated by such management. KBW further relied, with the consent of Trinity, upon Enterprise management as to the reasonableness and achievability of the publicly available consensus "street estimates" of Enterprise, the assumed Enterprise long-term growth rates, and the estimates regarding certain pro forma financial effects of the Merger on Enterprise (including, without limitation, the cost savings and related expenses expected to result or be derived from the Merger), all as referred to above (and the assumptions and bases for all such forecasts, projections and estimates), and KBW assumed that all such information was reasonably prepared and represented, or in the case of the Enterprise "street estimates" referred to above that such estimates were consistent with, the best currently available estimates and judgments of Enterprise management and that the forecasts, projections and estimates reflected in such information would be realized in the amounts and in the time periods estimated.

It is understood that the portion of the foregoing financial information of Trinity and Enterprise that was provided to KBW was not prepared with the expectation of public disclosure and that all of the foregoing financial information (including the publicly available consensus "street estimates" of Enterprise referred to above) was based on numerous variables and assumptions that are inherently uncertain (including, without limitation, factors related to general economic and competitive conditions), and, accordingly, actual results could vary significantly from those set forth in such information. KBW assumed, based on discussions with the respective managements of Trinity and Enterprise and with the consent of the Trinity board of directors, that all such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either Trinity or Enterprise since the date of the last financial statements of each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with Trinity's consent, that the aggregate allowances for loan and lease losses for Trinity and Enterprise are adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of Trinity or Enterprise, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of Trinity or Enterprise under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold.

Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy. KBW expressed no view as to any environmental matters, and KBW assumed, without independent verification and at the direction of Trinity, that no Remediation Adjustment (as defined in the Merger Agreement) would be required pursuant to the Merger Agreement.

KBW assumed, in all respects material to its analyses:

that the Merger and any related transactions (including the Bank Merger) would be completed substantially in accordance with the terms set forth in the Merger Agreement (the final terms of which KBW assumed would not differ in any respect material to KBW's analyses from the draft reviewed by KBW and referred to above), with no adjustments to the Merger Consideration and no other consideration or payments in respect of Trinity common stock;

that the representations and warranties of each party in the Merger Agreement and in all related documents and instruments referred to in the Merger Agreement were true and correct;

that each party to the Merger Agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

that there were no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the Merger or any related transaction (including the Bank Merger) and that all conditions to the completion of the Merger and any related transaction would be satisfied without any waivers or modifications to the Merger Agreement or any of the related documents; and

that in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the Merger and any related transaction (including the subsidiary bank merger), no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of Trinity, Enterprise or the pro forma entity, or the contemplated benefits of the Merger, including without limitation the cost savings and related expenses expected to result or be derived from the Merger.

KBW assumed that the Merger would be consummated in a manner that complies with the applicable provisions of the Securities Act, the Exchange Act and all other applicable federal and state statutes, rules and regulations. KBW was further advised by representatives of Trinity that Trinity relied upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting and regulatory matters with respect to Trinity, Enterprise, the Merger and any related transaction (including the Bank Merger), and the Merger Agreement. KBW did not provide advice with respect to any such matters.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, to the holders of Trinity common stock of the Merger Consideration to be received by such holders in the Merger without regard to differences between Trinity voting common stock and Trinity non-voting common stock. KBW expressed no view or opinion as to any other terms or aspects of the Merger or any term or aspect of any related transaction (including the Bank Merger and any termination of the Trinity Capital Corporation Employee Stock Ownership Plan in connection with the Merger), including without limitation, the form or structure of the Merger (including the form of the Merger Consideration or the allocation thereof between cash and stock) or any such related transaction, any consequences of the Merger or any such related transaction to Trinity, its shareholders, creditors or otherwise, or any terms, aspects, merits or implications of any employment, consulting, voting, support, shareholder, escrow or other agreements, arrangements or understandings contemplated or entered into in connection with the Merger or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

the underlying business decision of Trinity to engage in the Merger or enter into the Merger Agreement;



the relative merits of the Merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by Trinity or the Trinity board of directors;

the fairness of the amount or nature of any compensation to any of Trinity's officers, directors or employees, or any class of such persons, relative to the compensation to the holders of Trinity common stock;

the effect of the Merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of Trinity (other than the holders of Trinity common stock, solely with respect to the Merger Consideration (as described in KBW's opinion) and not relative to the consideration to be received by holders of any other class of securities) or holders of any class of securities of Enterprise or any other party to any transaction contemplated by the Merger Agreement;

the relative fairness of the Merger Consideration as between holders of Trinity voting common stock and holders of Trinity non-voting common stock;

any adjustment (as provided in the Merger Agreement) to the Merger Consideration (including to the cash or stock components thereof) assumed to be paid in the Merger for purposes of KBW's opinion;

whether Enterprise has sufficient cash, available lines of credit or other sources of funds to enable it to pay the aggregate cash consideration to the holders of Trinity common stock at the closing of the Merger;

the actual value of Enterprise common stock to be issued in the Merger;

the prices, trading range or volume at which Enterprise common stock or Trinity voting common stock would trade following the public announcement of the Merger or the prices, trading range or volume at which Enterprise common stock would trade following the consummation of the Merger;

any advice or opinions provided by any other advisor to any of the parties to the Merger or any other transaction contemplated by the Merger Agreement; or

any legal, regulatory, accounting, tax or similar matters relating to Trinity, Enterprise, their respective shareholders, or relating to or arising out of or as a consequence of the Merger or any related transaction (including the Bank Merger), including whether or not the Merger would qualify as a tax-free reorganization for U.S. federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, Trinity and Enterprise. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the Trinity board of directors in making its determination to approve the Merger Agreement and the Merger.

Consequently, the analyses described below should not be viewed as determinative of the decision of the Trinity board of directors with respect to the fairness of the Merger Consideration. The type and amount of consideration payable in the Merger were determined through negotiation between Trinity and Enterprise and the decision of Trinity to enter into the Merger Agreement was solely that of the Trinity board of directors.

The following is a summary of the material financial analyses presented by KBW to the Trinity board of directors in connection with its opinion. The summary is not a complete description of the financial analyses underlying the

opinion or the presentation made by KBW to the Trinity board of directors, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below includes information presented in tabular format. The tables alone do not constitute a complete description of the financial

analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

For purposes of the financial analyses described below, KBW utilized an implied transaction value for the Merger of \$10.41 per share of Trinity common stock, or \$212.5 million in the aggregate, consisting of the sum of (i) the cash consideration of \$1.84, and (ii) the implied value of the stock consideration of 0.1972 of a share of Enterprise common stock based on the closing price of Enterprise common stock of \$43.45 on October 31, 2018. In addition to the financial analyses described below, KBW reviewed with the Trinity board of directors for informational purposes, among other things, implied transaction multiples for the Merger (based on the implied transaction value for the Merger of \$10.41 per share of Trinity common stock) of (i) 20.8x Trinity's core earnings per share (defined as net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill, deferred tax asset revaluation and nonrecurring items) for the 12-month period ended September 30, 2018 and (ii) 18.0x Trinity's estimated 2018 earnings per share ("EPS") and 16.4x Trinity's estimated 2019 EPS using financial forecasts and projections of Trinity provided by Trinity management.

Enterprise Selected Companies Analysis. Using publicly available information, KBW compared the financial performance, financial condition and market performance of Enterprise to 23 selected major-exchange traded banks that were headquartered in the Midwest Region (defined as Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin) with total assets between \$2.5 billion and \$7.5 billion. Savings bank/thrifts, merger targets and ethnic-focused banks were excluded from the selected companies.

The selected companies were as follows:

1st Source Corporation	First Mid-Illinois Bancshares, Inc.
Midland States Bancorp, Inc.	German American Bancorp, Inc.
Republic Bancorp, Inc.	Stock Yards Bancorp, Inc.
Byline Bancorp, Inc.	Mercantile Bank Corporation
Lakeland Financial Corporation	Independent Bank Corporation
Great Southern Bancorp, Inc.	MidWestOne Financial Group, Inc.
Community Trust Bancorp, Inc.	First Internet Bancorp
QCR Holdings, Inc.	Nicolet Bankshares, Inc.
Horizon Bancorp, Inc.	First Financial Corporation
Peoples Bancorp Inc.	United Community Financial Corp.
Equity Bancshares, Inc.	Old Second Bancorp, Inc.
Merchants Bancorp	

To perform this analysis, KBW used profitability and other financial information for the latest 12 months ("LTM") or most recent completed fiscal quarter ("MRQ") available (which in the case of Enterprise was the period ended September 30, 2018) or as of the end of such period and market price information as of October 31, 2018. KBW also

used 2018 and 2019 EPS estimates taken from publicly available consensus “street estimates” for Enterprise and the selected companies. Where consolidated holding company level financial data for the selected companies was

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unreported, subsidiary bank level data was utilized to calculate ratios. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Enterprise's historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of Enterprise and the selected companies:

	Selected Companies				
	Enterprise	25 <sup>th</sup> Percentile	Median	Average	75 <sup>th</sup> Percentile
MRQ Core Return on Average Assets <sup>(1)</sup>	1.68%	1.25%	1.39%	1.38%	1.50%
MRQ Core Return on Average Equity <sup>(1)</sup>	15.68%	10.59%	11.62%	12.35%	13.28%
MRQ Core Return on Average Tangible Common Equity <sup>(1)</sup>	20.01%	12.67%	14.54%	14.56%	16.26%
MRQ Net Interest Margin	3.78%	3.58%	3.77%	3.71%	3.96%
MRQ Fee Income / Revenue <sup>(2)</sup>	14.9%	18.0%	22.1%	22.6%	27.8%
MRQ Noninterest Expense / Average Assets	2.19%	3.00%	2.65%	2.60%	2.46%
MRQ Efficiency Ratio	53.0%	62.1%	59.0%	58.1%	56.9%

(1) Core earnings defined as net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill, deferred tax asset revaluation and nonrecurring items.

(2) Excluded gains/losses on sale of securities.

KBW's analysis also showed the following concerning the financial condition of Enterprise and the selected companies:

	Selected Companies				
	Enterprise	25 <sup>th</sup> Percentile	Median	Average	75 <sup>th</sup> Percentile
Tangible Common Equity / Tangible Assets	8.54%	8.68%	9.48%	9.64%	10.48%
Leverage Ratio	10.20%	9.70%	10.70%	10.78%	11.50%
Tier 1 Capital Ratio	11.03%	11.76%	12.61%	12.96%	13.54%
Total Capital Ratio	12.94%	12.66%	13.50%	13.97%	14.64%
Loans / Deposits	101.4%	97.3%	92.4%	93.1%	89.1%
Loan Loss Reserves / Loans	1.04%	0.67%	0.94%	0.91%	1.05%
Nonperforming Assets / Assets	0.29%	0.83%	0.61%	0.73%	0.43%
Nonperforming Assets / Loans + OREO	0.38%	1.10%	0.83%	0.98%	0.60%
Net Charge-offs / Average Loans	0.23%	0.15%	0.06%	0.13%	0.03%

In addition, KBW's analysis showed the following concerning the market performance of Enterprise and the selected companies (excluding one of the selected companies in the case of the one-year stock price change and one-year total return data below because the initial public offering of such excluded selected company occurred within the period ended October 31, 2018 and also excluding the impact of the LTM EPS multiple for one of the selected companies, which multiple was considered to be not meaningful):

## Selected Companies

Enterprise	25 <sup>th</sup> Percentile	Median	Average	75 <sup>th</sup> Percentile
One-Year Stock Price Change One-Year				
(0.3)%	(12.0)%	(6.0)%	(6.5)%	0.3%
Stock Total Return Year-To-Date				
0.6%	(10.3)%	(4.6)%	(4.7)%	2.7%
Stock Price Change Price / Book Value per Share Price / Tangible Book Value per Share Price / LTM EPS Price / 2018E EPS Price / 2019E EPS Dividend Yield LTM Dividend Payout Ratio				
(3.8)%	(10.8)%	(3.4)%	(4.5)%	1.5%
1.71x	1.32x	1.39x	1.48x	1.58x
2.08x	1.58x	1.75x	1.76x	1.99x
13.8x	13.7x	15.1x	15.3x	16.4x
11.5x	12.3x	13.2x	13.2x	14.0x
11.4x	11.0x	12.0x	11.7x	13.0x
1.2%	1.0%	2.2%	2.0%	2.9%
14.3%	13.0%	30.3%	30.8%	41.6%

No company used as a comparison in the above selected companies analysis is identical to Enterprise. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Trinity Selected Companies Analysis. Using publicly available information, KBW compared the financial performance, financial condition and market performance of Trinity to 19 selected major-exchange traded banks that were headquartered in the Western Region (defined as Arkansas, Arizona, California, Colorado, Hawaii, Idaho, New Mexico, Nevada, Montana, Oregon, Utah, Washington and Wyoming) with total assets between \$500 million and \$2.5 billion. Savings bank/thrifts, merger targets and ethnic-focused banks were excluded from the selected companies.

The selected companies were as follows:

Sierra Bancorp	First Choice Bancorp
People's Utah Bancorp	Coastal Financial Corporation
Central Valley Community Bancorp	United Security Bancshares
Northrim BanCorp, Inc.	Community West Bancshares
BayCom Corp	Eagle Bancorp Montana, Inc.
Pacific Mercantile Bancorp	Plumas Bancorp
Bank of Commerce Holdings	Sound Financial Bancorp, Inc.
First Financial Northwest, Inc.	American River Bankshares
Oak Valley Bancorp	Summit State Bank
First Western Financial, Inc.	

To perform this analysis, KBW used profitability and other financial information for the latest 12 months or most recent completed fiscal quarter available (which in the case of Trinity were the periods ended June 30, 2018, except as set forth in the immediately following sentence) or as of the end of such period and market price information as of October 31, 2018. KBW used net interest margin, tangible common equity to tangible assets, capital ratios, loan to deposit ratio, LTM EPS, book value per share and tangible book value per share data for Trinity as of or for the period ended September 30, 2018. KBW also used 2018 and 2019 EPS estimates taken from financial forecasts and projections of Trinity provided by Trinity management and publicly available consensus "street estimates" for the thirteen selected companies for which consensus "street estimates" were available. Where consolidated holding company level financial data for the selected companies was unreported, subsidiary bank level data was utilized to calculate ratios. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Trinity's historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of Trinity and the selected companies:

	Selected Companies				
	Trinity	25 <sup>th</sup> Percentile	Median	Average	75 <sup>th</sup> Percentile
MRQ Core Return on Average Assets <sup>(1)</sup>	1.17%	1.01%	1.17%	1.25%	1.55%
MRQ Core Return on Average Equity <sup>(1)</sup>	14.31%	10.17%	11.23%	11.47%	12.53%
MRQ Core Return on Average Tangible Common Equity <sup>(1)</sup>	14.31%	10.57%	12.37%	12.51%	13.48%
MRQ Net Interest Margin	3.44%	3.88%	4.06%	4.13%	4.48%
MRQ Fee Income / Revenue <sup>(2)</sup>	19.0%	7.6%	11.2%	15.5%	18.6%
MRQ Noninterest Expense / Average Assets	2.78%	2.98%	2.77%	2.97%	2.52%
MRQ Efficiency Ratio	73.4%	70.1%	63.6%	63.5%	57.9%

(1) Core earnings defined as net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill, deferred tax asset revaluation and nonrecurring items.

(2) Excluded gains/losses on sale of securities.

KBW's analysis also showed the following concerning the financial condition of Trinity and the selected companies:

	Selected Companies				
	Trinity	25 <sup>th</sup> Percentile	Median	Average	75 <sup>th</sup> Percentile
Tangible Common Equity / Tangible Assets	8.60%	9.14%	9.84%	10.30%	11.43%
Leverage Ratio	11.20%	9.88%	11.18%	11.07%	12.29%
Tier 1 Capital Ratio	13.52%	11.79%	13.97%	13.88%	15.37%
Total Capital Ratio	16.44%	13.08%	15.46%	15.10%	16.58%
Loans / Deposits	64.8%	97.3%	91.8%	87.7%	79.4%
Loan Loss Reserves / Loans	1.45%	1.02%	1.24%	1.18%	1.32%
Nonperforming Assets / Assets	3.58%	1.03%	0.67%	0.78%	0.26%
Nonperforming Assets / Loans + OREO	6.32%	1.31%	0.89%	1.14%	0.34%
Net Charge-offs / Average Loans	0.05%	0.05%	0.00%	0.02%	(0.04)%

In addition, KBW's analysis showed the following concerning the market performance of Trinity and, to the extent publicly available, the selected companies (excluding two of the selected companies in the case of the one-year stock price change, one-year total return, and year-to-date price change data below because the initial public offerings of such excluded selected companies occurred within the periods ended October 31, 2018):

	Selected Companies				
	Trinity	25 <sup>th</sup> Percentile	Median	Average	75 <sup>th</sup> Percentile
One-Year Stock Price Change	19.6%	(0.5)%	3.6%	4.1%	8.4%
One-Year Total Return	20.3%	0.7%	5.9%	5.9%	12.2%
Year-To-Date Stock Price Change	24.3%	(2.6)%	2.5%	1.5%	9.7%
Price / Book Value per Share	1.59x	1.25x	1.39x	1.45x	1.57x
Price / Tangible Book Value per Share	1.59x	1.35x	1.49x	1.57x	1.77x
Price / LTM EPS	32.2x	14.7x	17.0x	18.4x	20.7x
Price / 2018E EPS	15.0x	13.1x	13.9x	14.7x	16.1x
Price / 2019E EPS	13.8x	11.1x	12.8x	12.8x	14.7x
Dividend Yield	0.0%	1.3%	1.6%	1.7%	2.3%
LTM Dividend Payout Ratio	0.0%	16.9%	23.7%	26.4%	39.0%



No company used as a comparison in the above selected companies analysis is identical to Trinity. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Select Transactions Analysis. KBW reviewed publicly available information related to 21 selected U.S. bank transactions announced since January 1, 2018 with announced transaction values between \$100 million and \$500 million. Transactions where the acquirer was not a bank or the acquired company was a thrift, all-cash transactions, terminated transactions and transactions without reported deal values on S&P Global Market Intelligence were excluded from the selected transactions.

The selected transactions were as follows:

Acquiror	Acquired Company
First Interstate BancSystem, Inc.	Idaho Independent Bank
First Merchants Corporation	MBT Financial Corp.
Park National Corporation	CAB Financial Corporation
First Busey Corporation	Banc Ed Corp.
MidWestOne Financial Group, Inc.	ATBancorp
Banner Corporation	Skagit Bancorp, Inc.
Old National Bancorp	Klein Financial, Inc.
CapStar Financial Holdings, Inc.	Athens Bancshares Corporation
Seacoast Banking Corporation of Florida	First Green Bancorp, Inc.
German American Bancorp, Inc.	First Security, Inc.
Stifel Financial Corp.	Business Bancshares, Inc.
Allegiance Bancshares, Inc.	Post Oak Bancshares, Inc.
First Interstate BancSystem, Inc.	Northwest Bancorporation, Inc.
National Commerce Corporation	Landmark Bancshares, Inc.
RBB Bancorp	First American International Corp.
WesBanco, Inc.	Farmers Capital Bank Corporation
BancorpSouth Bank	Icon Capital Corporation
Renasant Corporation	Brand Group Holdings, Inc.
First Choice Bancorp	Pacific Commerce Bancorp
Ameris Bancorp	Hamilton State Bancshares, Inc.
Meta Financial Group, Inc.	Crestmark Bancorp Inc.

For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements:

Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM earnings); and

Tangible equity premium to core deposits (total deposits less time deposits greater than \$250,000) of the acquired company, referred to as core deposit premium.

The above transaction statistics for the selected transactions were compared with the corresponding transaction statistics for the Merger based on the implied transaction value for the Merger of \$10.41 per outstanding share of



Trinity common stock and using historical financial information for Trinity as of or for the 12-month period ended September 30, 2018.

The results of the analysis are set forth in the following table:

	Enterprise / Trinity	Selected Transactions			
		25 <sup>th</sup> Percentile	Median	Average	75 <sup>th</sup> Percentile
Price / Tangible Book Value per Share	1.90x	1.78x	2.18x	2.15x	2.36x
Price / LTM EPS	38.5x	21.0x	23.5x	25.1x	28.0x
Core Deposit Premium	9.7%	12.3%	15.1%	14.9%	17.5%

No company or transaction used as a comparison in the above selected transaction analysis is identical to Trinity or the Merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Relative Contribution Analysis. KBW analyzed the relative standalone contribution of Enterprise and Trinity to various pro forma balance sheet and income statement items of the combined entity. This analysis did not include purchase accounting adjustments or synergies. To perform this analysis, KBW used (i) balance sheet and income statement data for Enterprise and Trinity as of or for the year-to-date period ended September 30, 2018, (ii) 2018, 2019, and 2020 EPS consensus “street estimates” for Enterprise, and (iii) financial forecasts and projections relating to the net income of Trinity provided by Trinity management. The results of KBW’s analysis are set forth in the following table, which also compares the results of KBW’s analysis with the implied pro forma ownership percentages of Enterprise and Trinity shareholders in the combined company based on the 0.1972x exchange ratio provided for in the Merger Agreement and also hypothetically assuming 100% stock consideration in the Merger for illustrative purposes:

	Enterprise % of Total	Trinity % of Total
Ownership:		
At 0.1972x exchange ratio	85.1%	14.9%
Assuming 100% stock consideration	83.0%	17.0%
Balance Sheet:		
Total Assets	81.5%	18.5%
Gross Loans	85.7%	14.3%
Total Deposits	79.3%	20.7%
Tangible Common Equity	81.0%	19.0%
Income Statement:		
YTD Net Income to Common	87.4%	12.6%
2018 GAAP Net Income	88.5%	11.5%
2018 GAAP Net Income	87.5%	12.5%
2019 GAAP Net Income	86.8%	13.2%

Forecasted Pro Forma Financial Impact Analysis. KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of Enterprise and Trinity. Using (i) closing balance sheet estimates as of March 31, 2019 for Enterprise and Trinity, extrapolated from historical data using growth rates taken from publicly available consensus “street estimates” for Enterprise in the case of Enterprise and provided by Trinity management in the case of Trinity, (ii) publicly available consensus “street estimates” for Enterprise, (iii) financial forecasts and projections relating to the net income of Trinity provided by Trinity management, and (iv) pro forma assumptions (including, without limitation, the cost savings and related expenses

expected to result from the Merger and certain accounting adjustments assumed with respect thereto) provided by Enterprise management, KBW analyzed the potential financial impact of the Merger on certain projected financial results of Enterprise. This analysis indicated the Merger could be accretive to Enterprise's estimated last three quarters 2019 EPS and estimated 2020 EPS and dilutive to Enterprise's estimated tangible book value per share as of March 31, 2019. Furthermore, the analysis

indicated that, pro forma for the Merger, each of Enterprise's tangible common equity to tangible assets ratio, Common Equity Tier 1 Ratio, Tier 1 Leverage Ratio and Total Risk Based Capital Ratio as of March 31, 2019 could be lower. For this pro forma financial impact analysis, the actual results achieved by Enterprise following the Merger may vary from the projected results, and the variations may be material.

**Enterprise Discounted Cash Flow Analysis.** KBW performed a discounted cash flow analysis of Enterprise to estimate a range for the implied equity value of Enterprise. In this analysis, KBW used publicly available consensus "street estimates" of Enterprise and assumed long-term growth rates for Enterprise provided by Enterprise management, and assumed discount rates ranging from 10.0% to 14.0%. The range of values was derived by adding (i) the present value of the estimated excess cash flows that Enterprise could generate over the period from September 30, 2018 to December 31, 2022 as a standalone company and (ii) the present value of Enterprise's implied terminal value at the end of such period. KBW assumed that Enterprise would maintain a tangible common equity to tangible asset ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of Enterprise, KBW applied a range of 10.0x to 15.0x Enterprise's estimated 2023 net income. This discounted cash flow analysis resulted in a range of implied values per share of Enterprise common stock of \$39.28 per share to \$60.38 per share. The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The foregoing discounted cash flow analysis did not purport to be indicative of the actual values or expected values of Enterprise or the pro forma combined company.

**Trinity Discounted Cash Flow Analysis.** KBW performed a discounted cash flow analysis of Trinity to estimate a range for the implied equity value of Trinity. In this analysis, KBW used financial forecasts and projections relating to the net income and assets of Trinity provided by Trinity management, and assumed discount rates ranging from 10.0% to 14.0%. The range of values was derived by adding (i) the present value of the estimated excess cash flows that Trinity could generate over the period from September 30, 2018 to December 31, 2022 as a standalone company, and (ii) the present value of Trinity's implied terminal value at the end of such period. KBW assumed that Trinity would maintain a tangible common equity to tangible asset ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of Trinity, KBW applied a range of 10.0x to 15.0x Trinity's estimated 2023 net income. This discounted cash flow analysis resulted in a range of implied values per share of Trinity's common stock of \$7.59 per share to \$11.49 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The foregoing discounted cash flow analysis did not purport to be indicative of the actual values or expected values of Trinity.

**Miscellaneous.** KBW acted as financial advisor to Trinity and not as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. KBW and its affiliates, in the ordinary course of its and their broker-dealer businesses (and in the case of Trinity, further to an existing sales and trading relationship with a KBW broker-dealer affiliate), may from time to time purchase securities from, and sell securities to, Trinity and Enterprise. In addition, as market makers in securities, KBW and its affiliates may from time to time have a long or short position in, and buy or sell, debt or equity securities of Trinity or Enterprise for its and their own accounts and for the accounts of its and their respective customers and clients.

Pursuant to the KBW engagement agreement, Trinity agreed to pay KBW a cash fee equal to 1.125% of the aggregate merger consideration, \$250,000 of which became payable upon the rendering of KBW's opinion and the balance of which is contingent upon the consummation of the Merger. Trinity also agreed to reimburse KBW for certain reasonable out-of-pocket expenses and disbursements incurred in connection with its retention and to indemnify KBW

against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith. Other than in connection with this present engagement, during the two years preceding the date of its opinion, KBW

did not provide investment banking and financial advisory services to Trinity. During the two years preceding the date of its opinion, KBW did not provide investment banking and financial advisory services to Enterprise. KBW may in the future provide investment banking and financial advisory services to Trinity or Enterprise and receive compensation for such services.

#### Dissenters' Rights of Appraisal of Holders of Trinity Common Stock

General. If you are a shareholder of record as of the record date of the Special Meeting, you have a right to dissent from the Merger and to obtain payment of the fair value of their shares in the event the Merger is completed. The appraised fair value may be more or less than the value of the Merger Consideration being paid in the Merger in exchange for shares of Trinity common stock.

If you are contemplating exercising your right to dissent, you should read carefully the provisions of Sections 53-15-3 and 53-15-4 of the NMBCA, a copy of which is attached to this proxy statement/prospectus as Appendix E, and which qualify in all respects the following discussion of those provisions, and consult with your legal counsel before electing or attempting to exercise these rights. The following discussion describes the steps you must take if you want to exercise your right to dissent. You should read this summary and the full text of the law carefully.

How to Exercise and Perfect Your Right to Dissent. To be eligible to exercise your right to dissent from the Merger:

- you must file with Trinity, prior to or at the Special Meeting, a written objection to the Merger;
  - you must not vote in favor of the Merger;
  - you must, within ten (10) days after the date of the Special Meeting, make a written demand on Enterprise (as the successor to Trinity) for payment of the fair value of your shares of Trinity common stock; and
- if your shares of Trinity common stock are represented by a certificate, you must, within twenty (20) days after you make your demand for payment to Enterprise as described above, submit your certificate formerly representing your shares of Trinity common stock to Enterprise.

If you intend to exercise your right to dissent from the Merger, you must file with Trinity, prior to or at the Special Meeting, a written objection to the Merger. If you fail to file the written objection to the Merger at or prior to the Special Meeting, if you vote your shares of Trinity common stock in favor of the Merger or if you fail to make your demand for payment on a timely basis, you will lose your right to dissent from the Merger. If your shares of Trinity common stock are represented by a certificate and you fail to submit your certificate formerly representing shares of Trinity common stock to Enterprise on a timely basis after you have submitted the demand for payment as described above, Enterprise will have the option to terminate your right of dissent as to your shares of Trinity common stock. In any instance of a termination or loss of your right of dissent, you will instead receive the Merger Consideration as set forth in the Merger Agreement. If you comply with the first two items above and the Merger is completed, Enterprise will send you a written notice advising you that the Merger has been completed. Enterprise must give you this notice within ten days after the Merger is completed.

Your Demand for Payment. If the Merger is completed, if you have provided your written objection to the Merger to Trinity in a timely manner and you have not voted in favor of the Merger, and you desire to receive the fair value of your shares of Trinity common stock in cash, you must, within ten days after the date of the Special Meeting, give Enterprise a written demand for payment of the fair value of your shares. The fair value of your shares of Trinity common stock will be the value of the shares on the day immediately preceding the Special Meeting.

If you do not make your written demand for payment within that ten-day period, you will be bound by the Merger and you will not be entitled to receive a cash payment representing the fair value of your shares of Trinity common stock. Instead, you will receive the Merger Consideration as set forth in the Merger Agreement.

Delivery of Stock Certificates. Upon receiving a demand for payment from any dissenting shareholder, Enterprise will make an appropriate notation thereof in its shareholder records. If your shares of Trinity common stock



are represented by a certificate, you must, within twenty (20) days after demanding payment for your shares, submit your certificate formerly representing your shares of Trinity common stock to Enterprise for notation thereon that such demand has been made. If you fail to submit your certificates within such 20-day period will, at the option of Enterprise, terminate your rights under the NMBCA unless a court of competent jurisdiction otherwise directs. If your shares of Trinity common stock for which you have demanded payment are uncertificated or if your shares are represented by a certificate on which such notation has been made is/are transferred, any new certificate issued for such shares will bear similar notation and your name, as the original dissenting holder of the shares, and a transferee of the shares acquired by such transfer will have no rights in Enterprise (as the successor to Trinity) other than those which you, as the original dissenting shareholder, had after making demand for payment of the fair value of such shares.

**Payment of the Fair Value of Your Shares of Trinity Common Stock.** Within ten days after the Merger is completed, Enterprise will give you written notice that the Merger was completed and will make a written offer to you to pay for your shares of Trinity common stock at a specified price deemed by Enterprise to be the fair value thereof.

If, within thirty (30) days after the date on which the Merger was completed, you and Enterprise agree upon the fair value of your shares of Trinity common stock, Enterprise will make payment to you for your shares within ninety (90) days after the date on which the Merger was completed, and, if your shares are represented by a certificate, upon surrender of the certificate formerly representing your shares of Trinity common stock. Once Enterprise makes payment to you of the agreed value, you will cease to have any interest your shares of Trinity common stock.

**Commencement of a Legal Proceeding if a Demand for Payment Remains Unsettled.** If a dissenting shareholder and Enterprise do not agree on the fair value of such shareholder's shares of Trinity common stock within such 30-day period, then Enterprise, within thirty (30) days after receipt of written demand from any dissenting shareholder, given within sixty (60) days after the date on which the Merger was completed, will, or at its election at any time within such 60-day period may, file a petition in any court of competent jurisdiction in Rio Arriba County, New Mexico asking that the fair value of such shares be determined. If Trinity fails to institute the proceeding as provided in the NMBCA, any dissenting shareholder may do so in the name of Enterprise. All dissenting shareholders, wherever residing, will be made parties to the proceeding as an action against their shares of Trinity common stock. A copy of the petition will be served on each dissenting shareholder who is a resident of New Mexico and will be served by registered or certified mail on each dissenting shareholder who is a nonresident. Service on nonresidents will also be made by publication as provided by law. All dissenting shareholders who are parties to the proceeding will be entitled to judgment against Enterprise for the amount of the fair value of their shares of Trinity common stock. The court may, if it so elects, appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The judgment will be payable to the holders of uncertified shares immediately, but to the holders of shares represented by certificates only upon the surrender to Trinity of certificates. Upon payment of the judgment, the dissenting shareholder will cease to have any interest in such shares.

The judgment will include an allowance for interest at such rate as the court may find to be fair and equitable, in all the circumstances, from the date of the Special Meeting to the date of payment.

The costs and expenses of any such proceeding will be determined by the court and will be assessed against Enterprise, but all or any part of the costs and expenses may be apportioned and assessed as the court deems equitable against any or all of the dissenting shareholders who are parties to the proceeding to whom Enterprise will have made an offer to pay for such dissenting shareholders' shares of Trinity common stock if the court will find that the action of such dissenting shareholders in failing to accept such offer was not in good faith. Such expenses will include reasonable compensation for and reasonable expenses of the appraisers, but exclude the fees and expenses of counsel for and experts employed by any party; but if the fair value of such dissenting shareholders' shares as determined materially exceeds the amount which Enterprise offered to pay for such shares, or if no offer was made, the court in its discretion may award to any dissenting shareholder who is a party to the proceeding such sum as the court determines to be reasonable compensation to any expert employed by the dissenting shareholder in the proceeding, together with reasonable fees of legal counsel.

**Withdrawal of Demand.** You may not withdraw your demand unless Enterprise consents to such withdrawal. If, however, your demand is withdrawn upon consent, or if the Merger is abandoned or rescinded or the Trinity

shareholders revoke the authority to effect the Merger, or if no demand or petition for the determination of fair value

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by a court has been made or filed within the time provided in the NMBCA, or if a court of competent jurisdiction determines that you are not entitled to the relief provided by the NMBCA, then your right to be paid the fair value of your shares of Trinity common stock will cease and your status as a Trinity shareholder will be restored.

**Beneficial Owners.** Persons who beneficially own shares of Trinity common stock that are held of record in the name of another person, such as a bank, broker or other nominee, and who desire to have the right of dissent exercised as to those shares must submit to Trinity at or prior to the Special Meeting a written consent of the record holder of such shares and must otherwise comply with all of the actions required under the NMBCA to exercise and perfect such dissenters' rights.

#### Regulatory Approvals Required for the Mergers

We have agreed to use commercially reasonable efforts to obtain the regulatory approvals required for the Mergers. We refer to these approvals, along with the expiration of any statutory waiting periods related to these approvals, as the "Requisite Regulatory Approvals." These include approval from the FDIC, the Reserve Bank, and the Division. As of the date of this proxy statement/prospectus, the appropriate filings have been made with the FDIC, the Reserve Bank and the Division. The Merger and the related transactions cannot proceed in the absence of the Requisite Regulatory Approvals. We cannot assure you as to whether or when the Requisite Regulatory Approvals will be obtained, and, if obtained, we cannot assure you as to the date of receipt of any of these approvals, the terms thereof or the absence of any public protest or litigation challenging them. Likewise, we cannot assure you that the U.S. Department of Justice (the "Department of Justice") or a state attorney general will not attempt to challenge the Mergers on antitrust grounds, or, if such a challenge is made, as to the result of that challenge.

Any transaction approved by the FDIC under the Bank Merger Act may not be completed until thirty (30) days after the FDIC approval, during which time the Department of Justice may object to the transaction on antitrust grounds. With the approval of the FDIC and the Department of Justice, the waiting period may be reduced to fifteen (15) days. While Enterprise and Trinity do not know of any reason that the Department of Justice would challenge regulatory approval by the FDIC and believe that the likelihood of such action is remote, there can be no assurance that the Department of Justice will not initiate such a proceeding, or if such a proceeding is initiated, the result of any such challenge.

Neither Enterprise nor Trinity is aware of any other material governmental approvals or actions that are required prior to the parties' completion of the Mergers other than those described above. We presently contemplate that if any additional governmental approvals or actions are required, these approvals or actions will be sought. However, there can be no assurance that any of these additional approvals or actions, if required, will be obtained.

#### Interests of Trinity's Directors and Executive Officers in the Merger

In considering the recommendation of the Trinity board of directors to approve and adopt the Merger Agreement, you should be aware that Trinity's directors and executive officers have financial interests in the Merger that are different from, or in addition to, the interests of Trinity shareholders generally, which are described below. The Trinity board of directors was aware of these interests and considered them, among other matters, in approving the Merger Agreement and the transactions contemplated thereby, including the Merger.

#### Treatment of Restricted Stock Units and Other Stock Awards

The Merger Agreement provides that at the effective time of the Merger, each unsettled or unvested Trinity Stock Award issued and outstanding immediately prior to the effective time of the Merger that will vest at such effective time pursuant to its terms will fully vest and be free of any restrictions and be exchanged for the same Merger Consideration that all other shares of Trinity common stock are entitled to receive in the Merger. The outstanding restricted stock units granted to each of the named executive officers under the Trinity Capital Corporation 2015 Long-Term Incentive Plan will vest in full upon the effective time of the Merger.

Payments Under Severance Agreements, Employment Agreements, and Change in Control Agreements With Trinity On August 17, 2018, Trinity and LANB entered into a Severance Agreement with John S. Gulas, the President and Chief Executive Officer of Trinity and LANB, pursuant to which he continues to serve as the President and the Chief Executive Officer of Trinity and LANB. The Severance Agreement superseded and replaced his prior employment agreement with Trinity and LANB. The Severance Agreement for Mr. Gulas generally provides that, in the event Mr. Gulas is terminated by LANB without "Cause" (as defined in the Severance Agreement), Mr. Gulas shall be entitled to receive in cash an aggregate amount equal to one (1) times the sum of (x) his cash base salary as of the date of termination, and (y) twelve (12) months of health care benefits from the date of termination, payable in twenty-four (24) substantially equal semi-monthly installments continuing through the twelfth (12th) calendar month following the date of termination. No benefits afforded by the Severance Agreement will be paid to Mr. Gulas if Mr. Gulas's employment is terminated (i) as a result of his death or disability, (ii) by LANB for "Cause," or (iii) voluntarily by Mr. Gulas. Except for the replacement of his employment agreement, the Severance Agreement does not affect any other agreements between Mr. Gulas, Trinity or LANB that are currently in place.

Joseph M. Martony, LANB's Chief Risk Officer, is party to an employment agreement with Trinity and LANB. The employment agreement provides for a two-year initial term, after which the employment agreement automatically renews for one-year terms. The employment agreement contains non-competition, non-solicitation, non-disparagement and confidentiality provisions, equitable enforcement provisions, and dispute resolution provisions. The employment agreement also includes a provision that requires the adjustment or recovery of awards or payments upon restatement or other adjustment of relevant company financial statements or performance metrics. Thus, to the extent that such adjustment or recovery is required under applicable securities or other law, the employment agreement provide that Mr. Martony will make restitution. Under his employment agreement, Mr. Martony is entitled to receive, in addition to his accrued but unpaid benefits, a lump sum payment equal to 100% of his annual base salary at the time of such termination, plus his prorated incentive bonus for the year in which such termination occurs (provided that such target level performance has been achieved through the date of termination), in the event of a termination of his employment (a) by the Company or its successors without cause (as defined in his employment agreement) or (b) by him for good reason (as defined in his employment agreement). Further, in connection with the entry by Trinity, LANB and Mr. Martony into the Change in Control Agreement referenced below and in accordance with the terms of his employment agreement, Trinity and LANB gave written notice to Mr. Martony that the employment agreement shall not be extended automatically for an additional one-year period. Following the expiration of his employment agreement, Mr. Martony will continue to be employed as LANB's Chief Risk Officer on an "at-will" basis.

In addition, Trinity and LANB have entered into Change in Control Agreements with each of their named executive officers. On April 20, 2018, Trinity and LANB entered into Change in Control Agreements (the "Change in Control Agreements") with each of Mr. Gulas and Thomas G. Dolan, Trinity's Chief Financial Officer. On October 25, 2018, Trinity and LANB entered into a Change in Control Agreement with Mr. Martony. These Change in Control Agreements provide benefits to such executive officers in the event of certain terminations of employment within one year following a Change in Control (as defined in the Change in Control Agreements) involving Trinity.

The Change in Control Agreement for Mr. Gulas generally provides that, if within one year from the date of a Change in Control, the employment of Mr. Gulas is terminated without Cause (as defined in the Change in Control Agreement), as a result of a material diminution in his compensation, duties, responsibilities or authority or because he is required to relocate more than 50 miles from Santa Fe County, New Mexico, Mr. Gulas will be entitled to receive a single lump sum equal to 2.5 times the sum of his average annual base salary for the three calendar years preceding the date of the termination, plus his average bonus for such three calendar years earned preceding the termination. The benefits awarded to Mr. Gulas pursuant to this Change in Control Agreement superseded and replaced the change in control benefits provided to him under his previous employment agreement with Trinity and LANB.

The Change in Control Agreement for Mr. Dolan generally provides that, if within one year from the date of a Change in Control, the employment of Mr. Dolan is terminated without Cause (as defined in the Change in Control Agreement), as a result of a material diminution in his compensation, duties, responsibilities or authority or because

he is required to relocate more than 50 miles from Santa Fe County, New Mexico, Mr. Dolan will be entitled to receive

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a single lump sum equal to 2.0 times the sum of his average annual base salary for the three calendar years preceding the date of the termination, plus his average bonus earned for such three calendar years.

The Change in Control Agreement for Mr. Martony generally provides that, if within one year after the date of a Change in Control, the employment of Mr. Martony is terminated without Cause (as defined in the Change in Control Agreement), as a result of a material diminution in his compensation, duties, responsibilities or authority or because he is required to relocate more than 50 miles from Santa Fe County, New Mexico, Mr. Martony will be entitled to receive a single lump sum equal to 1.0 times the sum of his average annual base salary for the three calendar years preceding the date of the termination, plus his average bonus earned for such three calendar years. The benefits awarded to Mr. Martony pursuant to this Change in Control Agreement supersede and replace the change in control benefits provided to him under his employment agreement referenced above.

Additionally, each of Mr. Gulas, Mr. Dolan and Mr. Martony would be entitled upon termination under the Change in Control Agreements to receive: (i) earned but unpaid annual base salary through the date of the termination, (ii) accrued but unused vacation pay, (iii) unreimbursed business expenses, (iv) health care benefits for a period of eighteen (18) months following the date of the termination, (v) reimbursement of reasonable costs up to \$15,000 of the services of any outplacement counselling service, and (vi) reimbursement to the executive officer for any “parachute payment” penalties, if applicable, up to \$175,000 with no gross-up.

For an estimate of the amounts that would be payable to each of Trinity’s named executive officers under their Change in Control Agreements, see “Proposal I – The Merger — Interests of Trinity’s Directors and Executive Officers in the Merger — Merger-Related Executive Compensation for Trinity’s Named Executive Officers” below.

#### Appointment of Trinity Directors to Enterprise’s and EB&T’s Boards of Directors

The Merger Agreement provides that at or immediately following the effective time of the Merger, two members of the Trinity board of directors will be appointed to Enterprise’s board of directors and one member of the Trinity board of directors will be appointed to EB&T’s board of directors.

#### Indemnification and Insurance of Directors and Officers

In the Merger Agreement, Enterprise has agreed to indemnify, hold harmless and advance expenses to the current and former officers and directors of Trinity and LANB against any costs or expenses, judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation arising out of actions or omissions of such persons in the course of performing their duties for Trinity or any of its subsidiaries occurring at or before the effective time of the Merger to the same extent as Trinity currently provides for indemnification of its officers and directors. Enterprise has also agreed to maintain in effect for a period of six years following the effective time of the Merger the directors’ and officers’ liability insurance policy currently maintained by Trinity or to provide a policy with comparable or higher coverage, provided that, to obtain such insurance coverage, Enterprise is not obligated to expend more than 150% of the annual cost per year currently expended by Trinity for such insurance.

#### Merger-Related Executive Compensation for Trinity’s Named Executive Officers

The information set forth in the table below is intended to comply with Item 402(t) of the SEC’s Regulation S-K, which requires disclosure of information about certain compensation for each named executive officer of Trinity that is based on, or otherwise relates to, the Merger. The individuals disclosed herein and referred to as the “named executive officers” are Trinity’s current principal executive officer and two most highly compensated executive officers for Trinity’s most recently completed fiscal year.

The following table sets forth the estimated potential severance benefits to Trinity’s named executive officers on termination of employment in connection with a change in control using the following assumptions: (i) the Merger closes on November 30, 2018 (the latest practicable date prior to the date of these materials); (ii) the employment of each of the named executive officers will be terminated without cause or by the executive officer for good reason immediately following the closing of the Merger, and (iii) that the named executive officer has properly executed a general waiver and release. This table does not include the value of benefits in which the named executive officers are vested without regard to the occurrence of a change in control. The amounts shown below are estimates based on



multiple assumptions that may or may not actually occur, including assumptions described in these materials. Some of the assumptions are based on information not currently available, and as a result, the actual amounts to be received by a named executive officer may differ in material respects from the amounts set forth below. The amounts do not reflect any reduction in the value of the parachute payments that may be attributable to the value of any covenants against competitive employment. All dollar amounts set forth below have been rounded to the nearest whole number.

Executive	Cash (\$) <sup>(1)</sup>	Equity (\$) <sup>(2)</sup>	Perquisites/ Benefits (\$) <sup>(3)</sup>	Tax Reimbursements (\$) <sup>(4)</sup>	Total (\$)
John S. Gulas	1,438,755	2,406,366	64,667	175,000	4,084,787
Joseph M. Martony	300,657	606,077	36,292	175,000	1,118,026
Thomas G. Dolan	795,600	1,331,609	39,437	175,000	2,341,645

(1) The amounts reflect cash severance benefits, payable in a single lump sum, equal to a the product of (a) a multiple (2.5 of Mr. Gulas, 2.0 for Mr. Dolan and 1.0 for Mr. Martony), times (b) the sum of (i) the executive's average annual base salary for the three calendar years preceding the date of termination and (ii) the executive's average annual bonus for the three calendar years preceding the date of termination. These payments are "double-trigger", as they will only be payable in the event of a qualifying termination within one year following the effective time of the Merger. Payment of such cash severance is conditioned upon the executive executing a general waiver and release.

(2) Upon the closing of the Merger, all restricted stock units held by the named executive officers will accelerate and will entitle the named executive officers to the same Merger Consideration that all other shares of Trinity common stock are entitled to receive in the Merger. The calculations assume that the value of the Merger Consideration is \$10.65 per share, which is the sum of (i) \$1.84 in cash and (ii) 0.1972 multiplied by \$44.69, the value of Enterprise's common stock as of November 30, 2018. The estimated payments in respect of the unvested restricted stock units are "single-trigger" benefits in that their vesting will accelerate and they will be converted into the merger consideration at the effective time of the Merger pursuant to the terms of the Merger Agreement. If the Merger closes after February 23, 2019, then the estimated payment in connection with a change of control will change as some of the Trinity Stock Awards will have vested without regard to the change of control.

(3) The amounts reflect, for each named executive officer, the sum of (i) his estimated accrued but unused vacation balance, (ii) the value of eighteen (18) months of health care benefits from the date of the termination, and (iii) \$15,000 for outplacement counselling services. These benefits are "double-trigger", as they will only be payable in the event of a qualifying termination within one year following the effective time of the Merger. Payment of such benefits is conditioned upon the executive executing a general waiver and release.

(4) The tax reimbursements to each of the named executive officers are based upon the assumption that the sum of payments described in footnotes (1) through (3) above will exceed three times each named executives officer's base amount as calculated under Section 280G of the Code.

#### Employee Matters

Each person who is an employee of Trinity or LANB as of the effective time of the Merger will become an employee of Enterprise or EB&T and will be eligible to participate in employee benefit plans and compensation opportunities that are substantially comparable to the employee benefit and compensation opportunities that are generally made available to similarly situated employees of Enterprise and EB&T. With respect to any group health plan, Enterprise will use commercially reasonable efforts to waive or cause to be waived any eligibility waiting periods or pre-existing condition limitations or similar limitations and credit each continuing employee for any co-payments or deductibles paid prior to the closing date of the Merger in satisfying applicable deductible and annual out-of-pocket expense requirements under any such group health plan.

Continuing employees will receive prior service credit for purposes of eligibility, vesting and level of benefits, provided that such recognition of service will not (i) operate to duplicate any benefits with respect to the same period of service or (ii) apply if such service was not recognized under the corresponding Trinity benefit plan.





Each employee of Trinity or its subsidiaries whose employment is terminated following the closing date of the Merger receive severance benefits that are at least as favorable as those that would have been payable to a similarly situated employee of Enterprise.

## THE MERGER AGREEMENT

The following discussion describes the material provisions of the Merger Agreement and the Merger. We urge you to read the Merger Agreement, which is attached as Appendix A and incorporated by reference in this proxy statement/prospectus, carefully and in its entirety. The description of the Merger Agreement in this proxy statement/prospectus has been included to provide you with information regarding its terms. The Merger Agreement contains representations and warranties made by and to the parties thereto as of specific dates. The statements embodied in those representations and warranties were made for purposes of that contract between the parties and are subject to qualifications and limitations agreed by the parties in connection with negotiating the terms of that contract. In addition, certain representations and warranties were made as of a specified date, may be subject to a contractual standard of materiality different from those generally applicable to shareholders, or may have been used for the purpose of allocating risk between the parties rather than establishing matters as facts.

### Structure of the Merger

Pursuant to the terms and conditions of the Merger Agreement, Trinity will merge with and into Enterprise, with Enterprise being the surviving company. As a result of the Merger, the separate existence of Trinity will terminate. As a result of the Merger, Trinity shareholders will be entitled to the Merger Consideration and such Trinity shareholders will no longer be owners of Trinity common stock. As a result of the Merger, certificates for Trinity common stock will only represent the right to receive the Merger Consideration pursuant to the Merger Agreement, and otherwise will be null and void after completion of the Merger.

Immediately following the Merger, Trinity's wholly owned bank subsidiary, LANB, will merge with and into Enterprise's wholly owned bank subsidiary, EB&T, with EB&T being the surviving bank. Following the Bank Merger, EB&T will continue its corporate existence as a state-chartered trust company with banking powers, organized under the laws of the State of Missouri. EB&T appreciates and acknowledges the historical significance of LANB in New Mexico and the commitment that LANB customers have to the bank. In an effort to facilitate the transition of the relationships acquired through the Bank Merger, EB&T is working with LANB to gather relevant input and market data from associates and customers of LANB regarding possible future name options for a period following the consummation of the Bank Merger. We expect to complete the Merger and the Bank Merger in the first half of 2019, although delays may occur.

### Merger Consideration

#### General.

If the Merger Agreement is approved, at the effective time of the Merger, each share of Trinity common stock outstanding immediately prior to the effective time of the Merger will be converted into the right to receive to receive: (1) \$1.84 in cash without interest and subject to adjustment, and (2) 0.1972 shares of common stock of Enterprise. Based on the fixed value of the Cash Consideration of \$1.84 per share and based on the following closing prices of Enterprise common stock on NASDAQ: (i) \$43.45 on October 31, 2018, the last trading day before public announcement of the Merger Agreement and (ii) \$37.42 on December 28, 2018, the latest practicable trading day before the date of this proxy statement/prospectus, the implied value of the Merger Consideration per share would be approximately \$10.41 and \$9.22, respectively, and the implied value of the aggregate Merger Consideration would be approximately \$213 million and \$188 million, respectively. The implied value of the Stock Consideration will fluctuate as the market price of Enterprise common stock fluctuates. Since the federal income tax consequences will be dependent on the form of consideration received, you are urged to read carefully the information set forth below under "Material United States Federal Income Tax Considerations" beginning on page 82.

If Enterprise's volume weighted average stock price, as calculated during the five (5) trading days commencing on the Determination Date (i.e., the fifth trading day prior to the closing of the Merger; such fifth trading day is determined by counting the trading day immediately preceding the closing date of the Merger as the first trading day), is (i) less than \$37.26352 per share and (ii) underperforms a specified index of financial institution stocks during such period by more than twenty percent (20%), Trinity shall have a right to terminate the Merger Agreement; provided, however, that if Trinity elects to terminate the Merger Agreement in such instance, Enterprise may elect to reinstate the Merger and the other transactions contemplated by the Merger Agreement by adjusting the exchange ratio to increase the Stock Consideration or add an amount in cash to increase the Cash Consideration. If Enterprise makes such election to reinstate the Merger and the other transactions contemplated by the Merger Agreement, then no termination will occur and the Merger Agreement will remain in effect according to its terms (except the Merger Consideration, which will have been adjusted). Further, in the event that Trinity incurs expenses related to the remediation of certain environmental matters in excess of \$250,000, the amount of the Cash Consideration may be reduced by the amount by which the sum of all remediation expenses exceed \$250,000.

No fractional shares of Enterprise common stock will be issued in connection with the Merger. Instead, Enterprise will make to each Trinity shareholder, who would otherwise receive a fractional share of Enterprise common stock, a cash payment, without interest and rounded up to the nearest whole cent, for the value of any fraction of a share of Enterprise common stock the shareholder would otherwise be entitled to receive, based on the daily volume weighted average price of Enterprise common stock for the twenty (20) consecutive trading days ending on the closing date of the Merger (such sum rounded down to the nearest whole share).

All shares of Enterprise common stock received by Trinity shareholders in the Merger will be freely tradable, except that shares of Enterprise common stock received by persons who become affiliates of Enterprise for purposes of Rule 144 under the Securities Act may be resold by them only in transactions permitted by Rule 144, or as otherwise permitted under the Securities Act.

A Trinity shareholder also has the right to obtain the fair value of his or her shares of Trinity common stock in lieu of receiving the Merger Consideration by strictly following the appraisal procedures under the NMBCA. Shares of Trinity common stock outstanding immediately prior to the effective time of the Merger and which are held by a shareholder who does not vote to approve the Merger Proposal and who properly demands the fair value of such shares pursuant to, and who complies with, the appraisal procedures under the Merger Agreement are referred to as "dissenting shares." See "Proposal I – The Merger — Dissenters' Rights of Appraisal of Holders of Trinity Common Stock" beginning on page 62.

If Enterprise changes the number of shares of Enterprise common stock outstanding prior to the effective time of the Merger as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or similar recapitalization and the record date for such corporate action is prior to the effective time of the Merger, then the Merger Consideration shall be appropriately and proportionately adjusted.

Based on the fixed value of the Cash Consideration of \$1.84 per share and based on the following closing prices of Enterprise common stock on NASDAQ: (i) \$43.45 on October 31, 2018, the last trading day before public announcement of the Merger Agreement and (ii) \$37.42 on December 28, 2018, the latest practicable trading day before the date of this proxy statement/prospectus, the implied value of the Merger Consideration per share would be approximately \$10.41 and \$9.22, respectively, and the implied value of the aggregate Merger Consideration would be approximately \$213 million and \$188 million, respectively.

Conversion of Shares; Exchange of Certificates; Fractional Shares

Conversion. The conversion of Trinity common stock into the right to receive the Merger Consideration in the form of cash and shares of Enterprise common stock will occur automatically at the effective time of the Merger.

#### Exchange Procedure.

As soon as practicable after the closing of the Merger, but in no event later than ten (10) days thereafter, the transfer agent or depository or trust institution of recognized standing selected by Enterprise and reasonably satisfactory to Trinity, which we refer to as the “exchange agent”, will mail to each holder of a certificate representing shares of Trinity (the “Certificates”) and each holder of a book-entry share(s) representing outstanding shares of Trinity stock (the “Book-Entry Shares”), a letter of transmittal and instructions advising such holder of the effectiveness of the Merger and the procedure for surrendering to the exchange agent Certificates or Book-Entry Shares of Trinity common stock in exchange for the Merger Consideration allocated to them.

Trinity shareholders who surrender their Certificates or Book-Entry Shares and duly complete and execute the transmittal materials, or who have taken other steps to surrender the evidence of their stock interest in Trinity in accordance with the instructions accompanying the transmittal letter, will, upon the exchange agent’s acceptance of such Certificates or Book-Entry Shares and transmittal materials or stock interest, be entitled to a certificate (or evidence of shares in book-entry form, as applicable) representing the number of whole shares of Enterprise common stock that such holder is entitled to receive pursuant to the Merger Agreement, and (ii) a check in the amount (after giving effect of any tax withholding as described below) equal to Cash Consideration such holder is entitled to receive pursuant to the Merger Agreement.

Prior to the completion of the Merger, Enterprise will deposit with its exchange agent (i) evidence of shares in book-entry form or, if requested by any holder of Certificates, certificates representing the shares of Enterprise common stock to be issued under the Merger Agreement and (ii) an aggregate amount of cash sufficient to pay the Cash Consideration and any additional cash payable in lieu of any fractional shares of Enterprise common stock and any dividends and other dividends to be issued under the Merger Agreement. No interest will accrue or be paid with respect to any Merger Consideration to be delivered upon surrender of Trinity common stock.

If any Enterprise common stock is to be issued, or cash payment made, in a name other than that in which the Trinity common stock surrendered in exchange for the Merger Consideration is registered, the Trinity common stock surrendered must be properly endorsed (or accompanied by an appropriate instrument of transfer) and otherwise in proper form of transfer, the person requesting the exchange must pay any transfer or other similar taxes required by reason of the issuance of the new Enterprise common stock or the payment of the Cash Consideration in a name other than that of the registered holder of the Trinity common stock surrendered, or must establish to the reasonable satisfaction of Enterprise and the exchange agent that any such taxes have been paid or are not applicable, and the person requesting the exchange must have complied with the provisions of the letter of transmittal.

**Dividends and Distributions.** Until your Trinity common stock is surrendered for exchange, any dividends or other distributions declared after the effective time with respect to Enterprise common stock into which shares of Trinity common stock may have been converted will accrue but will not be paid. When such Trinity common stock has been duly surrendered, Enterprise will pay any unpaid dividends or other distributions, without interest. After the effective time, there will be no transfers on the stock transfer books of Trinity of any shares of Trinity common stock. If shares of Trinity common stock are presented for transfer after the completion of the Merger, they will be cancelled and exchanged for the Merger Consideration into which the shares of Trinity common stock have been converted.

**Withholding.** The exchange agent will be entitled to deduct and withhold from the Merger consideration payable to any Trinity shareholder the amounts it is required to deduct and withhold under any federal, state, local or foreign tax law. If the exchange agent withholds any amounts, these amounts will be treated for all purposes of the Merger as having been paid to the stockholders from whom they were withheld.

**No Fractional Shares Will Be Issued.** Enterprise will not issue fractional shares of Enterprise common stock in the Merger. There will be no dividends or distributions with respect to any fractional shares of common stock or any voting or other rights with respect to any fractional shares of common stock. Instead of fractional shares of Enterprise common stock, Enterprise will pay, as soon as reasonably practicable following the effective time of the Merger, to each Trinity shareholder an amount in cash for the cash value of any fractional shares based on the daily volume



weighted average price of Enterprise common stock for the twenty (20) consecutive trading days ending on the closing date of the Merger (such sum rounded down to the nearest whole share).

Lost, Stolen or Destroyed Trinity Common Stock Certificates. If you have lost a Certificate, or it has been stolen or destroyed, Enterprise will issue to you the Merger Consideration payable under the Merger Agreement if you submit an affidavit of that fact and, if requested by Enterprise, if you post bond in a customary amount as indemnity against any claim that may be made against Enterprise about ownership of the lost, stolen or destroyed Certificate.

For a description of the differences between the rights of Trinity shareholders and Enterprise stockholders, see “Comparison of Shareholder Rights” beginning on page 124.

#### Closing and Effective Time

We plan to complete the Merger at such date and time mutually agreed by Enterprise and Trinity, which such date shall be no later than fifteen (15) business days after all of the conditions to the closing of the Merger have been satisfied or waived in accordance with the terms of the Merger Agreement. The time the Merger is completed is the effective time of the Merger. See “The Merger Agreement — Conditions to Completion of the Merger,” beginning on page 78.

We anticipate that we will complete the Merger during the first half of 2019. However, completion could be delayed if there is a delay in obtaining the necessary regulatory approvals or for other reasons. There can be no assurances as to if or when these approvals will be obtained or as to whether or when the Merger will be completed. If we do not complete the Merger by June 30, 2019 (provided that if additional time is necessary to obtain the requisite regulatory approvals, this date may be automatically extended by three (3) months), either party may terminate the Merger Agreement without penalty, unless the failure to complete the Merger by this date is due to the failure of the party seeking to terminate the Merger Agreement to perform or observe its obligations under the Merger Agreement. See “The Merger Agreement — Conditions to Completion of the Merger” and “Proposal I – The Merger — Regulatory Approvals Required for the Mergers,” beginning on page 64.

#### Management and Operations After the Merger

Upon closing of the Merger, the separate existence of Trinity and LANB will cease. The officers of Enterprise and EB&T immediately prior to the Merger will continue as officers of Enterprise and EB&T, respectively, after the Merger. The directors and executive officers of Enterprise immediately prior to the Merger will continue as the directors and executive officers of Enterprise after the Merger, in each case, until their respective successors are duly elected or appointed and qualified. Pursuant to the terms of the Merger Agreement, Enterprise is required elect, effective as of the effective time of the Merger, two (2) current Trinity directors, each of whom must be independent with respect to Enterprise for purposes of the listing requirements of NASDAQ, and each of whom must be mutually agreeable to Enterprise and Trinity, as directors of Enterprise. The directors appointed to the Enterprise board of directors will be Tony Scavuzzo and James F. Deutsch. Each individual will serve until the first annual meeting of shareholders of Enterprise following the effective time of the Merger in accordance with applicable law and the articles of incorporation and bylaws of Enterprise. Subject to the fiduciary duties of the Enterprise board of directors, Enterprise is required to include such individuals on the list of nominees for director presented by the Enterprise board of directors, and for which the Enterprise board of directors will solicit. In addition, pursuant to the terms of the Merger Agreement, EB&T is required to elect, effective as of the effective time of the Merger, one (1) current Trinity director, mutually agreeable to EB&T and LANB, as a director of EB&T. The director appointed to the EB&T board of directors will be James E. Goodwin, Jr., Chairman of the board of directors of each of Trinity and LANB.

The rights of Trinity shareholders after the Merger who continue as stockholders of Enterprise will be governed by Delaware law rather than New Mexico law. After the Merger is completed, the certificate of incorporation and bylaws of Enterprise, rather than the articles of incorporation, as amended and bylaws of Trinity, will govern your rights as a stockholder.

Enterprise, as the resulting entity, will continue to operate under its policies, practices and procedures currently in place. Upon completion of the Merger, all assets and property owned by Trinity and LANB will immediately become the property of Enterprise and EB&T, respectively, after the Merger.

#### Representations and Warranties

The Merger Agreement includes customary representations and warranties of Enterprise and Trinity relating to their respective businesses that are made as of the date of the Merger Agreement and as of the closing date of the Merger.

However, it should be noted that these representations and warranties:

may have been qualified by information set forth in confidential disclosure schedules delivered in connection with signing the Merger Agreement - the information contained in such disclosure schedules modifies, qualifies and creates exceptions to the representations, warranties, and covenants that are set forth in the Merger Agreement;

were made only as of the date of the Merger Agreement, and will not survive consummation of the Merger;

are not intended to be treated as statements of fact, but rather as a way of allocating the risk to one of the parties to the Merger Agreement if those statements prove to be inaccurate;

may be qualified by the disclosure in each party's filing with the SEC; and

may be subject to materiality standards described in the Merger Agreement which may differ from what may be viewed as material by you.

The representations and warranties by Enterprise and Trinity include, among other things:

the organization, existence, and corporate power and authority of each of the companies;

the capitalization of each of the companies;

the status of subsidiaries;

the corporate power and authority to consummate the Merger;

the regulatory approvals required to consummate the Merger;

the absence of conflicts with and violations of law;

the absence of any undisclosed liabilities of Trinity;

the absence of adverse material litigation with respect to Trinity;

accuracy of information in Enterprise's and Trinity's financial statements;

the existence, performance and legal effect of certain contracts and insurance policies of both parties;

the filing of tax returns, payment of taxes and other tax matters by each party;

labor and employee benefit matters of both parties;

compliance with applicable environmental laws by both parties; and





the status of tangible property, intellectual property, certain loans and non-performing and classified assets of both parties.

#### Conduct of Business Pending the Merger

The Merger Agreement contains various restrictions on the operations of Trinity before the effective time of the Merger. In general, the Merger Agreement obligates Trinity and LANB to conduct its business in the usual, regular and ordinary course of business consistent with past practice. In addition, Trinity and LANB have agreed that, except as expressly contemplated by the Merger Agreement or the disclosure schedules thereto or as required by applicable law, without the prior written consent of Enterprise (such consent not to be unreasonably withheld or delayed), neither will, among other things:

• issue, sell, grant, pledge, encumber, dispose of or otherwise permit to become outstanding any shares of its capital stock;

• adjust, split, combine, redeem, reclassify, exchange, purchase or otherwise acquire any shares of its capital stock, or any other securities convertible into or exchangeable for any additional shares of its stock;

• make, declare or pay or set aside any dividends or make other distributions in respect of its capital stock, other than payments from LANB to Trinity, from a subsidiary of LANB to LANB, or from Trinity to any Trinity trust;

• enter into, amend or renew any employment, consulting, compensatory, severance, retention or similar contract, or enter into any new such contract with any director, officer or employee;

• grant any increase in compensation or benefits to its officers or other employees or pay any bonus except as expressly contemplated by the Merger Agreement;

• hire any person as an employee to fill an existing position whose compensation would exceed, on an annualized basis, \$60,000;

• adopt, establish, or enter into any new employee benefit plan or make any material change, modification, or amendment to any existing employee benefit plan, except as made to satisfy contractual obligations;

• pay, loan or advance any amount to, sell, transfer or lease any properties or assets to, buy, acquire or lease any properties or assets from or enter into any contract with its executive officers or directors or their affiliates other than compensation or business expense advancement or reimbursement in the ordinary course of business and except as expressly contemplated by the Merger Agreement or the disclosure schedules thereto;

• sell, transfer, mortgage, pledge, encumber or otherwise dispose of or discontinue any assets, deposits, business or properties or release any indebtedness owed to Trinity or any of its subsidiaries, except in the ordinary course of business;

• acquire all or a material portion of the assets, debt, business, deposits or properties of any other entity, other than in connection with, among other things, good faith foreclosures in the ordinary course of business;

• make any capital expenditures in amounts exceeding \$25,000 individually or \$50,000 in the aggregate;

• amend its articles of incorporation or bylaws;

• implement or adopt any change in its accounting principles, practices or methods, other than as may be required by law or GAAP;



enter into, amend, modify, terminate or waive any material provision of any material contract, lease or insurance policy;

other than settlement of foreclosure actions or deficiency judgments in the ordinary course of business, settle any action, suit, claim or proceeding that involves payment by Trinity in excess of \$50,000 individually, or \$100,000 in the aggregate or that would impose any material restriction on the business of Trinity or any of its subsidiaries;

enter into any new material line of business, introduce any materially new products or services, or change in any material respect its lending, investment, underwriting, risk and asset liability management and other banking, and operating policies thereto;

enter into any derivative transaction;

incur any additional debt obligation or other obligation for borrowed money (other than creation of deposit liabilities, purchases of federal funds, Federal Home Loan Bank borrowings, and sales of certificates of deposit, which are in the ordinary course of its business);

acquire, sell or otherwise dispose of any investment securities, except for certain U.S. treasury securities and mortgage-backed securities, other than by way of foreclosures or acquisitions in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, or change the classification method for any investment securities;

make any change to its rate sheet other than in the ordinary course of business or amend, modify, terminate or deviate from the exception practice in place for its rate sheet;

make, renew, renegotiate, increase, extend or modify any (i) loan in excess of Federal Financial Institutions Examination Council regulatory guidelines relating to loan to value ratios, (ii) loan that is not made in conformity with Trinity's ordinary course lending policies, (iii) loan, whether secured or unsecured, if the amount of such loan, together with any other outstanding loans (without regard to whether such other loans have been advanced or remain to be advanced), would result in the aggregate outstanding loans to any borrower of to exceed \$1,000,000, or (iv) loan to certain categories of borrowers;

sell any loan or loan pools;

acquire any servicing rights or sell or otherwise transfer any loan where Trinity retains any servicing rights;

make any investment or commitment to invest in real estate or in any real estate development project other than by way of foreclosure or deed in lieu thereof;

except as required by applicable law, make or change any material tax election, change any annual tax accounting period, adopt or change any method of tax accounting, file any amended tax return, enter into any material closing agreement, settle or compromise any material liability with respect to taxes, agree to any material adjustment of any tax attribute, file any claim for a material refund of taxes, or consent to any extension or waiver of the limitation period applicable to any material tax claim or assessment;

commit any act or omission which constitutes a material breach or default by Trinity or any of its subsidiaries under any agreement with any governmental authority or under any material contract, lease or other material agreement or material license that would cause any condition to closing to not be satisfied on the closing date of the Merger;



foreclose on or take a deed or title to any real estate other than single-family residential properties without first conducting a Phase I Environmental Site Assessment of the property or foreclose on or take deed or title to any real estate other than single-family properties if such environmental assessment indicates the presence or likely presences of any hazardous substance;

take any action, or knowingly fail to take any action, intended to or reasonably likely to prevent, impair, or delay Trinity's or LANB's ability to consummate the Merger, the Bank Merger, or prevent the Bank Merger or Merger from qualifying as a 368 Reorganization;

except as required by law, file any application or make any contract or commitment for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production or servicing facility;

merge or consolidate itself or any of its subsidiaries with any other person, or restructure, reorganize or completely or partially liquidate or dissolve it or any of its subsidiaries;

compromise, resolve, or otherwise "workout" any delinquent or troubled loan, except in the ordinary course of business; or

accept any brokered deposits.

In addition to these covenants, the Merger Agreement contains various other customary covenants, including, among other things, access to information and each party's agreement to use its commercially reasonable efforts to obtain all required consents.

#### Conduct of Enterprise Prior to the Merger

The Merger Agreement also obligates Enterprise and EB&T to conduct business in the ordinary course of business consistent and in compliance in all material respects with all applicable Laws. In addition, Enterprise and EB&T have agreed that, except as expressly contemplated by the Merger Agreement, without the prior written consent of Trinity (such consent not to be unreasonably withheld or delayed), neither will, among other things:

amend its articles of incorporation or bylaws in any manner that would adversely affect the rights of Trinity shareholders in the surviving entity;

adjust, split, combine or reclassify any capital stock;

merge or consolidate itself or any of its subsidiaries with any other person, or restructure, reorganize or completely or partially liquidate or dissolve it or any of its subsidiaries;

commit any act or omission that would constitute a material breach or default under any agreement with a governmental authority or any material agreement that would reasonably be expected to result in any of the conditions to the Merger not being satisfied on the closing date of the Merger; or

take any action or knowingly fail to take any action intended or reasonably likely to (i) prevent, delay or impair Enterprise's ability to consummate the Merger or (ii) prevent the Merger or Bank Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

#### Acquisition Proposals by Third Parties

Except as otherwise set forth in the Merger Agreement, Trinity has agreed that it will not, and will instruct its directors, officers and employees not to, directly or indirectly:



initiate, solicit, induce or knowingly encourage, or knowingly take any action to facilitate the making of, any inquiry, offer or proposal which constitutes, or could reasonably be expected to lead to, an acquisition proposal;

participate in discussions or negotiations regarding any acquisition proposal or furnish, or otherwise afford access, to any person, any information or data with respect to Trinity or its subsidiaries or otherwise in furtherance of an acquisition proposal;

release any person from, waive any provision of, or fail to enforce any confidentiality agreement or standstill agreement to which Trinity is a party in furtherance of an acquisition proposal, unless the failure to take such actions would be inconsistent with its fiduciary duties; or

enter into, approve, or resolve to approve any agreement, agreement in principle or letter of intent with respect to any acquisition proposal, or any acquisition proposal.

Any violation of the foregoing restrictions by Trinity or any of its representatives shall be deemed to be a breach of the Merger Agreement by Trinity. Trinity and its subsidiaries shall, and shall cause each of Trinity's representatives to, immediately cease and cause to be terminated any and all existing discussions, negotiations, and communications with any persons with respect to any existing or potential acquisition proposal.

Under the Merger Agreement, an "acquisition proposal" means any inquiry, offer or proposal (other than an inquiry, offer or proposal from Enterprise), whether or not in writing, contemplating, relating to, or that could reasonably be expected to lead to, an acquisition transaction. An "acquisition transaction" means:

any transaction or series of transactions involving any Merger, consolidation, recapitalization, share exchange, liquidation, dissolution or similar transaction involving Trinity or any of its subsidiaries;

any transaction pursuant to which any third party or group acquires or would acquire (whether through sale, lease or other disposition), directly or indirectly, an aggregate amount of twenty percent (20%) or more of the assets of Trinity and any of its subsidiaries on a consolidated basis;

any issuance, sale or other disposition of (including by way of merger, consolidation, share exchange or any similar transaction) securities (or options, rights or warrants to purchase or securities convertible into, such securities) representing an aggregate of twenty percent (20%) or more of the votes attached to the outstanding securities of Trinity or any of its subsidiaries;

any tender offer or exchange offer that, if consummated, would result in any third party or group beneficially owning an aggregate of twenty percent (20%) or more of any class of equity securities of Trinity; or

any transaction which is similar in form, substance or purpose to any of the transactions listed above, or any combination of these types of transactions.

If Trinity receives a bona fide unsolicited written acquisition proposal that did not result from a breach of the non-solicitation provisions in the Merger Agreement as discussed above, the Trinity board of directors may participate in discussions or negotiations regarding the unsolicited acquisition proposal if the Trinity board of directors first determines in good faith, after consultation with its outside legal counsel and outside financial advisor, that such acquisition proposal is or could reasonably be expected to lead to a superior proposal, and its failure to take action on such proposal would be inconsistent with its fiduciary duties to its shareholders under applicable law.

Trinity shall promptly provide to Enterprise any non-public information regarding Trinity or any of its subsidiaries provided to any other person which was not previously provided to Enterprise, such additional information to be provided no later than the date of provision of such information to such other party.





A “superior proposal” means any bona fide, unsolicited written acquisition proposal (on its most recently amended or modified terms, if amended or modified) made by a third party to enter into an acquisition transaction that (i) the Trinity board of directors determines in good faith, after consulting with its outside legal counsel and its financial advisor, would, if consummated, result in a transaction that would be more favorable to the shareholders of Trinity than the Merger (taking into account all factors relating to such proposed transaction deemed relevant by the Trinity board of directors, including without limitation the amount and form of consideration, the timing of payment, the risk of consummation of the transaction, the financing thereof and all other conditions thereto, (including any adjustments to the terms and conditions of the Merger proposed by the buyer in response to such acquisition proposal)) and (ii) is for fifty percent (50%) or more of the outstanding shares of Trinity common stock or all or substantially all of the assets of Trinity.

Trinity has agreed to promptly, and in any event within twenty four (24) hours, notify Enterprise in writing if any proposals or offers are received by, any information is requested from, or any negotiations or discussions are sought to be initiated or continued with, Trinity or any of its representatives, in each case in connection with any acquisition proposal. Such notice shall indicate the name of the person initiating such discussions or negotiations or making such proposal, offer, or information request and the material terms and conditions of any proposals or offers, except to the extent that such offer or proposal constitutes confidential information under an effective confidentiality agreement or such disclosure would jeopardize attorney-client privilege. Trinity has also agreed to keep Enterprise informed, on a reasonably current basis, of the status and terms of any such proposal, offer, information request, negotiations or discussions (including any amendments or modifications to such proposal, offer or request).

In addition, under the Merger Agreement and subject to certain exceptions, Trinity agreed that its board of directors, or any committee of the board, will not:

withhold, withdraw, change, qualify, amend or modify, or publicly propose to withdraw, change, qualify, amend or modify, in a manner adverse in any respect to the interest of Enterprise, or take any other action or make any other public statement inconsistent with its recommendation for approval by Trinity shareholders of the Merger Agreement and the transactions contemplated thereby or any other matters required to be approved by Trinity shareholders for consummation of the Merger and the transactions contemplated thereby;

fail to publicly affirm its recommendation for approval of the Merger Agreement within five (5) business days following a request by Enterprise;

approve or recommend, or publicly propose to approve or recommend, any acquisition proposal;

resolve to take, or publicly announce an intention to take, any of the foregoing actions; or

enter into any letter of intent or agreement (i) related to any acquisition transaction or (ii) requiring Trinity to abandon, terminate or fail to consummate the Merger or any other transaction contemplated by the Merger Agreement.

Notwithstanding the foregoing, Trinity may take a “subsequent determination” (defined as any of the first four (4) actions listed above) if Trinity receives an acquisition proposal and:

the Trinity board of directors determines in good faith, after consultation with and having considered the advice of outside legal counsel and its financial advisor, that the acquisition proposal constitutes a superior proposal and that the failure to make a subsequent determination would be inconsistent with its fiduciary duties, and

provided that, during the five (5) business days after receipt of the notice by Enterprise, Trinity and its board of directors negotiate in good faith with Enterprise, to the extent that Enterprise desires to negotiate, to make such adjustments, modifications or amendments to the terms and conditions of the Merger Agreement as would enable Trinity to proceed with the Trinity recommendation of the Merger Agreement.



In the event of any material revisions to the superior proposal, Trinity must provide a new notice of such superior proposal to Enterprise. During the three (3) business day period following receipt of such new written notice by Enterprise, Trinity and its board of directors must negotiate in good faith with Enterprise, to the extent that Enterprise desires to negotiate, to make any adjustments, modifications or amendments to the terms and conditions of the Merger Agreement as would enable Trinity to proceed with its board's original recommendation with respect to the Merger Agreement without requiring Trinity to withdraw, qualify, amend or modify its board's recommendation with respect to the Merger Agreement.

#### Conditions to Completion of the Merger

The respective obligations of Enterprise and Trinity to complete the Merger are subject to various conditions prior to the Merger. The conditions include the following, among others:

• the accuracy of the representations and warranties of the parties set forth in the Merger Agreement subject to the standards set forth in the Merger Agreement;

• the performance of all agreements and covenants required by the Merger Agreement to be performed prior to the closing of the Merger;

• the delivery of certain certificates of the appropriate officers of Enterprise and Trinity;

• approval of the Merger Agreement by holders of at least two-thirds of Trinity voting common stock and holders of at least two-thirds of Trinity non-voting common stock and holders of less than ten percent (10%) of Trinity's outstanding shares move for dissenters' rights;

• the receipt of all required regulatory approvals or authorizations, provided that none of these approvals contain any prohibition, limitation, or other requirement which would (i) materially prohibit or materially limit the ownership or operation by Enterprise or any subsidiary of Enterprise (including Trinity and LANB after closing of the Merger) of all or any material portion of its business or assets, (ii) compel Enterprise or any subsidiary of Enterprise (including Trinity and LANB after closing of the Merger) to dispose of all or any material portion of its business or assets, (iii) cause any portion of any Trinity regulatory agreement to be enforceable against Enterprise or EB&T after the Merger, or (iv) be reasonably expected to have a material adverse effect on Enterprise, taken as a whole;

• the absence of any injunction, order, judgment or decree enacted, promulgated or enforced by any governmental authority prohibiting or making illegal completion of any of the transactions contemplated by the Merger Agreement;

• the registration statement of Enterprise of which this proxy statement/prospectus is a part must have become effective under the Securities Act and no "stop order" shall have been initiated or threatened by the SEC and be continuing in effect;

• since the date of the Merger Agreement, neither Enterprise nor Trinity shall have suffered a material adverse effect;

• the issuance of tax opinions to each of Enterprise and Trinity from Holland & Knight and Hunton, respectively, to the effect that the Merger will be treated for federal income tax purposes and qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code;

• Trinity's total non-maturity deposits (as calculated in the Merger Agreement) must be equal to or greater than \$868,864,000;



two (2) directors of Trinity shall become members of the board of directors of Enterprise as of the effective time of the Merger;

Trinity shall have received a certificate from the exchange agent certifying its receipt of sufficient cash and irrevocable authorization to issue shares of Enterprise common stock to satisfy Enterprise's obligations to pay the aggregate Merger Consideration; and

the approval to list the shares of Enterprise common stock issuable in connection with the Merger on NASDAQ.

The parties may waive conditions to their obligations unless they are legally prohibited from doing so. Stockholder approval and regulatory approvals may not be legally waived.

#### Amendment of the Merger Agreement

To the extent permitted under applicable law, the Merger Agreement may be amended or supplemented at any time by written agreement of the parties whether before or after the approval of the shareholders of Trinity, except that after shareholders of Trinity have approved the Merger Agreement, no amendment or supplement that by law requires further approval by the shareholders of Trinity may be made without first obtaining such approval.

#### Termination of the Merger Agreement

Enterprise and Trinity can at any time agree, by mutual written consent, to terminate the Merger Agreement without completing the Merger, even if Trinity has received approval of the Merger Proposal by its shareholders. Also, either of us can decide, without the consent of the other, to terminate the Merger Agreement in certain circumstances, including:

if there is a final non-appealable denial of a required regulatory approval or an application for a required regulatory approval has been withdrawn upon the request or recommendation of the applicable governmental authority; provided, however, that no party has a right to terminate the Merger Agreement if such denial is due to the failure of the party seeking to terminate the Merger Agreement to perform or observe the covenants set forth in the Merger Agreement;

if the Merger is not completed on or before June 30, 2019, provided that if additional time is necessary to obtain the requisite regulatory approvals, this date may be automatically extended by three (3) months;

if there is a continuing breach of the Merger Agreement by a party, and the breaching party has not cured the breach within thirty (30) days' written notice to the breaching party, or sixty (60) days if such breach cannot reasonably be cured within thirty (30) days and such cure is being diligently pursued, as long as that breach would entitle the non-breaching party not to complete the Merger; or

if holders of Trinity common stock fail to approve the Merger Proposal, by reason of failure to obtain the requisite Trinity stockholder approval at a Special Meeting of Trinity shareholders.

In addition, Enterprise may terminate the Merger Agreement:

if prior to obtaining the requisite Trinity shareholder approval, the Trinity board of directors (i) withholds, withdraws, changes, qualifies, amends or modifies, or publicly proposes to withhold, withdraw, qualify, amend or modify, in any manner adverse in any respect to the interest of Enterprise, or take any other action or makes any other public statement inconsistent with, (ii) fails to publicly affirm its recommendation to approve the Merger Agreement, its recommendation for approval of the Merger Agreement (iii) approves or recommends a competing acquisition proposal, or (iv) resolves to take, or publicly announces an intention to take, any of the foregoing actions;

if Trinity has breached its covenant not to solicit or encourage inquiries or proposals with respect to any acquisition proposal, in circumstances not permitted under the Merger Agreement; or

Enterprise's aggregate cost of environmental due diligence on Trinity's real property between November 1, 2018 and the effective date of the Merger Agreement exceeds \$2,500,000.

In addition, Trinity may terminate the Merger Agreement:

by delivering written notice to Enterprise at any time during the five (5) trading day period commencing on the Determination Date, if both of the following conditions are satisfied: (i) the Enterprise volume weighted average stock price as of the Determination Date is less than \$37.26352 per share; and (ii) Enterprise's volume weighted average stock price, as calculated during the five (5) trading days commencing on the Determination Date underperforms a specified index of financial institution stocks during such period by more than twenty percent (20%); provided, however, that if Trinity elects to terminate the Merger Agreement in such instance, Enterprise may elect to reinstate the Merger and the other transactions contemplated by the Merger Agreement by adjusting the exchange ratio to increase the Stock Consideration or add an amount in cash to increase the Cash Consideration. If Enterprise makes such election to reinstate the Merger and the other transactions contemplated by the Merger Agreement, then no termination will occur and the Merger Agreement will remain in effect according to its terms (except the Merger Consideration, which will have been adjusted); or

at any time prior to obtaining the requisite Trinity shareholder approval, if Trinity concludes that it must endorse a superior proposal (as defined in the Merger Agreement) in order to comply with its fiduciary duties.

#### Termination Fee; Effect of Termination

If the Merger Agreement is terminated, it will become void and have no effect and the parties will be relieved of all obligations and liabilities, except that certain specified provisions of the agreement will survive. If the agreement is terminated because of a willful breach of a representation, warranty, covenant or agreement, the breaching party will not be relieved of liability for any breach giving rise to the termination, provided, however, if either parties is required to pay the other the termination fee or liquidated damages described below (which shall be the recipient party's sole and exclusive remedy against the other party), then such party will have no further obligations under the Merger Agreement.

The Merger Agreement also provides that Trinity must pay Enterprise a fee and reimburse expenses in certain situations. In particular, Trinity will pay Enterprise a fee of \$9,500,000 in certain circumstances set forth in the Merger Agreement, including if:

Trinity receives an acquisition proposal from a third party and the Merger Agreement is subsequently terminated under certain conditions, at any time prior to the requisite Trinity shareholder approval being obtained, and prior to the twelve (12) month anniversary of the termination of the Merger Agreement Trinity enters into an agreement to engage in a competing acquisition proposal with any third-party or group other than Enterprise;

the Trinity board of directors withholds, withdraws, changes, qualifies, amends or modifies its recommendation to approve the Merger; approves, recommends or publicly proposes to approve or recommend a competing acquisition proposal; or

Trinity breaches its covenant not to solicit or encourage inquiries or proposals from third parties with respect to any acquisition proposal in circumstances not permitted under the Merger Agreement, which covenant is described below under "The Merger Agreement — Acquisition Proposals by Third Parties," on page 75 .

If the Merger Agreement is terminated by either party as a result of the other party's material breaches of its representations, warranties or covenants set forth in the Merger Agreement, and such breach would result in the closing conditions not being satisfied, then the non-terminating party will be required to pay the terminating party \$2,000,000 as liquidated damages (provided that, if the termination fee described above is also payable, the payment of such liquidated damages shall reduce, on a dollar-for-dollar basis, the amount of the termination fee that would also be payable).

#### Expenses of the Merger

Except as otherwise provided in the Merger Agreement, each party to the Merger Agreement will bear all expenses incurred by it in connection with the Merger Agreement and the transactions contemplated thereby, including fees and expenses of its own financial consultants, accountants and counsel. Notwithstanding the foregoing, if any civil action, arbitration or other legal proceeding is brought for the enforcement of the Merger Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of the Merger Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, court costs and all expenses even if not taxable as court costs (including without limitation, all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, administrative costs and all other charges billed by the attorney to the prevailing party (including any fees and costs associated with collecting such amounts).

Whether or not the Mergers are completed, Enterprise will cover the cost of printing this proxy statement/prospectus and the filing fees paid to the SEC, and Trinity will pay all other costs for this proxy solicitation, including mailing this proxy statement/prospectus to Trinity shareholders, and the Special Meeting.

#### Stock Exchange Listing

Enterprise has agreed to use its commercially reasonable best efforts to list the Enterprise common stock to be issued in the Merger on NASDAQ. It is a condition to the completion of the Merger that those shares be approved for listing on the NASDAQ Global Select Stock Market, subject to official notice of issuance. Following the Merger, Enterprise expects that its common stock will continue to trade on NASDAQ under the symbol "EFSC."

#### Restrictions on Resales by Affiliates

Enterprise has registered its shares of common stock to be issued in the Merger with the SEC under the Securities Act. No restrictions on the sale or other transfer of shares of Enterprise common stock issued in the Merger will be imposed solely as a result of the Merger, except for restrictions on the transfer of shares of Enterprise common stock issued to any Trinity shareholder who is or becomes an "affiliate" of Enterprise for purposes of Rule 144 under the Securities Act. The term "affiliate" is defined in Rule 144 under the Securities Act as a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, Enterprise or the combined company, as the case may be, and generally includes executive officers, directors and stockholders beneficially owning ten percent (10%) or more of Enterprise's outstanding common stock.

#### Accounting Treatment

Enterprise will account for the Merger as a purchase by Enterprise of Trinity under GAAP. Under the acquisition method of accounting, the total consideration paid in connection with the Merger is allocated among Trinity's assets, liabilities and identified intangibles based on the fair values of the assets acquired, the liabilities assumed and the identified intangibles. The difference between the total consideration paid in connection with the Merger and the fair values of the assets acquired, the liabilities assumed and the identified intangibles, if any, is allocated to goodwill. The results of operations of Trinity will be included in Enterprise's results of operations from the date of acquisition.

## MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

General. The following discussion addresses the material U.S. federal income tax consequences of the Merger to U.S. holders (as defined below) of Trinity common stock. The discussion is based on the provisions of the Code, its legislative history, U.S. Treasury regulations, administrative rulings and judicial decisions, all as currently in effect as of the date hereof and all of which are subject to change (possibly with retroactive effect) and all of which are subject to differing interpretations. Tax considerations under foreign, state, or local tax laws, and under federal tax laws other than those pertaining to U.S. federal income tax are not addressed in this proxy statement/prospectus.

The following discussion neither binds the IRS nor precludes the IRS from adopting a position contrary to that expressed in this proxy statement/prospectus, and we cannot assure you that such contrary position could not be asserted successfully by the IRS or adopted by a court if the positions were litigated. We have not obtained, and do not intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences of the Merger.

For purposes of this discussion, we use the term “U.S. holder” to mean a beneficial owner that is:

• an individual citizen or resident of the United States;

• a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any of its political subdivisions;

• a trust that (i) is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons or (ii) was in existence on August 20, 1996 and has a valid election in effect under applicable U.S. Treasury regulations to continue to be treated as a U.S. person; or

• an estate that is subject to U.S. federal income taxation on its income regardless of its source.

This discussion applies only to Trinity shareholders that hold their Trinity common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment), and does not address all aspects of U.S. federal income taxation that may be relevant to a particular U.S. holder in light of its personal circumstances or to U.S. holders subject to special treatment under the U.S. federal income tax laws, including:

• financial institutions;

• pass-through entities and investors in pass-through entities;

• persons liable for the alternative minimum tax;

• insurance companies;

• tax-exempt organizations;

• dealers or brokers in securities, commodities, or currencies;

• traders in securities that elect to use a mark to market method of accounting;

• persons that hold Trinity common stock as part of a straddle, hedge, constructive sale or conversion transaction or other risk reduction transaction;



regulated investment companies;

real estate investment trusts;

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persons whose “functional currency” is not the U.S. dollar;

persons who are not citizens or residents of the United States;

U.S. expatriates;

Shareholders who exercise dissenters’ rights; and

stockholders who acquired their shares of Trinity common stock through the exercise of an employee stock option, as a restricted stock award, or otherwise as compensation.

If a partnership or other entity taxed as a partnership holds Trinity common stock, the tax treatment of a partner in the partnership will depend upon the status of the partner and the activities of the partner and partnership. Partnerships and partners in such a partnership should consult their tax advisors about the tax consequences of the Merger to them.

The actual tax consequences of the Merger to you may be complex and will depend on your specific situation and on factors that are not within our control. You should consult with your own tax advisor as to the tax consequences of the Merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws and of changes in those laws. In addition, to the extent that you recognize gain in the Merger, you should consult with your own tax advisor with respect to the impact of the 3.8% Medicare tax on certain net investment income.

U.S. Federal Income Tax Consequences of the Merger. Based upon the facts and representations contained in the representation letters received from Enterprise and Trinity in connection with the filing of the registration statement on Form S-4 of which this proxy statement/prospectus is a part, it is the opinion of Holland & Knight and Hunton, that the merger of Trinity with and into Enterprise will qualify as a reorganization within the meaning of Section 368(a) of the Code. Because the merger of Trinity with and into Enterprise will qualify as a reorganization under Section 368(a) of the Code, the U.S. federal income tax consequences will be as follows:

no gain or loss will be recognized by Enterprise or Trinity as a result of the Merger;

a U.S. holder of Trinity common stock who receives both shares of Enterprise common stock and cash consideration in exchange for all of his, her or its shares of Trinity common stock pursuant to the Merger generally will recognize gain, but not loss, to the extent of the lesser of: (1) the excess, if any, of (a) the sum of the aggregate fair market value of the Enterprise common stock received (including any fractional share of Enterprise common stock deemed to be received and exchanged for cash) and the amount of cash received, over (b) the shareholder’s aggregate tax basis in the shares of Trinity common stock exchanged in the Merger; and (2) the amount of cash received by the shareholder;

in general, for the purpose of determining gain recognized by a Trinity shareholder, gain or loss must be calculated separately for each block of shares surrendered in the exchange, and a loss realized on one block of shares may not be used to offset gain realized on another block of shares. Any such gain will be long-term capital gain if the shares of Trinity common stock were held for more than one (1) year;

the aggregate basis of the Enterprise common stock received in the Merger by a U.S. holder of Trinity common stock (including any fractional shares of Enterprise common stock deemed received and exchanged for cash) will be the same as the aggregate basis of the Trinity common stock for which it is exchanged, increased by the amount of taxable gain, if any, recognized by the shareholder in the Merger (other than with respect to cash received in lieu of a fractional share), and decreased by the amount of cash consideration received by the shareholder in the Merger (other than cash received in lieu of a fractional share). If you acquired different blocks of shares of Trinity common stock at

different times or different prices, the basis of each block of Enterprise common stock you will receive will be determined separately

for each block depending on the basis of the blocks of Trinity common stock exchanged for such block of Enterprise common stock;

the holding period of Enterprise common stock received in exchange for shares of Trinity common stock (including any fractional shares of Enterprise common stock deemed received and exchanged for cash) will include the holding period of the Trinity common stock for which it is exchanged. If you acquired different blocks of shares of Trinity common stock at different times or different prices, the holding period of each block of Enterprise common stock you will receive will be determined separately for each block depending on the holding period of the blocks of Trinity common stock exchanged for such block of Enterprise common stock; and

for U.S. holders of Trinity common stock that are non-corporate holders, long-term capital gain generally will be taxed at a U.S. federal income tax rate that is lower than the rate for ordinary income or for short-term capital gains. In addition, net investment income of certain high-income taxpayers may also be subject to an additional 3.8% tax (i.e., the net investment income tax). The deductibility of capital losses is subject to limitations. If you acquired different blocks of shares of Trinity common stock at different times or different prices, the gain or loss must be calculated separately for each block of shares of Trinity common stock surrendered in the Merger. See the above discussion regarding blocks of stock that were purchased at different times or at different prices.

It is a condition to Trinity's obligation to complete the Merger that Trinity receives a written opinion of its counsel, Hunton, dated as of the closing date, to the effect that the merger of Trinity with and into Enterprise will qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to Enterprise's obligation to complete the Merger that Enterprise receives an opinion of its counsel, Holland & Knight, dated as of the closing date, to the effect that the merger of Trinity with and into Enterprise will qualify as a reorganization within the meaning of Section 368(a) of the Code. These opinions will be based on the assumption that the Merger will be completed in the manner set forth in the Merger Agreement and the registration statement on Form S-4 of which this proxy statement/prospectus is a part, and on representation letters provided by Enterprise and Trinity to be delivered at the time of the closing. Those opinions will also be based on the assumption that the representations found in the representation letters are, as of the effective time, true and complete without qualification and that the representation letters are executed by appropriate and authorized officers of Enterprise and Trinity. If any of the assumptions or representations upon which such opinions are based is inconsistent with the actual facts with respect to the Merger, the U.S. federal income tax consequences of the Merger could be adversely affected.

In addition, neither of the tax opinions given in connection with the Merger or in connection with the filing of the registration statement on Form S-4 of which this proxy statement/prospectus is a part will be binding on the IRS or any court. Neither Enterprise nor Trinity intends to request any ruling from the IRS or any foreign state or local tax authorities as to any tax issues in connection with the Merger, and consequently, there is no guarantee that the IRS will treat the Merger as a "reorganization" within the meaning of Section 368(a) of the Code or that a court would not sustain a position to the contrary to any of the positions set forth herein. If the Merger does not qualify as a reorganization, the transaction would be treated as a fully taxable transaction on which gain or loss would be recognized in full. In addition, penalties and interest could be imposed on any resulting tax deficiency.

**Cash Received In Lieu of a Fractional Share.** A U.S. holder of Trinity common stock who receives cash in lieu of a fractional share of Enterprise common stock will be treated as having received the fractional share pursuant to the Merger and then as having exchanged the fractional share for cash in a redemption by Enterprise. As a result, such U.S. holder will generally recognize gain or loss equal to the difference between the amount of cash received and the basis in his or her fractional share interest as set forth above. This gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the Merger, such U.S. holder's holding period for such shares is greater than one (1) year.

Backup Withholding and Information Reporting. Payments of cash to a U.S. holder of Trinity common stock pursuant to the Merger are subject to information reporting and may, under certain circumstances, be subject to backup

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withholding, unless such shareholder provides Enterprise with its taxpayer identification number and otherwise complies with the backup withholding rules. Any amounts withheld from payments to a U.S. holder of Trinity common stock under the backup withholding rules are not additional tax and generally will be allowed as a refund or credit against such U.S. holder's federal income tax liability; provided that such U.S. holder timely furnishes the required information to the IRS.

A U.S. holder of Trinity common stock who receives Enterprise common stock as a result of the Merger will be required to retain records pertaining to the Merger. Each U.S. holder of Trinity common stock who is required to file a U.S. federal income tax return and who is a "significant holder" that receives Enterprise common stock in the Merger will be required to file a statement with such U.S. federal income tax return in accordance with Treasury Regulations Section 1.368-3 setting forth information regarding the parties to the Merger, the date of the Merger, such holder's basis in the Trinity common stock surrendered and the fair market value of Enterprise common stock and cash received in the Merger. A "significant holder" is a holder of Trinity common stock who, immediately before the Merger, owned at least 5% (by vote or value) of the outstanding stock of Trinity or securities of Trinity with a basis for federal income tax purposes of at least \$1 million.

The preceding discussion is intended only as a summary of material U.S. federal income tax consequences of the Merger. It is not a complete analysis or discussion of all potential tax effects that may be important to you. Thus, you are strongly encouraged to consult your tax advisor as to the specific tax consequences resulting from the Merger, including tax return reporting requirements, the applicability and effect of federal, state, local, foreign, and other tax laws and the effect of any proposed changes in the tax laws.

## MARKET PRICE AND DIVIDEND INFORMATION

Shares of Enterprise common stock are traded on NASDAQ. The following table sets forth the high and low sale prices for shares of Enterprise common stock for the periods indicated below and the cash dividends paid per share by Enterprise for such periods.

Year Quarter	Enterprise Common Stock		
	High	Low	Cash Dividend Per Share
2016			
First Quarter	\$29.36	\$25.01	\$ 0.0900
Second Quarter	\$29.06	\$25.04	\$ 0.1000
Third Quarter	\$31.96	\$26.37	\$ 0.1100
Fourth Quarter	\$43.65	\$30.93	\$ 0.1100
2017			
First Quarter	\$46.25	\$38.20	\$ 0.1100
Second Quarter	\$45.35	\$39.10	\$ 0.1100
Third Quarter	\$42.70	\$36.65	\$ 0.1100
Fourth Quarter	\$46.25	\$41.45	\$ 0.1100
2018			
First Quarter	\$49.97	\$42.90	\$ 0.1100
Second Quarter	\$57.05	\$45.85	\$ 0.1100
Third Quarter	\$58.15	\$52.70	\$ 0.1200
Fourth Quarter (through December 28, 2018)	\$55.61	\$36.09	\$ 0.1300

Shares of Trinity voting common stock are traded on the OTCQX Market under the symbol "TRIN." Shares of Trinity non-voting common stock are not publicly traded. The following table sets forth the high and low sale prices for shares of Trinity voting common stock for the periods indicated below. Trinity has not paid any dividends on its common stock since 2012. It has been Trinity's current policy to retain earnings to provide funds for use in its business. The Trinity board of directors periodically reviews whether to declare or pay cash dividends, taking into account, among other things, general business conditions, Trinity's financial results, future prospects, capital requirements, legal and regulatory restrictions, and such other factors as the Trinity board of directors may deem relevant.

Year Quarter	Trinity Voting Common Stock		Cash
	High	Low	Dividend Per Share
2016			
First Quarter	—	—	—
Second Quarter	—	—	—
Third Quarter	—	—	—
Fourth Quarter	—	—	—
2017			
First Quarter	—	—	—
Second Quarter	—	—	—
Third Quarter	—	—	—
Fourth Quarter	\$7.05	\$5.25	\$ —
2018			
First Quarter	\$7.72	\$7.00	\$ —
Second Quarter	\$9.66	\$7.70	—
Third Quarter	\$9.15	\$8.50	—
Fourth Quarter (through December 28, 2018)	\$10.99	\$8.70	—

The following table sets forth the closing sale prices of (i) Enterprise common stock as reported on NASDAQ, and (ii) Trinity voting common stock as reported on the OTCQX Market, on October 31, 2018, the last trading-day before the announcement of the Merger, and on December 28, 2018, the last practicable trading-day before the filing of this proxy statement/prospectus. To help illustrate the market value of the per share Merger Consideration to be received by Trinity shareholders, the following table also presents the equivalent market value per share of Trinity common stock as of October 31, 2018 and December 28, 2018, which were determined by (i) multiplying the closing price for the Enterprise common stock on those dates by the exchange ratio of 0.1972 of a share of Enterprise common stock for each share of Trinity common stock, and (ii) adding the per share Cash Consideration.

	Enterprise Common Stock	Trinity Common Stock	Implied Value Per Share of Trinity
At October 31, 2018	\$43.45	\$8.70	\$10.41
At December 28, 2018	\$37.42	\$9.00	\$9.22

The market prices of Enterprise common stock have fluctuated since the date of the announcement of the Merger Agreement and will continue to fluctuate from the date of this proxy statement/prospectus to the date of the Trinity Special Meeting and the date the Merger is completed and thereafter. No assurance can be given concerning the market prices of Enterprise common stock before completion of the Merger or Enterprise common stock after completion of the Merger. The exchange ratio is fixed in the Merger Agreement, but the market price of Enterprise common stock (and therefore the value of the Common Stock Consideration) when received by Trinity shareholders after the Merger is completed could be greater than, less than or the same as shown in the table above. Accordingly, Trinity shareholders are advised to obtain current market quotations for Enterprise common stock in deciding whether to vote in favor of approval of the Merger Agreement.



## INFORMATION ABOUT THE COMPANIES

### Enterprise

Enterprise is a Delaware corporation headquartered in Clayton, Missouri. It is a relationship-based financial institution and one of the largest independent publicly traded bank holding companies based on assets headquartered in Missouri. Enterprise's principal subsidiary, EB&T, and other affiliates provide a full range of commercial, leasing, retail, wealth management, trust and private banking products and services to commercial and industrial, commercial real estate, municipal and consumer customers through twenty eight (28) banking locations throughout St. Louis, Kansas City and Phoenix metropolitan areas. At September 30, 2018, Enterprise had consolidated total assets of approximately \$5.5 billion and over \$1.7 billion in trust assets under administration. Enterprise common stock trades on NASDAQ under the symbol "EFSC."

Enterprise's executive offices are located at 150 North Meramec, Clayton, Missouri 63105, and its telephone number is (314) 725-5500.

### Trinity

Trinity, a registered bank holding company organized in 1977 under the laws of the State of New Mexico and headquartered in Los Alamos, New Mexico, is the sole shareholder of LANB. In addition, Trinity owns all the common shares of three business trusts, created by Trinity for the sole purpose of issuing trust preferred securities that had an aggregate outstanding balance of \$26.8 million as of September 30, 2018. As of September 30, 2018, Trinity had, on a consolidated basis, total assets of \$1.25 billion, net loans of \$695.3 million, deposits of \$1.1 billion, and shareholders' equity of \$102.6 million.

**Business.** The primary business of Trinity is the operation of LANB. LANB is a national banking association founded in 1963 by local investors to provide convenient, full-service banking to the unique scientific community that developed around the Los Alamos National Laboratory, a pre-eminent research facility for scientific and technological development in numerous scientific fields. LANB is a full-service commercial banking institution with seven bank offices in Los Alamos, White Rock, Santa Fe and Albuquerque, New Mexico. LANB is the sole member of Triscensions ABQ, LLC, a New Mexico limited liability company formed to acquire, hold and manage a commercial property in Albuquerque, New Mexico.

**Products and Services.** LANB provides a full range of financial services for deposit customers and lends money to creditworthy borrowers at competitive interest rates. LANB's products include certificates of deposit, checking and saving accounts, on-line banking, individual retirement accounts, loans, mortgage loan servicing, trust and investment services, international services and safe deposit boxes. These business activities make up LANB's three key processes: investment of funds, generation of funds and service-for-fee income. The profitability of operations depends primarily on LANB's net interest income, which is the difference between total interest earned on interest-earning assets and total interest paid on interest-bearing liabilities, and its ability to maintain efficient operations. In addition to LANB's net interest income, it produces income through mortgage servicing operations and noninterest income processes, such as trust and investment services.

**Lending Activities.** LANB provides a broad range of commercial and retail lending services to corporations, partnerships, individuals and government agencies primarily within LANB's existing market areas. LANB actively markets its services to qualified borrowers. Lending officers build relationships with new borrowers entering LANB's market areas as well as long-standing members of the local business community. LANB has established lending policies that include a number of underwriting factors to be considered in making a loan, including location, loan-to-value ratio, cash flow and the credit history of the borrower. As of September 30, 2018, LANB's maximum legal lending limit to one borrower was \$22.2 million; however, LANB may impose additional limitations on the amount it is willing to lend to one borrower as part of its credit risk management policies. LANB's loan portfolio is comprised primarily of loans in the areas of commercial real estate, residential real estate, construction, general commercial and consumer lending. As of September 30, 2018, commercial real estate loans comprised approximately

57.3% of the

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total loan portfolio; residential real estate mortgages made up approximately 22.0%; construction real estate loans comprised 10.3%; general commercial loans comprised 9.0%; and consumer lending comprised 1.4%.

**Commercial Real Estate Loans.** LANB's commercial real estate lending concentrates on loans to building contractors and developers, as well as owner occupied properties. LANB collateralizes these loans and, in most cases, obtains personal guarantees to help ensure repayment. LANB's commercial real estate loans are primarily made based on the identified cash flow of the borrower and secondarily on the underlying real estate collateral. Credit support provided by the borrower for most of these loans and the probability of repayment is based on the liquidation of the real estate and enforcement of a personal guarantee, if any exists. The primary repayment risk for a commercial real estate loan is the potential loss of revenue of the business which could impact the cash flows, and fair value of the property.

**Residential Real Estate Loans.** The majority of the residential real estate loans originated and retained by LANB are in the form of 15- and 30-year variable rate loans. In 2016, LANB made a strategic change to an outsourced solution whereby LANB generates residential mortgage applications for non-affiliated residential mortgage companies on a fee basis. In 2017, LANB did not originate any residential real estate loans sold to third parties. As of September 30, 2018, LANB sold the residential mortgage loan portfolio serviced by LANB on behalf of third parties. LANB does not engage in financing sub-prime loans nor does it participate in any sub-prime lending programs. LANB participates in the current U.S. Department of the Treasury programs, including the Home Affordable Modification Program, to work with borrowers who are in danger of defaulting, or who have defaulted, on residential mortgage loans.

**Construction Loans.** LANB is active in financing the construction of residential and commercial properties in New Mexico, primarily in Northern New Mexico. Management continues to de-emphasize this type of lending in favor of other types of loans. LANB manages the risks of construction lending through the use of underwriting and construction loan guidelines and requires work be conducted by reputable contractors. Construction loans are structured either to convert to permanent loans at the end of the construction phase or to be paid off upon receiving financing from another financial institution. The amount financed on construction loans is based on the appraised value of the property, as determined by an independent appraiser, and an analysis of the potential marketability and profitability of the project and the costs of construction. Approximately 53% of all construction loans have terms that do not exceed 24 months. Loan proceeds are typically disbursed on a percentage of completion basis, as determined by inspections, with all construction required to be completed prior to the final disbursement of funds.

Construction loans afford LANB an opportunity to receive yields higher than those obtainable on adjustable rate mortgage loans secured by existing residential properties. However, these higher yields correspond to the higher risks associated with construction lending.

**Commercial Loans.** LANB is an active commercial lender. LANB's focus in commercial lending concentrates on loans to business services companies and retailers. LANB provides various credit products to commercial customers, including lines of credit for working capital and operational purposes and term loans for the acquisition of equipment and other purposes. Collateral on commercial loans typically includes accounts receivable, furniture, fixtures, inventory and equipment. In addition, most commercial loans have personal guarantees to ensure repayment. The terms of approximately 68% of commercial loans range from on-demand to eight years. A significant portion of LANB's commercial business loans reprice within one year or have floating interest rates.

**Consumer Loans.** LANB also provides all types of consumer loans, including motor vehicle, home improvement, credit cards, signature loans and small personal credit lines. Consumer loans typically have shorter terms and lower balances with higher yields compared to LANB's other loans, but generally carry higher risks of default. Consumer loan collections are dependent on the borrower's continuing financial stability, and thus are more likely to be affected by adverse personal circumstances.

Competition. There is strong competition in originating loans in LANB's market areas. Competition in originating real estate loans comes primarily from large regional banks, other commercial banks, credit unions, savings

institutions and mortgage bankers making loans secured by real estate located in LANB's market areas. Commercial banks, credit unions and finance companies, including finance company affiliates of automobile manufacturers, provide vigorous competition in consumer lending. LANB competes for real estate and other loans principally on the basis of the interest rates and loan fees charged, the types of loans originated and the quality and speed of services provided to borrowers. Insurance companies and internet-based financial institutions present growing areas of competition both for loans and deposits.

There is also substantial competition in attracting deposits from other commercial banks, savings institutions, money market and mutual funds, credit unions and other investment vehicles. LANB's ability to attract and retain deposits depends on its ability to provide investment opportunities that satisfy the requirements of investors as to rate of return, liquidity, risk and other factors. The financial services industry has become more competitive as technological advances enable companies to provide financial services to customers outside their traditional geographic markets and provide alternative methods for financial transactions. These technological advances may diminish the importance of depository institutions and other financial intermediaries in the transfer of funds between parties.

Employees. As of September 30, 2018, Trinity had 207 full time-equivalent employees. We are not a party to any collective bargaining agreements.

Properties. As of September 30, 2018, Trinity conducts operations through seven locations as shown below. Trinity is headquartered in the main office of LANB in Los Alamos, New Mexico. LANB owns six banking offices and such offices are not subject to any mortgages or material encumbrances. LANB leases its administrative office in Albuquerque (AJ I). In March 2016, LANB formed Triscensions ABQ, LLC as a wholly-owned subsidiary, for the purpose of acquiring, holding and managing the commercial office building on Pan American Freeway, N.E. in Albuquerque, New Mexico, and in June 2017, LANB began occupying approximately one-quarter of the building as its Albuquerque-Pan Am banking office. Also in June 2017, Trinity purchased the property where the Santa Fe Cerrillos banking office is located, which was previously leased. The Company subdivided the Santa Fe Cerrillos property into two parcels and sold to LANB the parcel on which the banking office is located. The other parcel is for sale by the Company.

Location	Address	Own or Lease
Los Alamos Office / Trinity Headquarters	1200 Trinity Drive Los Alamos, New Mexico 87544	Own
White Rock Office	77 Rover Boulevard White Rock, New Mexico 87544	Own
Santa Fe Office I (Galisteo)	2009 Galisteo Street Santa Fe, New Mexico 87505	Own
Santa Fe Office II (Downtown)	301 Griffin Street Santa Fe, New Mexico 87501	Own
Santa Fe Office III (Cerrillos)	3674 Cerrillos Road Santa Fe, New Mexico 87507	Own
Albuquerque Office (Albuquerque-Pan Am)	7445 Pan American Freeway, N.E. Albuquerque, New Mexico 87109	Own

Albuquerque Office I (AJ I)

6700 Jefferson Street, N.E., Suite A-2  
Albuquerque, New Mexico 87109 Lease

In addition to its banking offices, LANB operates 16 automatic teller machines (“ATMs”) throughout Northern New Mexico. The ATMs are housed either on LANB properties or on leased property.

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Additional Information. Trinity's headquarters are located at 1200 Trinity Drive, Los Alamos, New Mexico 87544, and its main telephone number is (505) 662-5171, and its general email address is [tcc@lanb.com](mailto:tcc@lanb.com).

Trinity maintains a website at <https://www.snl.com/IRW/CorporateProfile/1017156>. Information located on or accessible through Trinity's website is not incorporated by reference into this Form 10-K. Trinity makes available free of charge, on or through its website, its Annual Reports on Form 10-K, proxy statements, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after Trinity electronically files such material with, or furnishes it to, the SEC. Trinity will also provide copies of its filings free of charge upon written request to: Trinity Stock Representative, Trinity Capital Corporation, Post Office Box 60, Los Alamos, New Mexico 87544. In addition, any materials Trinity files with the SEC can be read and copied at the SEC's Public Reference Room at 110 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers such as Trinity. Trinity's filings are available free of charge on the SEC's website at <http://www.sec.gov>.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations analyzes the major elements of Trinity's balance sheets and statements of income. This section should be read in conjunction with Trinity's unaudited consolidated financial statements and accompanying notes and with the audited consolidated financial statements and accompanying notes and other detailed information appearing elsewhere in this document.

### Special Note Concerning Forward-Looking Statements

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains, and future oral and written statements of the Trinity and its management may contain, forward-looking statements, within the meaning of such term in the Private Securities Litigation Reform Act of 1995, with respect to the financial condition, results of operations, plans, objectives, future performance and business of Trinity. Forward-looking statements, which are based upon the reasonable beliefs, expectations and assumptions of Trinity's management and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. Additionally, statements in this document, including forward-looking statements, speak only as of the date they are made, and Trinity undertakes no obligation to update any statement in light of new information or future events, except as required by law.

Trinity's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. The factors, which could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements and could have a material adverse effect on the operations and future prospects of Trinity and its subsidiaries including difficulties and delays in integrating Trinity and Enterprise and achieving anticipated synergies, cost savings and other benefits from the Merger; higher than anticipated Merger costs; deposit attrition, operating costs, customer loss and business disruption following the Merger, including difficulties in maintaining relationships with employees, may be greater than expected; required governmental approvals of the Merger may not be obtained on the Merger's proposed terms and schedule, or without regulatory constraints that may limit growth. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

### Critical Accounting Policies

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and could potentially result in materially different results under different assumptions and conditions. In the preparation of our consolidated financial statements in conformity with GAAP as well as general practices within the industry in which we operate, it is necessary for management to make estimates and assumptions as to assets and liabilities of the balance sheet date and revenues and expenses for the period being reported. Actual results may differ significantly from the estimates, assumptions and judgments used. Because some policies inherently have a greater reliance on these estimates and assumptions and require subjective and complex judgment; management considers the following to be critical accounting policies.

**Allowance for Loan and Lease Losses:** Management's evaluation process used to determine the appropriateness of the allowance for loan and lease losses (the "allowance") to provide for probable losses inherent in the loan portfolio is subject to the use of estimates, assumptions and judgments.

In analyzing the adequacy of the allowance, management uses a comprehensive loan grading system to determine risk potential in the portfolio, and considers the results of periodic internal and external loan reviews. Specific reserves for



loans considered impaired and historical loss experience factors for similar classifications of loans, combined with other considerations, such as delinquency, nonaccrual, trends on criticized and classified loans, economic conditions, concentrations of credit risk, and experience and abilities of lending personnel, are also considered in analyzing the adequacy of the allowance. Management uses a systematic methodology, which is applied quarterly,

to determine the amount of the allowance and the resultant provisions for loan losses it considers adequate to provide for probable loan losses.

Future events and conditions are inherently difficult to predict and therefore the anticipated amount of loan losses and adequacy of the allowance could change significantly. In addition, as an integral part of their examination process, regulatory agencies periodically review our allowance and may require us to make additions to the allowance, or may require that certain loan balances be charged off or downgraded into criticized loan categories when their credit evaluations based on their judgment of information available at the time of their examinations differs from that of management.

Trinity believes the level of the allowance at September 30, 2018 and December 31, 2017 is adequate.

**Mortgage Servicing Rights (“MSRs”):** The fair value of Trinity’s mortgage servicing rights asset is important to the presentation of the consolidated financial statements as the MSR asset is carried at its estimated fair value and such rights do not trade in an active market with readily observable prices. Historically, Trinity has relied on an independent valuation from a third party which used a model to estimate the fair value of the MSR portfolio. The model incorporated estimates, particularly estimated prepayment speeds of the underlying mortgages serviced and overall interest rate levels. Changes in these assumptions would significantly impact mortgage loan prepayments which in turn, could reduce estimated future net servicing cash flows because the life of the underlying loan is reduced. In the periods presented, the estimated fair value of the MSRs was calculated and recorded on a monthly basis. Fees earned, based on contractual percentages of the outstanding balances of the underlying loans for MSRs were recorded as mortgage loan servicing fees on the consolidated statement of operations, net of the change in fair market value.

In the third quarter of 2017, an offer to sell the MSR portfolio was accepted and the fair market value was adjusted at the time to the expected net value of the transaction. The sale was completed on December 31, 2017.

**Other Real Estate Owned (“OREO”):** OREO, consisting of properties obtained through a foreclosure proceeding or through an in-substance foreclosure in satisfaction of loans, is reported in the consolidated financial statements at the lower of cost or fair value, as determined on the basis of current appraisals, comparable sales, and other estimates of fair value obtained principally from independent sources, adjusted for estimated selling costs. Management also considers other factors or recent developments, such as changes in absorption rates or market conditions from the time of valuation and anticipated sales values considering management’s plans for disposition, which could result in adjustments to the collateral value estimates indicated in the appraisals. Significant judgments and complex estimates are required in estimating the fair value of OREO, and the period of time within which such estimates can be considered valid is significantly shortened during periods of market volatility. In response to market conditions and other economic factors, management may utilize liquidation sales as part of its distressed asset disposition strategy. As a result of the significant judgments required in estimating fair value and the variables involved in different methods of disposition, the net proceeds realized from sales transactions could differ significantly from appraisals, comparable sales, and other estimates used to determine the fair value of OREO. Management reviews the value of OREO at least annually and if a reduction in the investment in the property is indicated, the resulting decline in value is recorded as non-interest expense in Trinity’s consolidated statement of operations.

**Deferred Tax Assets (“DTA”):** The assessment of tax assets by management involves the use of estimates, assumptions and judgment regarding certain accounting pronouncements as well as federal and state tax codes and regulations. This evaluation was further impacted at December 31, 2017 by the enactment on December 22, 2017 of the Tax Reform. There is no assurance that future events such as positions and interpretations of taxing authorities, will not differ from management’s position regarding the calculation of the DTA which could have a significant impact on Trinity’s consolidated balance sheet and statement of operations. The DTA is calculated by management on a

quarterly basis and adjustments recorded as determined appropriate. Additionally, a quarterly assessment is performed to determine if a valuation allowance is necessary for any or all of Trinity's DTAs. A valuation allowance is required to be established or maintained if, based on available evidence both positive and negative, it is more likely than not that all or some portion of the DTA may not be realized. Assessing the need for, or the sufficiency of, a valuation allowance requires management to evaluate the ability of Trinity to generate sufficient taxable income in future periods

and/or of the character of such earnings necessary to utilize the benefit of the DTA. In making this assessment, all sources of taxable income available to realize the DTA are considered, including taxable income in carryback and carryforward periods, future reversals of existing temporary differences and tax planning strategies available under the tax law. Judgment is a critical element in making this assessment. Changes in the valuation allowance that result from a change in judgment about the realization of deferred tax assets in future years are recorded through the current period's income tax expense in Trinity's consolidated statement of operations.

Through the quarterly DTA valuation assessments of whether it was more likely than not that Trinity would be able to realize the full DTA, management concluded that a valuation allowance was necessary. As such, a valuation allowance in the amount of \$2.5 million was outstanding at December 31, 2017, of which \$2.1 million was recorded in Trinity's consolidated statements of operations for the period ended December 31, 2017 as provision for income taxes.

Furthermore, on December 22, 2017, President Trump enacted the Tax Cuts and Jobs Act which included, among other provisions, a reduction of the federal tax rates. As required under GAAP, Trinity's DTA was reevaluated, applying the new federal tax rate of 21% with the resulting asset reduction of \$4.9 million recorded in Trinity's consolidated statement of operations for the year ended December 31, 2017 as income tax expense.

There remain limitations on the ability to include the DTA for regulatory capital purposes. Pursuant to regulatory requirements, DTAs that arise from net operating loss and tax credit carryforwards are shown as a deduction from CET1 capital and additional Tier 1 capital based on transition provisions starting in 2015 with those DTAs being fully deducted from CET1 capital in 2018. DTAs that arise from temporary differences that could not be realized through net operating loss carrybacks which exceed either a 10% or 15% threshold of CET1 capital are reported as deductions from CET1 capital. Finally, DTAs that arise from temporary differences that can be realized through net operating loss carrybacks are not subject to deduction.

Trinity believes the tax assets and liabilities are appropriately recorded in the consolidated financial statements included elsewhere in this document.

## Results of Operations

For the three and nine months ended September 30, 2018 compared to the three and nine months ended September 30, 2017

The profitability of Trinity's operations depends primarily on its net interest income, which is the difference between total interest earned on interest-earning assets and total interest paid on interest-bearing liabilities. Trinity's net income is also affected by its provision for loan losses as well as noninterest income and noninterest expenses.

Net interest income is affected by changes in the volume and mix of interest-earning assets, the level of interest rates earned on those assets, the volume and mix of interest-bearing liabilities, and the level of interest rates paid on those interest-bearing liabilities. Provision for loan losses is dependent on changes in the loan portfolio and management's assessment of the collectability of the loan portfolio, as well as economic and market conditions. Noninterest income and noninterest expenses are impacted by growth of operations and growth in the number of accounts. Noninterest expenses are impacted by additional employees, branch facilities and promotional marketing expenses. A number of accounts affect noninterest income, including service fees and noninterest expenses such as computer services, supplies, postage, telecommunications and other miscellaneous expenses.

## Net Income (Loss)

Net income attributable to common stockholders for the three months ended September 30, 2018 was \$3.5 million, or earnings per common share of \$0.18, compared to net income attributable to common stockholders of \$405 thousand for the three months ended September 30, 2017, or earnings per common share of \$0.02, representing an increase of \$3.1 million in net income and an increase of \$0.16 in earnings per common share. This increase in net

income attributable to common stockholders was primarily due to a decrease in other noninterest expenses of \$936 thousand due to an ESOP restorative contribution accrual in 2017 and \$287 thousand due to a true-up of the unfunded commitment reserve, an increase in the reverse provision for loan loss of \$750 thousand, a decrease in the change in value of MSRs of \$677 thousand due to the sale of the loan servicing portfolio in 2017, an increase in tax exempt investment securities interest income of \$536 thousand, a decrease in salaries and benefits of \$258 thousand, a decrease in legal, professional, and accounting expense of \$224 thousand, a decrease in data processing expense of \$180 thousand, a decrease in regulatory premium expense of \$149 thousand, and increase in BOLI income of \$130 thousand, an increase in loans held for sale interest income of \$125 thousand, and an increase in trust and investment fees of \$106 thousand. These were partially offset by a decrease in loan interest income of \$482 thousand, a decrease in mortgage loan servicing income of \$446 thousand due to the sale of the loan servicing portfolio in 2017, a decrease in income taxes of \$442 thousand partially offset by an increase in deferred tax asset valuation allowance of \$347 thousand, an increase in collection expenses of \$303 thousand due to a recovery of collection legal expenses in 2017, a decrease in junior subordinated debt of \$236 thousand due to the early redemption of the Trust I trust preferred securities, a decrease in interest income on due from accounts of \$174 thousand due to lower balances, a decrease in taxable investment securities of \$159 thousand, and a decrease in mortgage referral fees of \$143 thousand due to lower volume.

Net income attributable to common stockholders for the nine months ended September 30, 2018 was \$9.5 million, or earnings per common share of \$0.48, compared to net loss attributable to common stockholders of \$2.5 million for the nine months ended September 30, 2017, or loss per common share of \$0.16, an increase of \$12.0 million in net income and an increase in earnings per common share of \$0.64. This increase in net income attributable to common stockholders was primarily due to a decrease in legal, professional, and accounting fees of \$2.5 million, an increase in tax-exempt investment securities income of \$2.0 million, a decrease in salaries and benefits of \$1.6 million, a decrease in the change in value of MSRs of \$1.4 million due to the sale of the loan servicing portfolio in 2017, a decrease in loss on sale of investment securities of \$1.2 million, a decrease in other noninterest expenses of \$936 thousand due to the ESOP restorative contribution accrual in 2017 and \$287 thousand due to the true-up of the unfunded commitment reserve, a decrease in income taxes of \$1.3 million partially offset by an increase in deferred tax asset valuation allowance of \$347 thousand, a decrease in preferred stock dividends and discount accretion of \$770 thousand, an increase on venture capital investment income of \$756 thousand primarily due to a recovery on an investment that was previously written down, a decrease in data processing expenses of \$663 thousand, a decrease in collections expenses of \$647 thousand, a decrease in regulatory premium expense of \$547 thousand, a decrease in junior subordinated debt of \$411 thousand due to the early redemption of the Trust I trust preferred securities, an increase in BOLI income of \$385 thousand due to the purchase of additional BOLI investments in 2017, an increase in trust and investment income of \$302 thousand, an increase in reverse provision for loan losses of \$260 thousand, a decrease in furniture and equipment expense of \$193 thousand, a decrease in employee recruitment expense of \$185 thousand, a decrease in check card expenses of \$127 thousand, a decrease in customer relations and sponsorships of \$126 thousand, and a decrease in employee travel and training expenses of \$110 thousand. These were partially offset by decreases in loan interest income of \$2.3 million, a decrease in mortgage loan servicing income of \$1.4 million due to the sale of the loan servicing portfolio in 2017, a decrease in taxable investment securities income of \$581 thousand, a decrease in mortgage referral fees of \$301 thousand due to decrease volume, and a decrease in interchange fees of \$230 thousand.

Net Interest Income. The following table presents the total dollar amount of interest income from average interest-earning assets and the resultant yields, as well as the interest expense on average interest-bearing liabilities, and the resultant costs, expressed both in dollars and rates for the periods indicated:

(Dollars in thousands)	Three Months Ended September 30,					
	2018			2017		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
<b>Interest-earning Assets:</b>						
Loans held for sale	\$6,804	\$125	7.30%	\$—	\$—	0.00%
Loans (1)	704,210	8,534	4.82%	742,994	9,016	4.83%
Taxable investment securities	305,431	1,506	1.97%	340,534	1,665	1.96%
Investment securities exempt from federal income taxes	163,077	1,042	2.56%	81,246	506	2.49%
Other interest-bearing deposits	3,668	19	2.00%	71,813	222	1.23%
Non-marketable equity securities	5,121	59	4.55%	3,975	53	5.31%
Total interest-earning assets	1,188,311	11,285	3.78%	1,240,562	11,462	3.68%
Non-interest-earning assets	74,407			68,684		
Total assets	\$1,262,718			\$1,309,246		
<b>Interest-bearing Liabilities:</b>						
<b>Deposits:</b>						
NOW deposits	\$376,374	\$64	0.07%	\$375,275	\$62	0.07%
Money market deposits	19,466	4	0.09%	17,480	4	0.09%
Savings deposits	379,479	75	0.08%	401,057	81	0.08%
Time deposits over \$100,000	77,915	161	0.82%	99,290	176	0.70%
Time deposits under \$100,000	73,683	120	0.65%	88,469	109	0.49%
Short-term borrowings	15,895	94	2.37%	—	—	0.00%
Long-term borrowings	2,300	37	6.34%	2,300	37	6.34%
Long-term capital lease obligation	—	—	0.00%	—	—	0.00%
Junior subordinated debt	26,765	363	5.30%	36,934	599	6.36%
Total interest-bearing liabilities	971,877	918	0.37%	1,020,805	1,068	0.41%
Demand deposits, noninterest-bearing	176,270			171,882		
Other noninterest-bearing liabilities	6,185			13,073		
Stockholders' equity, including stock owned by ESOP	108,386			103,486		
Total liabilities and stockholders' equity	\$1,262,718			\$1,309,246		
Net interest income/interest rate spread (2)		\$10,367	3.41%		\$10,394	3.27%
Net interest margin (3)			3.44%			3.34%

Average loans include nonaccrual loans of \$7.3 million and \$13.8 million for the three months ended September (1) 30, 2018 and 2017, respectively. Interest income includes loan origination fees of \$93 thousand and \$195 thousand for the three months ended September 30, 2018 and 2017, respectively.

(2) Interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.

(3) Net interest margin represents net interest income as a percentage of average interest-earning assets.





	Nine Months Ended September 30,					
	2018			2017		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
	(Dollars in thousands)					
<b>Interest-earning Assets:</b>						
Loans held for sale	\$3,082	\$167	7.26 %	\$—	\$—	0.00 %
Loans (1)	702,589	25,272	4.80 %	763,657	27,613	4.83 %
Taxable investment securities	317,152	4,562	1.92 %	387,713	5,143	1.77 %
Investment securities exempt from federal income taxes	163,145	3,127	2.56 %	59,398	1,085	2.44 %
Other interest-bearing deposits	6,782	92	1.79 %	47,984	406	1.13 %
Non-marketable equity securities	4,709	164	4.66 %	3,997	161	5.39 %
Total interest-earning assets	1,197,459	33,384	3.72 %	1,262,749	34,408	3.64 %
Non-interest-earning assets	74,397			66,868		
Total assets	\$1,271,856			\$1,329,617		
<b>Interest-bearing Liabilities:</b>						
<b>Deposits:</b>						
NOW deposits	\$385,956	\$197	0.07 %	\$387,986	\$189	0.07 %
Money market deposits	19,492	13	0.09 %	17,333	12	0.09 %
Savings deposits	382,977	226	0.08 %	405,933	245	0.08 %
Time deposits over \$100,000	82,399	476	0.77 %	102,709	559	0.73 %
Time deposits under \$100,000	77,619	343	0.59 %	94,589	328	0.46 %
Short-term borrowings	12,459	204	2.17 %	495	4	1.10 %
Long-term borrowings	2,300	109	6.34 %	2,300	109	6.34 %
Long-term capital lease obligation	—	—	0.00 %	1,401	—	0.00 %
Junior subordinated debt	29,225	1,501	6.77 %	37,054	1,913	6.81 %
Total interest-bearing liabilities	992,427	3,069	0.41 %	1,049,800	3,359	0.42 %
Demand deposits, noninterest-bearing	167,477			158,850		
Other noninterest-bearing liabilities	6,539			17,132		
Stockholders' equity, including stock owned by ESOP	105,413			103,835		
Total liabilities and stockholders' equity	\$1,271,856			\$1,329,617		
Net interest income/interest rate spread (2)		\$30,315	3.31 %		\$31,049	3.22 %
Net interest margin (3)			3.36 %			3.29 %

Average loans include nonaccrual loans of \$11.3 million and \$14.5 million for the nine months ended September (1)30, 2018 and 2017, respectively. Interest income includes loan origination fees of \$208 thousand and \$827 thousand for the nine months ended September 30, 2018 and 2017, respectively.

(2) Interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.

(3) Net interest margin represents net interest income as a percentage of average interest-earning assets.

Net interest income decreased \$27 thousand to \$10.4 million for the three months ended September 30, 2018 from \$10.4 million for the three months ended September 30, 2017 due to a decrease in interest income of \$177 thousand and a decrease in interest expense of \$150 thousand. Net interest income decreased primarily due to a decrease in average volume of other interest-bearing deposits of \$68.1 million, a decrease in average volume of loans of \$38.8

million, and a decrease in average volume of taxable investment securities of \$35.1 million, partially offset by an increase in average tax-exempt investment securities of \$81.8 million and an increase in average volume of loans held for sale of \$6.8 million. The net reduction in volume and shift in mix of interest earning assets from taxable investment

securities and loans to tax-exempt investment securities resulted in the average yield on earning assets increasing 10 basis points to 3.78% for the three months ended September 30, 2018 from 3.68% for the three months ended September 30, 2017. The decrease in interest expense was primarily due to a decrease in the average volume of time deposits of \$36.2 million, a decrease in average volume in savings deposits of \$21.6 million, and a decrease in average junior subordinated debt of \$10.2 million due to the early redemption of the Trust I trust preferred securities. This was partially offset by an increase in average volume in short-term borrowings of \$15.9 million, an increase in average volume in money market deposits of \$2.0 million, and an increase in average volume in NOW deposits of \$1.1 million. The reduction in volume and shift in mix caused the cost of interest-bearing liabilities to decline four basis points to 0.37% for the three months ended September 30, 2018 from 0.41% for the three months ended September 30, 2017. Net interest margin increased ten basis points to 3.44% for the three months ended September 30, 2018 from 3.34% for the three months ended September 30, 2017.

Net interest income decreased \$734 thousand to \$30.3 million for the nine months ended September 30, 2018 from \$31.0 million for the nine months ended September 30, 2017 due to a decrease in interest income of \$1.0 million and a decrease in interest expense of \$290 thousand. Net interest income decreased primarily due to a decrease in average volume of taxable investment securities of \$70.6 million, a decrease in average volume of loans of \$61.1 million, and a decrease in average volume of other interest bearing deposits of \$41.2 million, partially offset by an increase in average volume of tax-exempt securities of \$103.7 million. The reduction in volume and shift in the mix of interest earning assets from loans, other interest bearing deposits, and taxable investment securities to tax exempt investment securities resulted in the average yield on earning assets to increase eight basis points to 3.72% for the nine months ended September 30, 2018 from 3.64% for the nine months ended September 30, 2017. The decrease in interest expense was primarily due to a decrease in the average volume of time deposits of \$37.3 million, a decrease in average volume of savings deposits of \$23.0 million, a decrease in average volume in junior subordinated debt of \$7.8 million due to the early redemption of the Trust I trust preferred securities, and a decrease in average volume of NOW deposits of \$2.0 million, partially offset by an increase in average volume of short-term borrowings of \$12.0 million, and an increase in average volume of money market deposits of \$2.2 million. The reduction in volume and shift in mix caused the cost of interest-bearing liabilities to decrease one basis point to 0.41% for the nine months ended September 30, 2018 from 0.42% at September 30, 2017. Net interest margin increased seven basis points to 3.36% for the nine months ended September 30, 2018 from 3.29% for the nine months ended September 30, 2017.

Volume, Mix and Rate Analysis of Net Interest Income. The following table presents the extent to which changes in volume and interest rates of interest-earning assets and interest-bearing liabilities have affected interest income and interest expense during the periods indicated. Information is provided on changes in each category due to (i) changes attributable to changes in volume (change in volume times the prior period interest rate) and (ii) changes attributable to changes in interest rate (changes in rate times the prior period volume). Changes attributable to the combined impact of volume and rate have been allocated proportionally to the changes due to volume and the changes due to rate.

	Three Months Ended September 30, 2018 Compared to 2017		
	Change Due to Volume	Change Due to Rate	Total Change
	(In thousands)		
<b>Interest-earning Assets:</b>			
Loans held for sale	\$ 125	\$ —	\$ 125
Loans	(471 )	(11 )	(482 )
Taxable investment securities	(172 )	13	(159 )
Investment securities exempt from federal income taxes	510	26	536
Other interest bearing deposits	(211 )	8	(203 )
Non-marketable equity securities	15	(9 )	6
Total (decrease) increase in interest income	\$(204)	\$ 27	\$(177)
<b>Interest-bearing Liabilities:</b>			
Now deposits	\$—	\$ 2	\$ 2
Money market deposits	—	—	—
Savings deposits	(4 )	(2 )	(6 )
Time deposits over \$100,000	(38 )	23	(15 )
Time deposits under \$100,000	(18 )	29	11
Short-term borrowings	94	—	94
Long-term borrowings	—	—	—
Capital long-term lease obligation	—	—	—
Junior subordinated debt	(165 )	(71 )	(236 )
Total increase (decrease) in interest expense	\$(131)	\$ (19 )	\$(150)
Increase (decrease) in net interest income	\$(73 )	\$ 46	\$(27 )

	Nine Months Ended September 30, 2018 Compared to 2017		
	Change Due to Volume	Change Due to Rate	Total Change
	(In thousands)		
<b>Interest-earning Assets:</b>			
Loans held for sale	\$ 167	\$ —	\$ 167
Loans	(2,208 )	(133 )	(2,341 )
Taxable investment securities	(936 )	355	(581 )
Investment securities exempt from federal income taxes	1,895	147	2,042
Other interest bearing deposits	(349 )	35	(314 )
Non-marketable equity securities	29	(26 )	3
Total (decrease) increase in interest income	\$(1,402)	\$ 378	\$(1,024)
<b>Interest-bearing Liabilities:</b>			
Now deposits	\$(1 )	\$ 9	\$ 8
Money market deposits	1	—	1

Savings deposits	(14 )	(5 )	(19 )
Time deposits over \$100,000	(111 )	28	(83 )
Time deposits under \$100,000	(59 )	74	15
Short-term borrowings	200	—	200
Long-term borrowings	—	—	—
Capital long-term lease obligation	—	—	—
Junior subordinated debt	(404 )	(8 )	(412 )
Total increase (decrease) in interest expense	\$(388 )	\$ 98	\$(290 )
Increase (decrease) in net interest income	\$(1,014)	\$ 280	\$(734 )

Provision for Loan Losses. Our allowance is established through charges to income in the form of the provision in order to bring our allowance to a level deemed appropriate by management. The allowance at September 30, 2018 and September 30, 2017 was \$9.5 million and \$13.2 million, respectively, representing 1.4% and 1.8% of total loans, respectively, as of such dates. We recorded a \$1.0 million reverse provision for loan losses for the three months ended September 30, 2018 compared with a reverse provision for loan losses of \$250 thousand for the three months ended September 30, 2017. For the nine months ended September 30, 2018 and September 30, 2017 we recorded a reverse provision for the loan losses of \$1.5 million and \$1.2 million, respectively. The reverse provision was primarily due to improving credit quality, a decrease in impaired loan balances, and decreasing delinquencies. See the “Financial Condition” section below for further information on provision for loan losses.

Noninterest Income. Changes in noninterest income were as follows for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Net Difference	2018	2017	Net Difference
	(In thousands)					
Noninterest income:						
Mortgage loan servicing fees	\$—	\$446	\$ (446 )	\$—	\$1,394	\$ (1,394 )
Trust and investment services fees	749	643	106	2,255	1,953	302
Service charges on deposits	226	202	24	712	784	(72 )
Net gain on sale of OREO	191	130	61	764	800	(36 )
Net (loss) gain on sale of securities	—	—	—	—	(1,248 )	1,248
BOLI income	218	88	130	656	271	385
Mortgage referral fees	288	431	(143 )	874	1,175	(301 )
Interchange fees	507	567	(60 )	1,593	1,823	(230 )
Other fees	301	312	(11 )	936	984	(48 )
Venture capital investment income	—	—	—	735	(21 )	756
Other noninterest income	18	13	5	32	85	(53 )
Total noninterest income	\$2,498	\$2,832	\$ (334 )	\$8,557	\$8,000	\$ 557

Noninterest income decreased \$334 thousand to \$2.5 million for the three months ended September 30, 2018 from \$2.8 million for the three months ended September 30, 2017, primarily attributable to the decrease in mortgage loan servicing fees of \$446 thousand, a decrease in mortgage referral fees of \$143 thousand, and a decrease in interchange fees of \$60 thousand. This was partially offset by an increase in BOLI income of \$130 thousand, an increase in trust and investment fees of \$106 thousand, an increase in gain on sale of OREO of \$61 thousand, and an increase in service charges on deposit accounts of \$24 thousand.

Noninterest income increased \$557 thousand to \$8.6 million for the nine months ended September 30, 2018 from \$8.0 million for the nine months ended September 30, 2017, primarily attributable to the decrease in loss on sale of securities of \$1.2 million, an increase in venture capital investment income of \$756 thousand resulting from a recovery on an investment that was previously written down, an increase in BOLI income of \$385 thousand due to additional investments in 2017, and an increase in trust and investment fees of \$302 thousand. This was partially offset by a decrease in mortgage loan servicing fees of \$1.4 million due to the sale of the servicing portfolio in 2017, a decrease in mortgage referral fees of \$301 thousand, a decrease in interchange fees of \$230 thousand, and a decrease

in service charges on deposit accounts of \$72 thousand.

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Noninterest Expenses. Changes in noninterest expenses were as follows for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Net Difference	2018	2017	Net Difference
	(In thousands)					
Noninterest expenses:						
Salaries and employee benefits	\$5,410	\$5,668	\$ (258 )	\$16,286	\$17,913	\$ (1,627 )
Occupancy	522	553	(31 )	1,592	1,590	2
Data processing	952	1,132	(180 )	2,894	3,557	(663 )
Legal, professional, and accounting fees	488	712	(224 )	1,540	3,998	(2,458 )
Change in value of MSR's	—	677	(677 )	—	1,406	(1,406 )
Other noninterest expenses:						
Marketing	89	112	(23 )	355	474	(119 )
Supplies	40	44	(4 )	130	233	(103 )
Postage	63	64	(1 )	172	270	(98 )
FDIC insurance premiums	72	182	(110 )	289	705	(416 )
Collection expenses	130	(173 )	303	438	1,085	(647 )
Other	1,280	2,702	(1,422 )	4,571	7,243	(2,672 )
Total other noninterest expenses	1,674	2,931	(1,257 )	5,955	10,010	(4,055 )
Total noninterest expenses	\$9,046	\$11,673	\$ (2,627 )	\$28,267	\$38,474	\$ (10,207 )

Noninterest expenses decreased \$2.6 million to \$9.0 million for the three months ended September 30, 2018 from \$11.7 million for the three months ended September 30, 2017. There were decreases in all categories except collection expenses which was due to a recovery in 2017 of legal fees of \$500 thousand. Most notably, change in value of MSR's of \$677 thousand due to the sale of the servicing loan portfolio in 2017, a decrease in other noninterest expenses of \$936 thousand due to an ESOP restorative contribution accrual in 2017 and \$287 thousand due to the true-up of the provision for unfunded commitments, a decrease in salaries and benefit expenses of \$258 thousand, a decrease in legal, professional, and accounting fees of \$224 thousand, and a decrease in data processing expenses of \$180 thousand.

Noninterest expenses decreased \$10.2 million to \$28.3 million for the nine months ended September 30, 2018 from \$38.5 million for the nine months ended September 30, 2017. There were decreases in all categories except occupancy expenses which were relatively flat. Most notably, decrease in legal, professional, and accounting fees of \$2.4 million, a decrease in salaries and benefits of \$1.6 million, a decrease in the change in value of MSR's of \$1.4 million due to the sale of the loan servicing portfolio in 2017, a decrease in other noninterest expenses of \$936 thousand due to an ESOP restorative contribution accrual in 2017 and \$287 thousand due to the true-up of the provision for unfunded commitments, a decrease in data processing expenses of \$663 thousand, a decrease in collection expenses of \$647 thousand, a decrease in FDIC insurance premiums of \$416 thousand, a decrease in marketing expenses of \$119 thousand, and a decrease on supplies expense of \$103 thousand.

Impact of Inflation and Changing Prices. The primary impact of inflation on our operations is increased operating costs. Unlike industrial companies, nearly all of our assets and liabilities are monetary in nature. As a result, interest rates have a greater impact on our performance than do the effects of general levels of inflation. Over short periods of time, interest rates do not necessarily move in the same direction or to the same extent as the price of goods and services.



Income Taxes. There was a \$1.3 million provision for income taxes for the three months ended September 30, 2018 and a \$2.6 million provision for income taxes for the nine months ended September 30, 2018 compared to a \$1.4 million provision for income taxes for the three months ended September 30, 2017 and \$3.5 million provision for income taxes for the nine months ended September 30, 2017. For further discussion of income taxes, see Note 12 “Income Taxes” to the unaudited financial statements included elsewhere in this document.

For the year ended December 31, 2017 compared to the years ended December 31, 2016 and December 31, 2015

Net Income/Loss. Net loss available to common shareholders for the year ended December 31, 2017 was \$6.6 million, or a diluted loss per common share of \$0.38, compared to net income available to common shareholders of \$11.8 million for the year ended December 31, 2016, or diluted earnings per common share of \$1.71, a reduction of \$18.4 million in net income and a decrease in diluted earnings per common share of \$2.09. For 2017, net income available to common shareholders decreased \$18.4 million, net interest income before provision decreased \$794 thousand, provision for loan losses decreased \$3.0 million, total noninterest income decreased \$2.9 million, total noninterest expenses decreased \$1.2 million, and income tax expense increased \$22.4 million. This reduction in net income available to common shareholders was primarily due to the reversal of the majority of the valuation allowance on the net DTAs resulting in an income tax benefit of \$13.7 million in 2016, a \$4.9 million DTA decrease in 2017 due to the Tax Reform, a decrease in loan interest income of \$2.2 million due to declining loan balances, a decrease in gain on sales of loans of \$2.3 million, a decrease in gain on sale of securities of \$1.4 million, an increase in data processing expenses of \$1.3 million which included a one-time expense of \$419 thousand due to the discontinuation of a service provided by FIS, a decrease in the value of the MSR asset of \$1.1 million, a decrease in legal, professional, and accounting fees of \$979 thousand, a decrease in gains on sale of OREO of \$964 thousand, an ESOP restorative contribution accrual of \$1.2 million, and a decrease in mortgage servicing fees of \$227 thousand due to the decline in 1-4 family loan balances serviced for others. These were partially offset by a \$3.0 million decrease in provision for loan losses due to a reversal provision of \$1.2 million in 2017, a decrease in preferred stock dividends and discount accretion of \$3.5 million due to the redemption of Series A Preferred Stock and Series B Preferred Stock in January 2017, a decrease in salaries and benefits of \$2.1 million due to a reduction in workforce, an increase in mortgage referral fees of \$985 thousand, a decrease in deposit interest expense of \$516 thousand, a decrease in junior subordinated debt of \$426 thousand due to paying all of the accrued and unpaid interest due on the junior subordinated debt in the first quarter of 2017, and a decrease in occupancy expense of \$390 thousand.

Net income available to common shareholders for the year ended December 31, 2016 was \$11.8 million, or a diluted earnings per common share of \$1.71, compared to net loss available to common shareholders of \$1.9 million for the year ended December 31, 2015, or diluted loss per common share of \$0.29, a reduction of \$13.7 million in net losses and a decrease in diluted loss per common share of \$2.00. This reduction in net loss available to common shareholders was primarily due to the reversal of the majority of the valuation allowance on the net DTAs resulting in an income tax benefit of \$13.7 million, an increase in taxable investment security interest income of \$3.8 million, a decrease in venture capital losses of \$1.6 million, an increase in gains on sale of OREO properties of \$1.4 million, a decrease of \$928 thousand in legal, professional, and audit fees, and a decrease of \$835 thousand in MSR amortization and valuation. These were partially offset by a \$3.4 million decrease in loan interest income, an increase in provision of \$1.3 million, an increase of \$1.1 million in salaries and benefits, and a \$839 thousand increase in data processing.

Net Interest Income. The following table presents, for the periods indicated the total dollar amount of interest income from average interest-earning assets and the resultant yields, as well as the interest expense on average interest-bearing liabilities, and the resultant costs, expressed both in dollars and rates:

	Year Ended December 31,								
	2017			2016			2015		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
	(Dollars in thousands)								
Interest-earning Assets:									
Loans(1)	\$752,783	\$36,761	4.88%	\$812,377	\$38,915	4.79%	\$862,465	\$42,364	4.91%
Taxable investment securities	373,506	6,695	1.79%	402,325	7,716	1.92%	269,653	3,956	1.47%
Investment securities exempt from federal income taxes	77,667	1,920	2.47%	25,130	520	2.07%	6,739	175	2.60%
Interest bearing fed funds and other investments	—	—	0.00%	3,119	43	1.38%	20,129	155	0.77%
Other interest-bearing deposits	45,211	526	1.16%	95,972	432	0.45%	217,590	739	0.34%
Non-marketable equity securities	3,992	214	5.37%	4,001	222	5.55%	4,281	215	5.02%
Total interest-earning assets	1,253,159	46,116	3.68%	1,342,924	47,848	3.56%	1,380,857	47,604	3.45%
Non-interest-earning assets	70,416			68,734			61,065		
Total assets	\$1,323,575			\$1,411,658			\$1,441,922		
Interest-bearing Liabilities:									
Deposits:									
NOW deposits	\$384,201	\$257	0.07%	\$401,896	\$242	0.06%	\$422,827	\$283	0.07%
Money market deposits	17,420	15	0.09%	22,934	26	0.11%	20,472	25	0.12%
Savings deposits	402,951	324	0.08%	365,917	338	0.09%	374,714	318	0.08%
Time deposits over \$100,000	92,498	730	0.79%	133,403	1,040	0.78%	170,770	1,457	0.85%
Time deposits under \$100,000	100,027	437	0.44%	122,428	633	0.52%	140,579	856	0.61%
Short-term borrowings	373	4	1.11%	—	—	0.00%	4,441	139	3.13%
Long-term borrowings	2,300	146	6.34%	2,300	146	6.34%	2,300	146	6.35%
Long-term capital lease obligation	1,048	—	0.00%	2,211	—	0.00%	2,211	—	0.00%
Junior subordinated debt	37,025	2,516	6.70%	37,116	2,942	7.93%	37,116	2,652	7.15%
Total interest-bearing liabilities	1,037,843	4,429	0.42%	1,088,205	5,367	0.45%	1,175,430	5,876	0.50%
Demand deposits, noninterest-bearing	164,407			176,215			150,843		
Other noninterest-bearing liabilities	16,604			60,416			32,775		
Shareholders' equity, including stock owned by ESOP	104,721			86,822			82,874		
Total liabilities and shareholders' equity	\$1,323,575			\$1,411,658			\$1,441,922		
Net interest income/interest rate spread (2)		\$41,687	3.26%		\$42,481	3.12%		\$41,728	2.95%
Net interest margin (3)			3.33%			3.16%			3.02%



- (1) Average loans include nonaccrual loans of \$14.1 million, \$24.3 million and \$31.5 million for the years ended December 31, 2017, 2016 and 2015, respectively. Interest income includes loan origination fees of \$1.2 million, \$1.2 million and \$1.3 million for the years ended December 31, 2017, 2016 and 2015, respectively.
- (2) Interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
- (3) Net interest margin represents net interest income as a percentage of average interest-earning assets.

In 2017, net interest income decreased \$794 thousand to \$41.7 million from \$42.5 million in 2016 due to decreased interest income of \$1.7 million and a decrease in interest expense of \$938 thousand from 2016. Net interest income decreased primarily due to a decrease in average volume of loans of \$59.6 million, a decrease in average volume of other interest bearing deposits of \$50.8 million, and a decrease in average volume of taxable investment securities of \$28.8 million, partially offset by an increase in average volume of tax exempt investment securities of \$52.5 million. The net reduction in volume and shift in mix from loans and other interest bearing deposits to tax exempt investment securities resulted in the average yield on earning assets increasing 12 basis points to 3.68% in 2017 from 3.56% in 2016. The decrease in interest expense was primarily due to a decrease in the average volume of time deposits of \$63.3 million, a decrease in average volume of NOW deposits of \$17.7 million, and a decrease in average volume of money market deposits of \$5.5 million, partially offset by an increase in average volume of savings deposits of \$37.0 million. The reduction in volume and shift in deposit mix caused the cost of interest-bearing liabilities to decline three basis points to 0.42% in 2017 from 0.45% in 2016. Net interest margin increased 17 basis points to 3.33% in 2017 from 3.16% in 2016.

In 2016, net interest income increased \$753 thousand to \$42.5 million from \$41.7 million in 2015 due to increased interest income of \$244 thousand and a decrease in interest expense of \$509 thousand from 2015. Net interest income increased primarily due to an increase in volume of taxable investment securities of \$132.7 million and an increase in volume of tax-exempt investment securities of \$18.4 million, partially offset by a lower average volume of loans of \$50.1 million and a lower average volume of interest-bearing deposits of \$121.6 million. The increase volume of investment securities resulted in the average yield on earning assets to increase 11 basis points to 3.56% in 2016 from 3.45% in 2015. The decrease in interest expense was primarily due to a decrease in the average volume of time deposits of \$55.5 million, a decrease in average volume of NOW deposits of \$20.9 million, and a decrease in average volume of savings deposits of \$8.8 million, partially offset by an increase in average volume of money market deposits of \$2.5 million. The reduction in volume and shift in deposit mix caused the cost of interest-bearing liabilities to decline five basis points to 0.45% in 2016 from 0.50% in 2015. The decrease in the cost of funds on interest-bearing liabilities is a result of an effort by management to decrease the cost of funds and increase the overall interest margin, causing existing deposits to reprice at lower interest rates, and causing new deposits to be priced at lower interest rates. Net interest margin decreased 14 basis point to 3.16% in 2016 from 3.02% in 2015.

Volume, Mix and Rate Analysis of Net Interest Income. The following table presents the extent to which changes in volume and interest rates of interest-earning assets and interest-bearing liabilities have affected interest income and interest expense during the periods indicated. Information is provided on changes in each category due to (i) changes attributable to changes in volume (change in volume times the prior period interest rate) and (ii) changes attributable to changes in interest rate (changes in rate times the prior period volume). Changes attributable to the combined impact of volume and rate have been allocated proportionally to the changes due to volume and the changes due to rate.

	Year ended December 31, 2017 Compared to 2016			Year Ended December 31, 2016 Compared to 2015		
	Change Due to Volume	Change Due to Rate	Total Change	Change Due to Volume	Change Due to Rate	Total Change
	(In thousands)					
<b>Interest-earning Assets:</b>						
Loans, includes fees	\$ (2,855)	\$ 701	\$ (2,154)	\$ (2,460)	\$ (989)	\$ (3,449)
Taxable investment securities	(553 )	(468 )	(1,021 )	1,946	1,814	3,760
Investment securities exempt from federal income taxes	1,087	313	1,400	478	(133 )	345
Interest bearing fed funds and other investments	(43 )	—	(43 )	(131 )	19	(112 )
Other interest bearing deposits	(228 )	322	94	(413 )	106	(307 )
Non-marketable equity securities	—	(8 )	(8 )	(14 )	21	7
Total (decrease) increase in interest income	\$ (2,592)	\$ 860	\$ (1,732)	\$ (594 )	\$ 838	\$ 244
<b>Interest-bearing Liabilities:</b>						
NOW deposits	\$ (11 )	\$ 26	\$ 15	\$ (14 )	\$ (27 )	\$ (41 )
Money market deposits	(6 )	(5 )	(11 )	3	(2 )	1
Savings deposits	34	(48 )	(14 )	(7 )	27	20
Time deposits over \$100,000	(319 )	9	(310 )	(319 )	(98 )	(417 )
Time deposits under \$100,000	(116 )	(80 )	(196 )	(111 )	(112 )	(223 )
Short-term borrowings	37	(33 )	4	(139 )	—	(139 )
Long-term borrowings	—	—	—	—	—	—
Capital long-term lease obligation	—	—	—	—	—	—
Junior subordinated debt	(7 )	(419 )	(426 )	—	290	290
Total (decrease) increase in interest expense	\$ (388 )	\$ (550 )	\$ (938 )	\$ (587 )	\$ 78	\$ (509 )
(Decrease) increase in net interest income	\$ (2,204)	\$ 1,410	\$ (794 )	\$ (7 )	\$ 760	\$ 753

Provision for Loan Losses. Our allowance is established through charges to income in the form of the provision in order to bring our allowance to a level deemed appropriate by management. The allowance at December 31, 2017 and December 31, 2016 was \$13.8 million and \$14.4 million, respectively, representing 2.0 % and 1.8 % of total loans, respectively, as of such dates. We recorded a \$1.2 million reverse provision for loan losses for the year ended December 31, 2017 compared with a provision for loan losses of \$1.8 million for the year ended December 31, 2016. The decrease in the allowance was primarily due to a decrease in loan balances. The reverse provision for the year ended December 31, 2017 was primarily due to the decrease in loan balances and changes in qualitative factors due to the portfolio risk decreasing. See the “Financial Condition” section below for further information on provision for loan losses.

The provision for loan losses for the year ended December 31, 2016 was \$1.8 million compared with \$500 thousand provision for the year ended December 31, 2015. The allowance at December 31, 2016 and December 31, 2015 was \$14.4 million and \$17.4 million, respectively. The decrease in the allowance was primarily due to a decrease in impaired loan balances due to a loan sale in the fourth quarter of 2016.

Noninterest Income. Changes in noninterest income between 2017 and 2016 and between 2016 and 2015 were as follows:

	Year Ended December 31,		Net difference	Year Ended December 31,		Net difference
	2017	2016		2016	2015	
	(In thousands)					
Noninterest income:						
Mortgage loan servicing fees	\$1,829	\$2,056	\$(227)	\$2,056	\$2,298	\$(242)
Trust and investment services fees	2,581	2,260	321	2,260	2,604	(344)
Service charges on deposits	990	1,025	(35)	1,025	1,262	(237)
Net gain (loss) on sale of OREO	846	1,810	(964)	1,810	427	1,383
Net (loss) gain on sale of loans	(394)	1,918	(2,312)	1,918	2,629	(711)
Net (loss) gain on sale of securities	(1,248)	184	(1,432)	184	4	180
BOLI income	465	191	274	191	—	191
Mortgage referral fee income	1,559	574	985	574	—	574
Other fees	2,224	1,705	519	1,705	2,107	(402)
Other noninterest income (loss)	90	104	(14)	104	(1,202)	1,306
Total noninterest income	\$8,942	\$11,827	\$(2,885)	\$11,827	\$10,129	\$1,698

Noninterest income decreased \$2.9 million to \$8.9 million in 2017 from \$11.8 million in 2016, primarily attributable to a decrease in gains on sale of loans of \$2.3 million due to LANB's strategy shift in 2016 to generate applications for non-affiliated mortgage companies on a fee basis, a decrease in gains on sale of securities of \$1.4 million, a decrease in gains on sale of OREO of \$964 thousand, and a decrease in mortgage loan servicing fees of \$227 thousand due to the decrease in residential loan servicing portfolio, partially offset by an increase in mortgage referral fee income of \$985 thousand, an increase in other fees of \$519 thousand primarily due to one-time interchange fees from MasterCard of \$360 thousand, an increase in trust and investment service fees of \$321 thousand, and an increase in BOLI income of \$274 thousand due to additional BOLI investments in the fourth quarter of 2017.

Noninterest income increased \$1.7 million to \$11.8 million in 2016 from \$10.1 million in 2015, primarily attributable to a decrease in losses on the venture capital investments of \$1.6 million, and an increase in gains on sale of OREO properties of \$1.4 million, partially offset by a decrease in gains on sale of loans of \$711 thousand, a decrease in trust and investment service fees of \$344 thousand, and a decreases of \$242 thousand in mortgage loan servicing fees.

Noninterest Expenses. Changes in noninterest expenses between 2017 and 2016 and between 2016 and 2015 were as follows:

	Year Ended December 31,		Net difference	Year Ended December 31,		Net difference
	2017	2016		2016	2015	
	(In thousands)					
Noninterest expenses:						
Salaries and employee benefits	\$23,579	\$25,630	\$(2,051)	\$25,630	\$24,482	\$ 1,148
Occupancy	3,124	3,205	(81)	3,205	3,452	(247)
Data processing	5,114	3,818	1,296	3,818	2,979	839
Legal, professional and audit fees	5,397	6,376	(979)	6,376	7,304	(928)
Change in value of MSRs	1,695	558	1,137	558	1,393	(835)
Other noninterest expenses:						
Marketing	786	1,067	(281)	1,067	1,335	(268)
Supplies	293	794	(501)	794	486	308
Postage	548	639	(91)	639	648	