



Enterprise Financial Services Corp

2017 THIRD QUARTER EARNINGS RELEASE



Forward-Looking Statements

Some of the information in this report contains “forward-looking statements” within the meaning of and intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically are identified with use of terms such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “could,” “continue” and the negative of these terms and similar words, although some forward-looking statements may be expressed differently. Forward-looking statements also include, but are not limited to, statements regarding plans, objectives, expectations or consequences of announced transactions and statements about the future performance, operations products and services of the Company and its subsidiaries. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. You should be aware that our actual results could differ materially from those anticipated by the forward-looking statements or historical performance due to a number of factors, including, but not limited to: our ability to efficiently integrate acquisitions into our operations, retain the customers of these businesses and grow the acquired operations; reputational risks; credit risk; changes in the appraised valuation of real estate securing impaired loans; outcomes of litigation and other contingencies; exposure to general and local economic conditions; risks associated with rapid increases or decreases in prevailing interest rates; consolidation within the banking industry; competition from banks and other financial institutions; our ability to attract and retain relationship officers and other key personnel; burdens imposed by federal and state regulation; changes in regulatory requirements; changes in accounting regulation or standards applicable to banks; and other risks discussed under the caption “Risk Factors” of our most recently filed Form 10-K and in Part II, 1A of our most recently filed Form 10-Q, all of which could cause the Company’s actual results to differ from those set forth in the forward-looking statements.

Readers are cautioned not to place undue reliance on our forward-looking statements, which reflect management’s analysis and expectations only as of the date of such statements. Forward-looking statements speak only as of the date they are made, and the Company does not intend, and undertakes no obligation, to publicly revise or update forward-looking statements after the date of this report, whether as a result of new information, future events or otherwise, except as required by federal securities law. You should understand that it is not possible to predict or identify all risk factors. Readers should carefully review all disclosures we file from time to time with the Securities and Exchange Commission (the “SEC”) which are available on our website at www.enterprisebank.com under "Investor Relations."



2017 Focus

- **Sustain Core Growth Trends**
- **Successfully Convert and Integrate Jefferson County Bancshares (“JCB”)**
- **Maintain Focus on Long-Term Strategic Development**



Financial Scorecard

Q3 2017 Compared to Q3 2016

Continued Growth in Core EPS

- Drive Net Interest Income Growth in Dollars with Favorable Loan Growth Trends
- Defend Net Interest Margin
- Maintain High Quality Credit Profile
- Achieve Further Improvement in Operating Leverage

↑ 35%

↑ 40%

↑ 21 bps

↓ 43 bps NPLs/Loans

↓ 1%

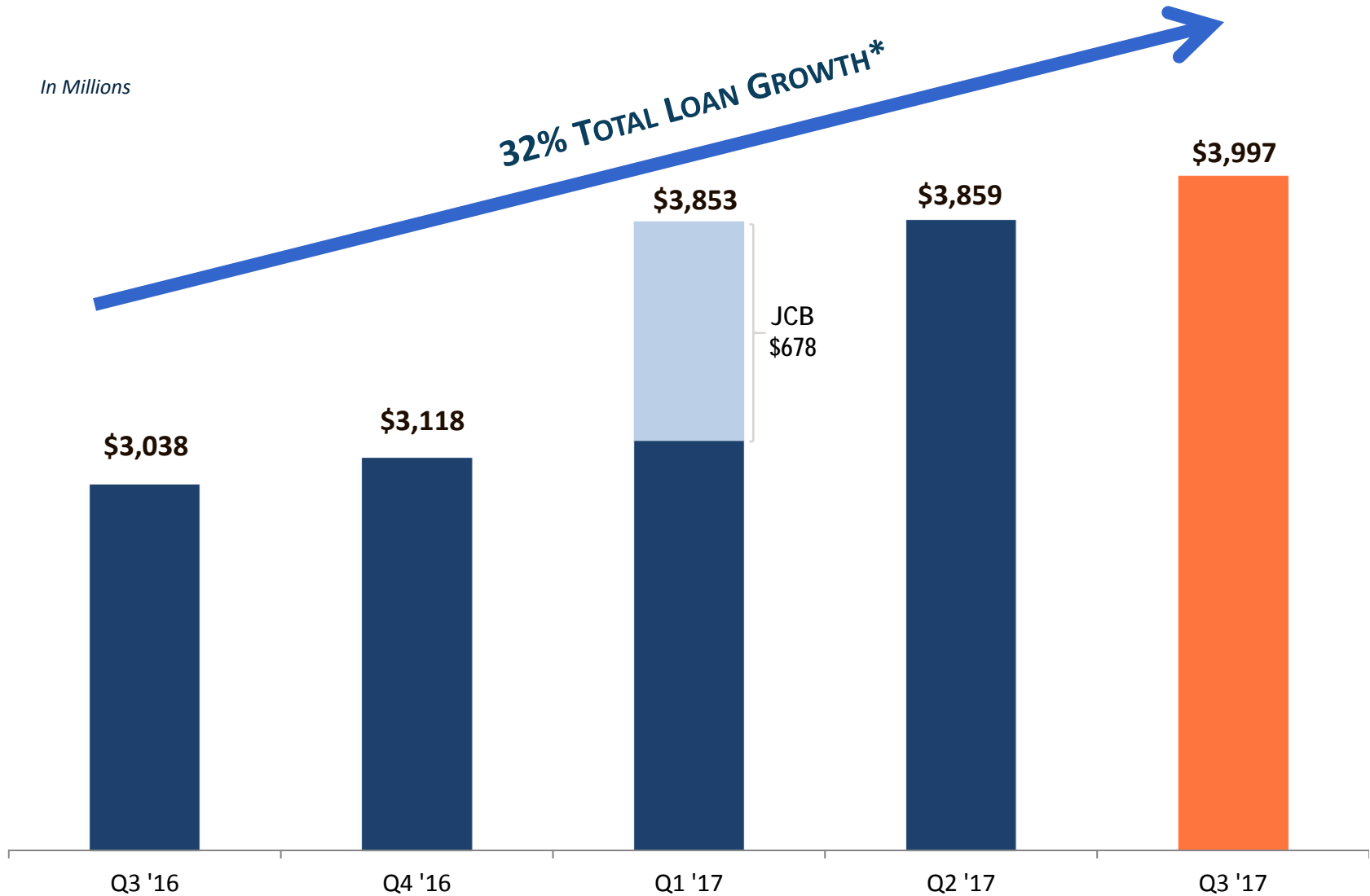
Enhance Deposit Levels to Support Growth

↑ 30%



Portfolio Loan Trends

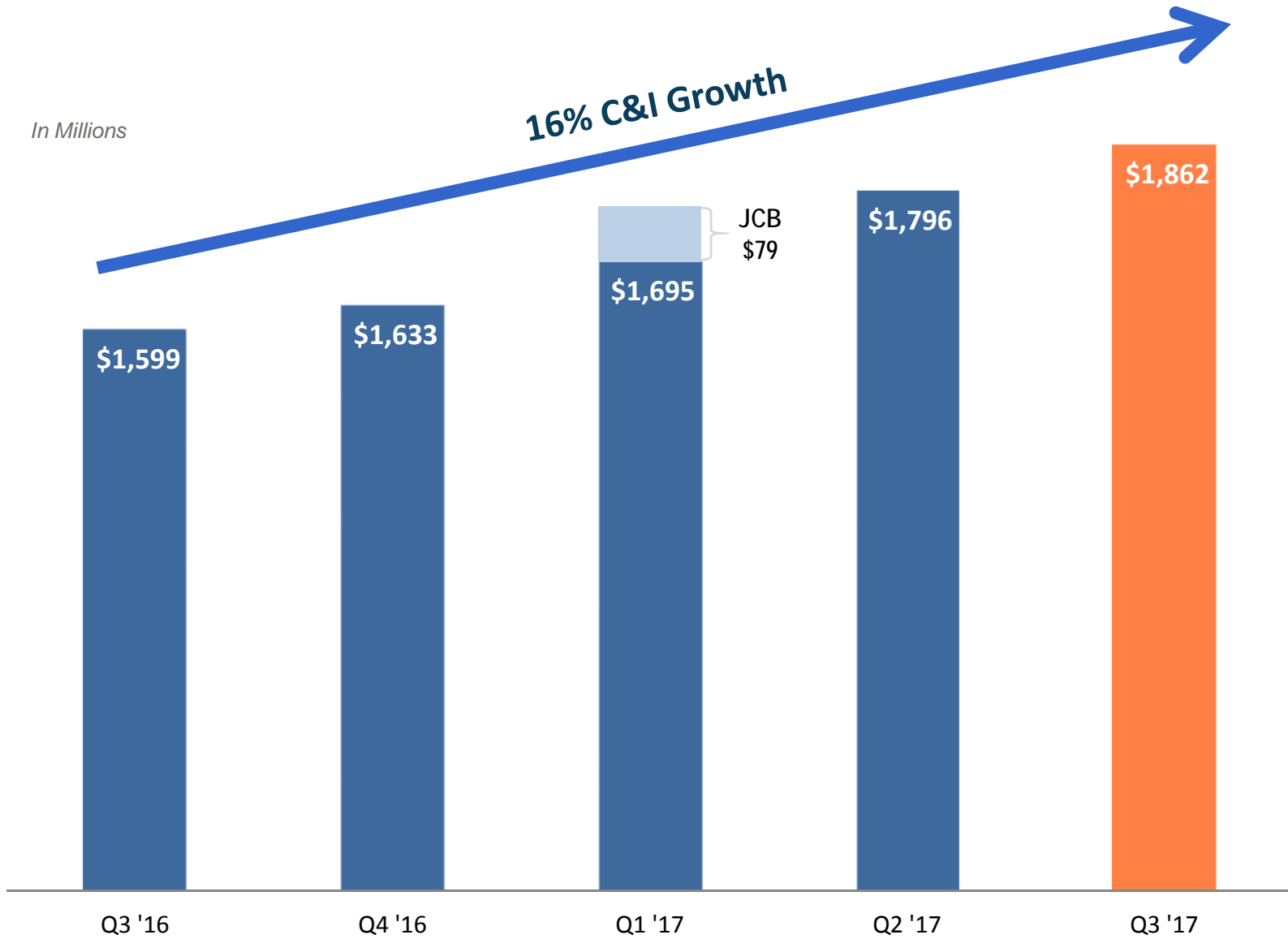
In Millions



***Note: 9% excluding acquisition of JCB**



Commercial & Industrial Loan Trends





Portfolio Loan Details

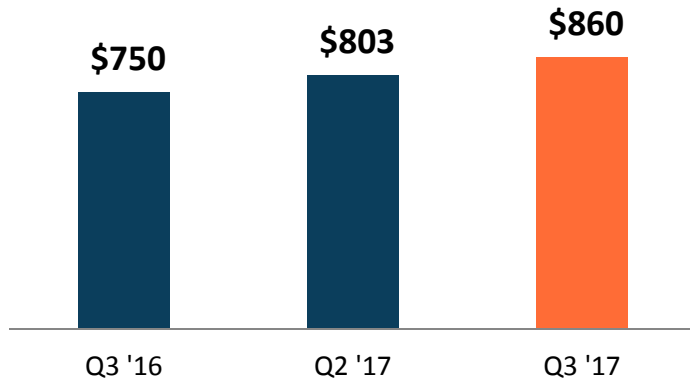
<i>In Millions</i>	Q3 '17	Q2 '17	QTR CHANGE	Q3 '16	LTM CHANGE
ENTERPRISE VALUE LENDING	\$ 456	\$ 433	\$ 23	\$ 395	\$ 61
C&I GENERAL	886	895	(9)	756	130
LIFE INSURANCE PREMIUM FINANCING	331	318	13	299	32
TAX CREDIT	189	150	39	149	40
COMMERCIAL REAL ESTATE	1,639	1,563	76	1,045	594
RESIDENTIAL REAL ESTATE	342	349	(7)	234	108
CONSUMER & OTHER	154	151	3	160	(6)
PORTFOLIO LOANS	\$ 3,997	\$ 3,859	\$ 138	\$ 3,038	\$ 959



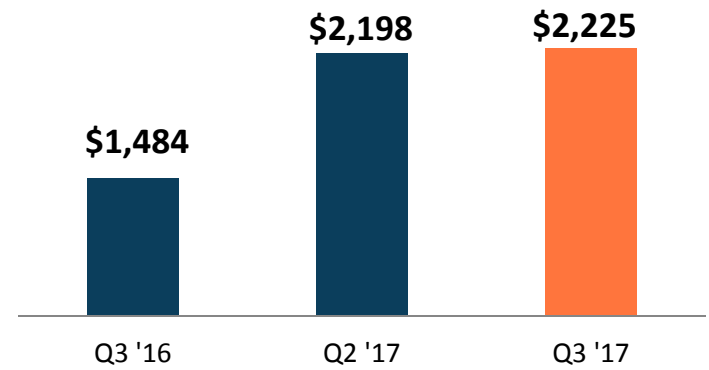
Portfolio Loans By Business Unit

In Millions

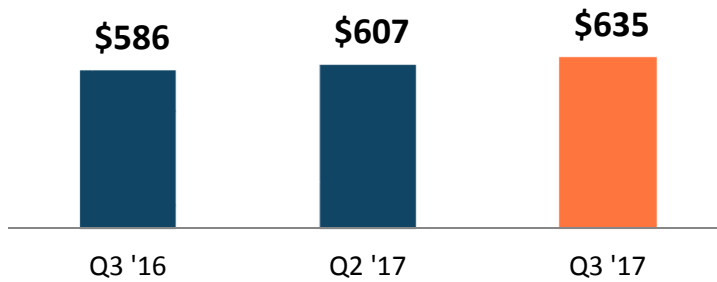
Specialized Lending



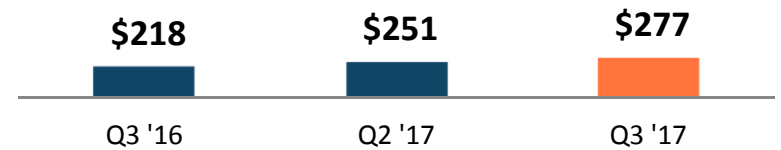
St. Louis



Kansas City

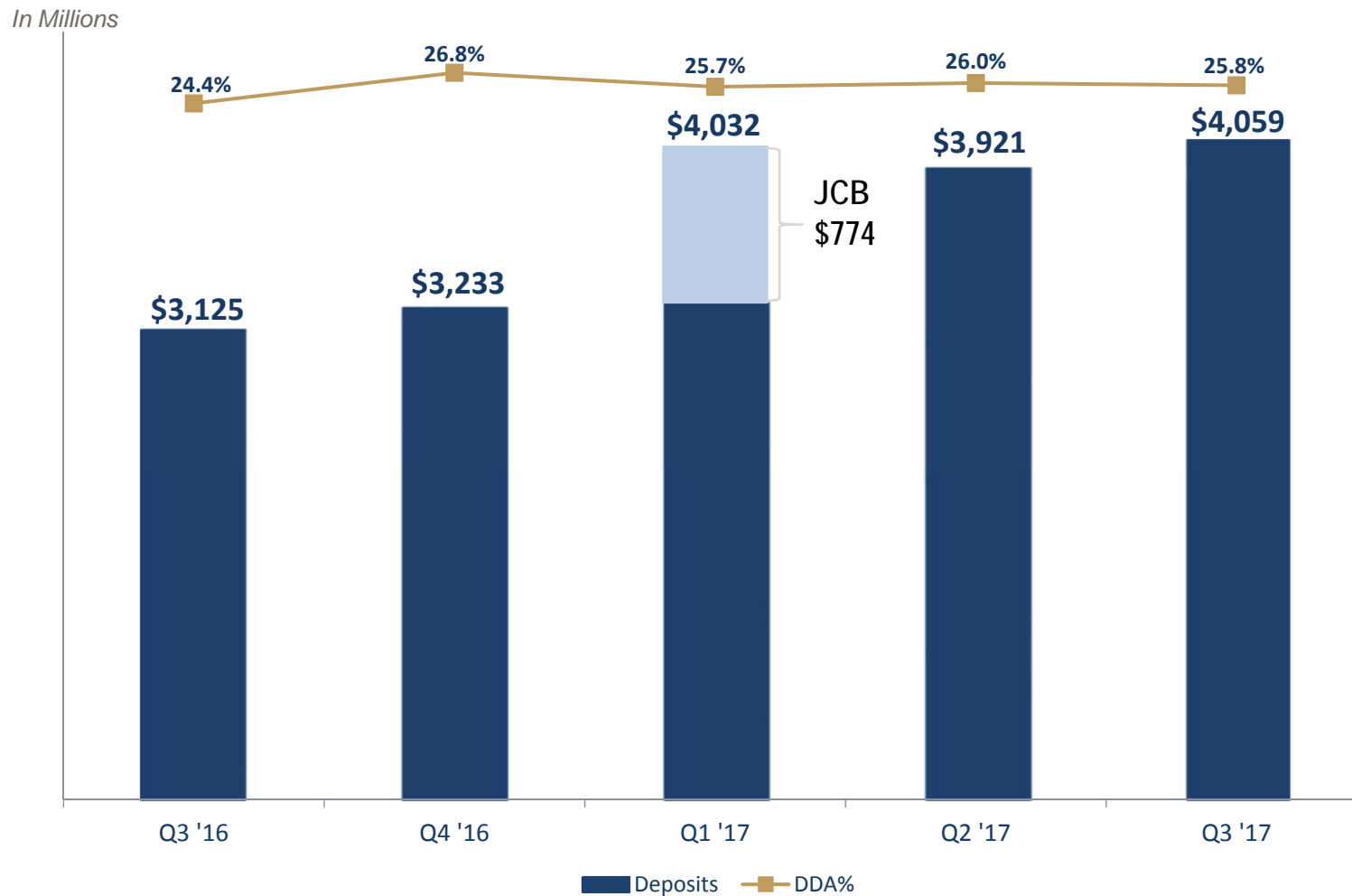


Arizona





Deposit Trend



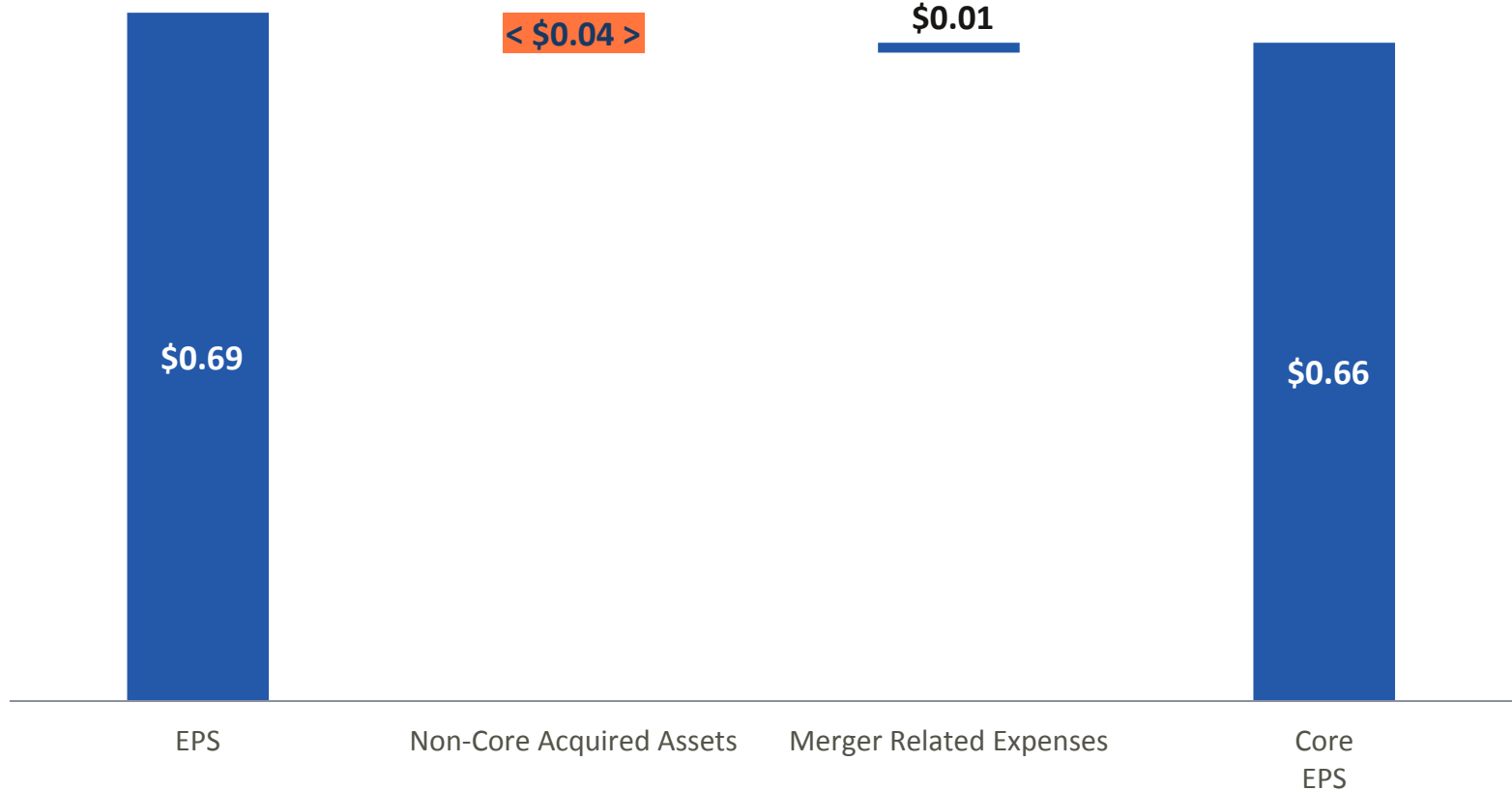
► Last Twelve Months Growth Rate = 30%, 5% Excluding Acquisition of JCB



Earnings Per Share

Reported vs. Core EPS*

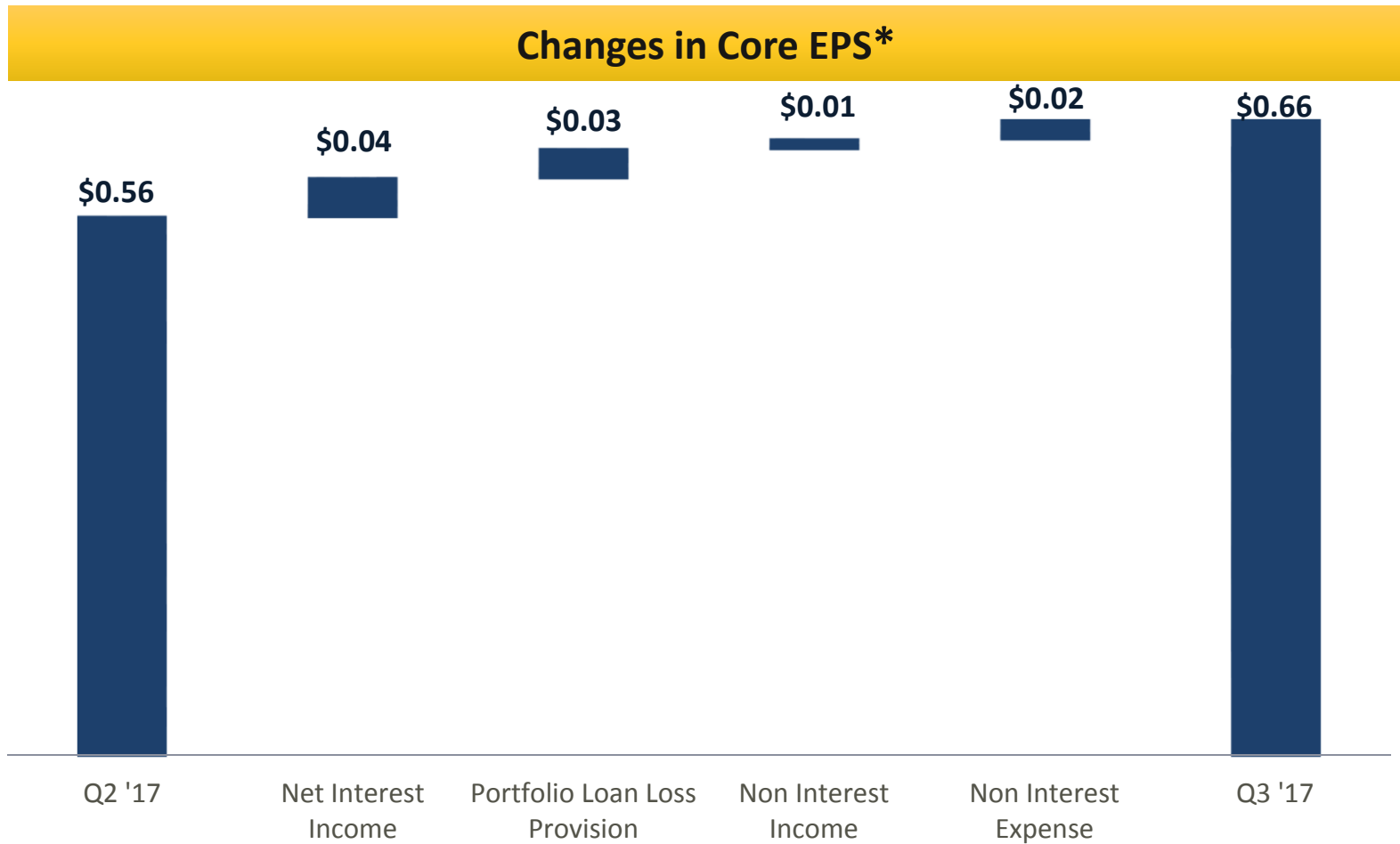
Q3 2017



* A Non GAAP Measure, Refer to Appendix for Reconciliation



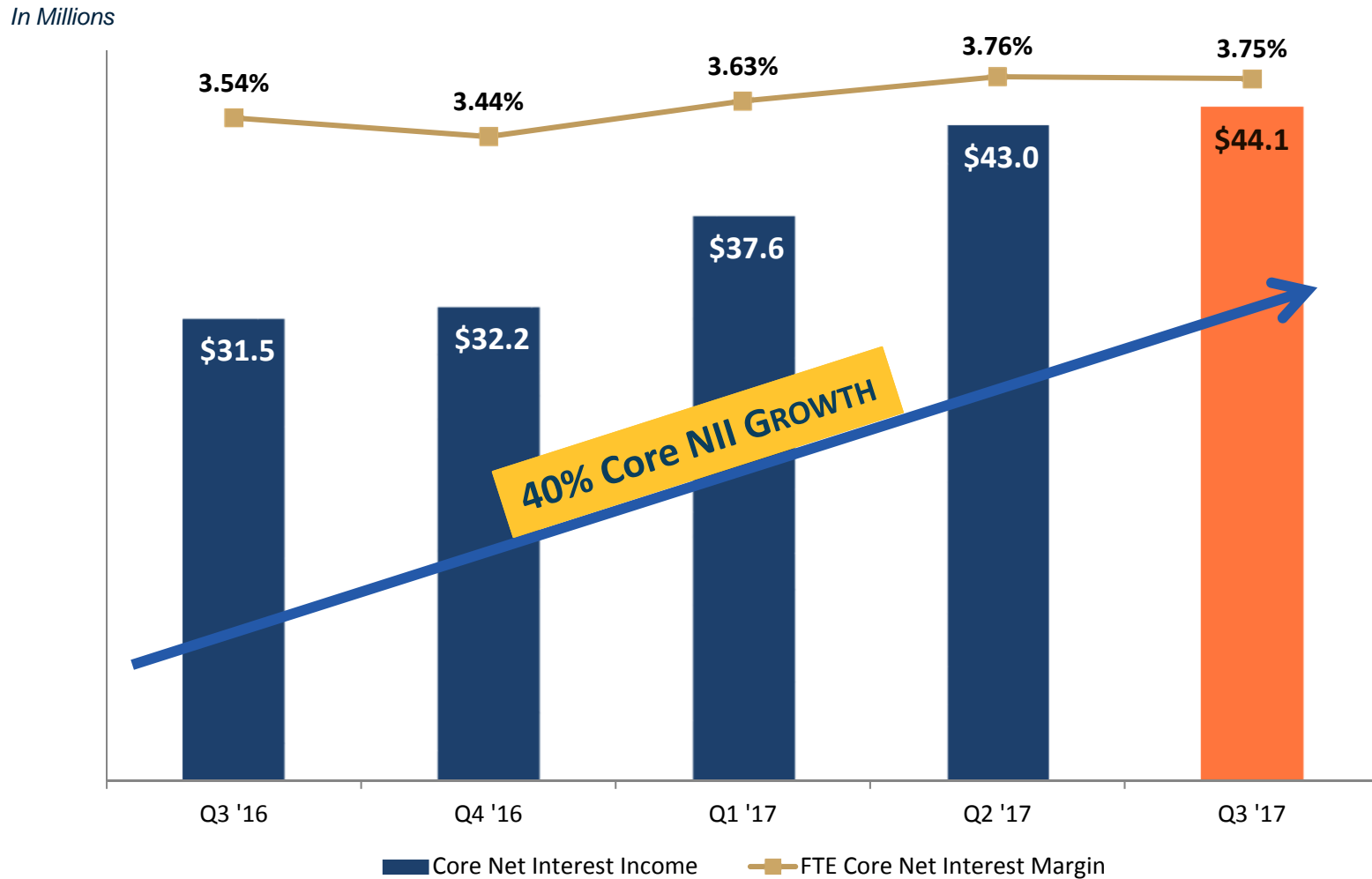
Earnings Per Share Trend



*Note: * A Non GAAP Measure, Refer to Appendix for Reconciliation*



Core Net Interest Income Trend*

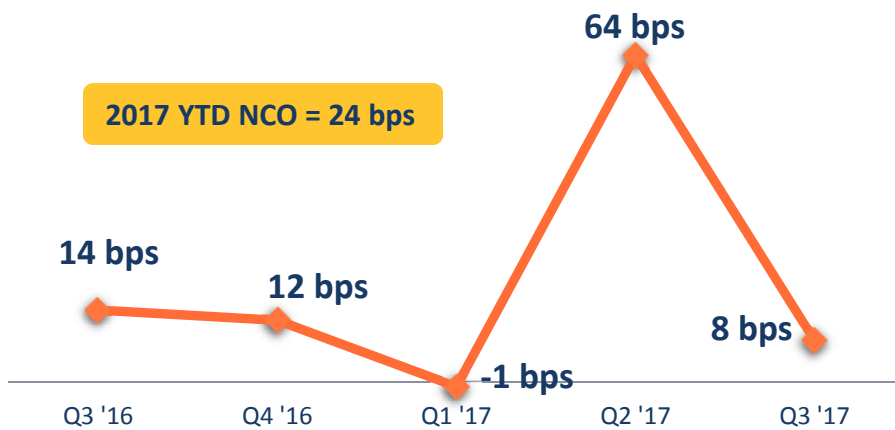


Note: * A Non-GAAP Measure, Refer to Appendix for Reconciliation

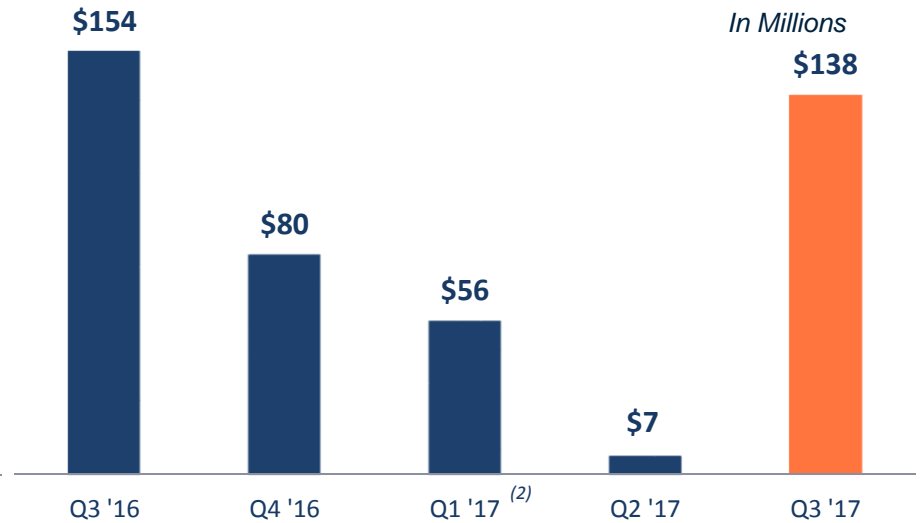


Credit Trends for Portfolio Loans

Net Charge-offs ⁽¹⁾

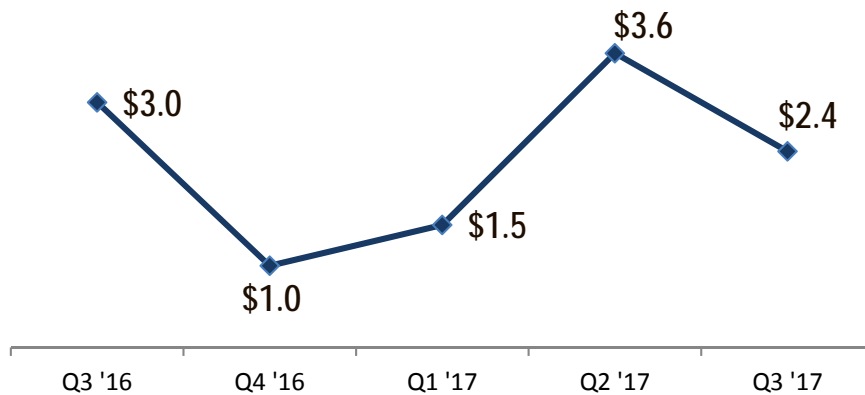


Portfolio Loan Growth



In Millions

Provision for Portfolio Loans



Q3 2017	EFSC	PEER ⁽³⁾
NPA's/ASSETS =	0.18%	0.71%
NPL's/LOANS =	0.23%	0.85%
ALLL/NPL's =	426.2%	112.3%
ALLL/LOANS =	0.97%	1.03%

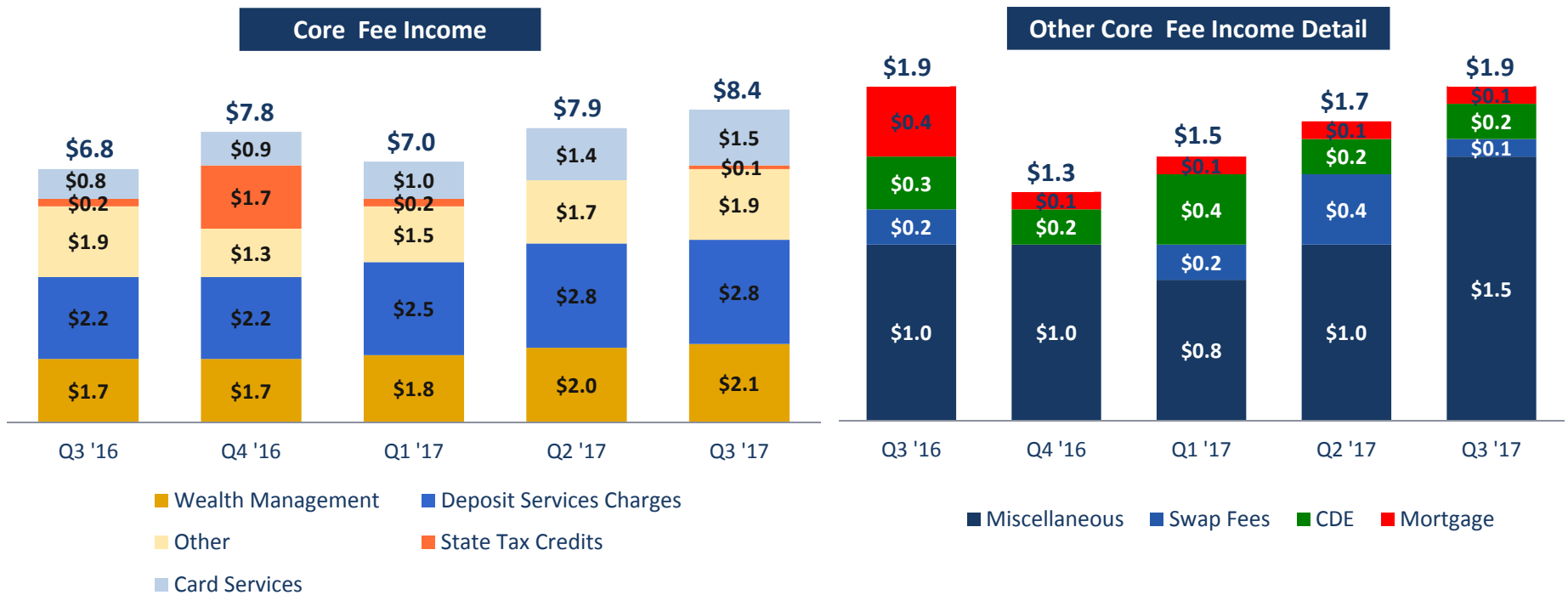
⁽¹⁾ Portfolio loans only, excludes non-core acquired loans; ⁽²⁾ Excludes JCB;

⁽³⁾ Peer median data as of 6/30/2017 (source: SNL Financial)



Core Fee Income*

In Millions

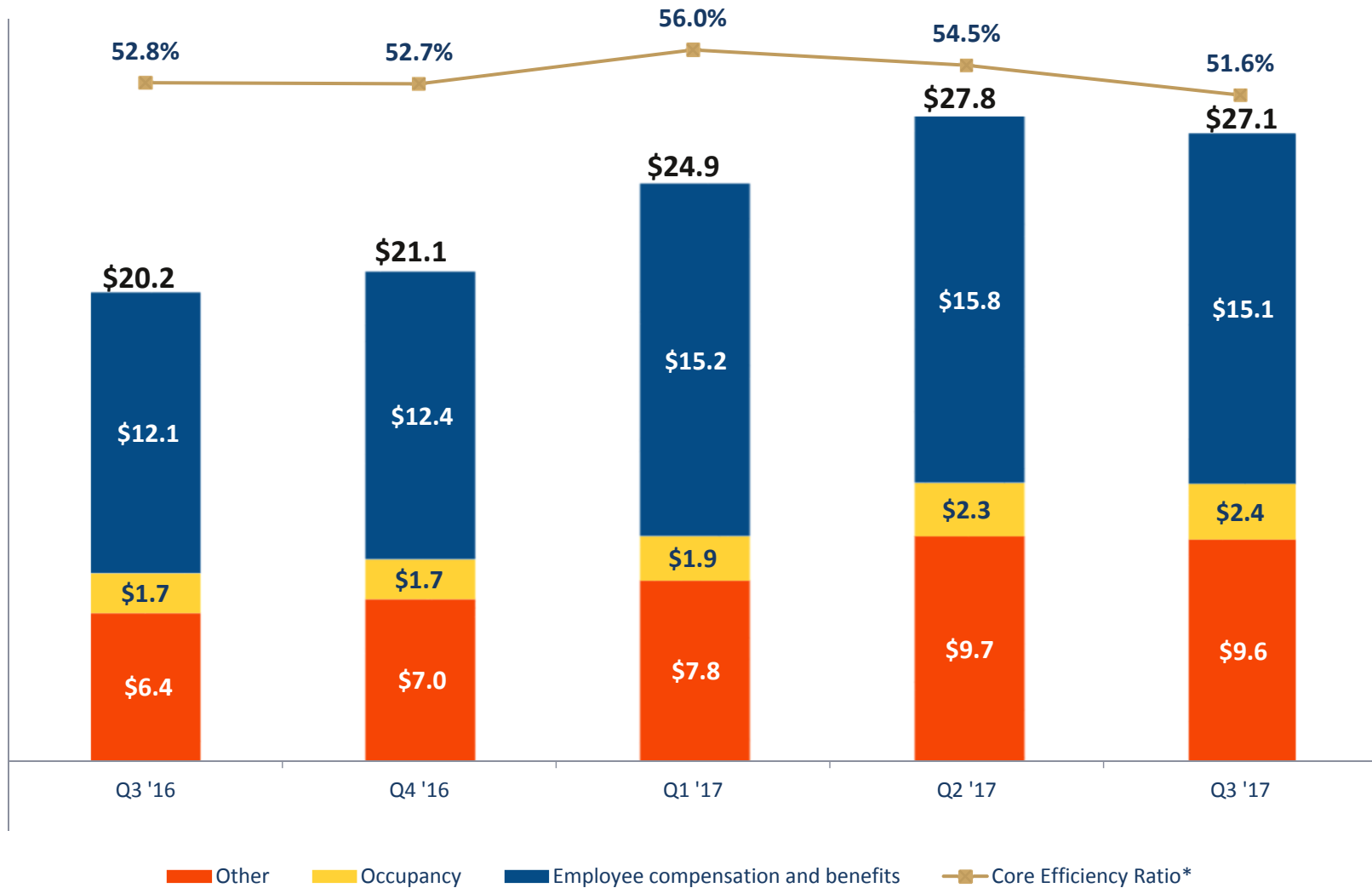


Note: * A Non-GAAP Measure, Refer to Appendix for Reconciliation



Operating Expenses Trend*

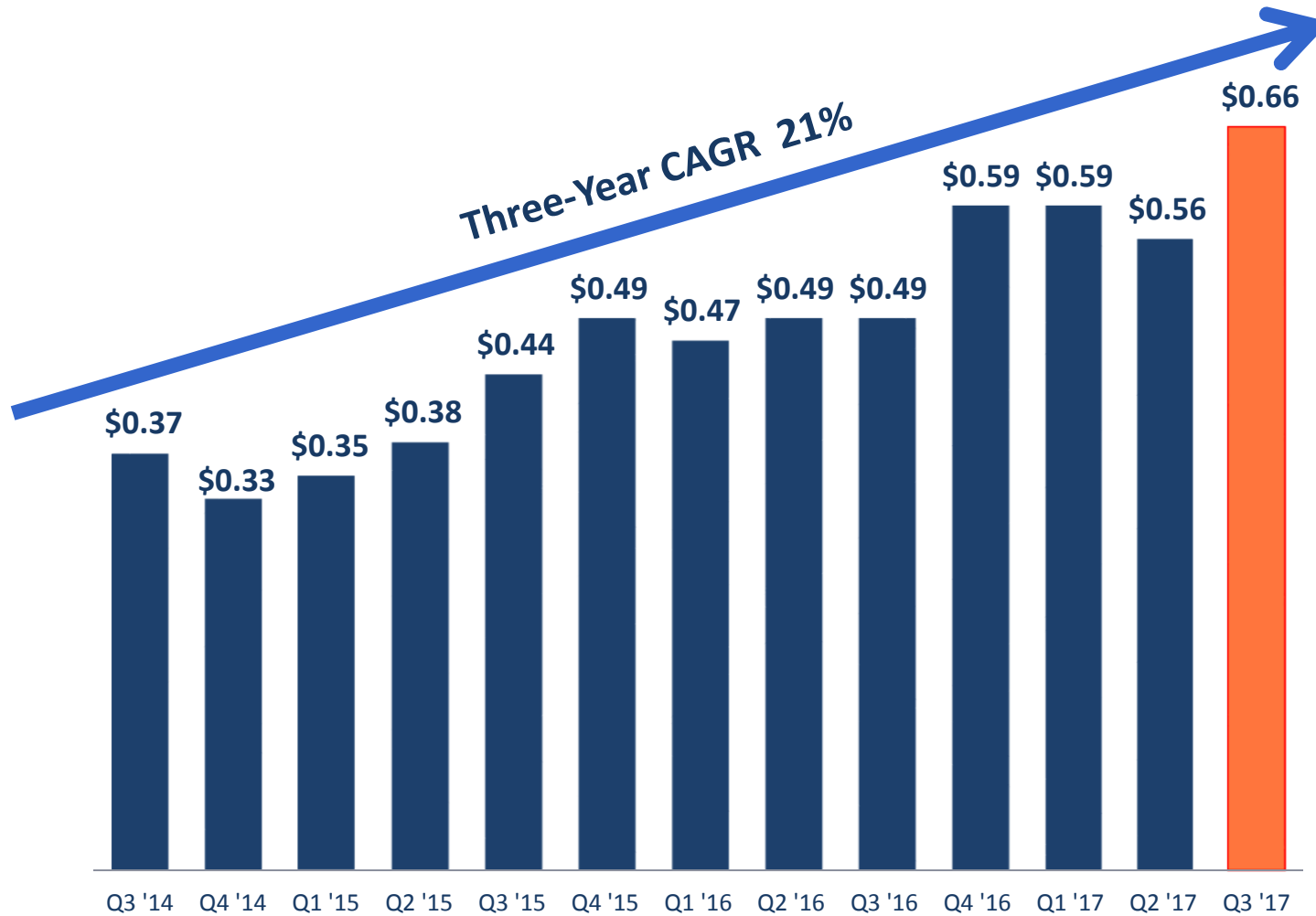
In Millions



Note: * A Non-GAAP Measure, Refer to Appendix for Reconciliation



Positive Momentum in Core* Earnings Per Share



78% Core EPS Growth from Q3 2014 to Q3 2017

Note: * A Non-GAAP Measure, Refer to Appendix for Reconciliation

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Appendix



Use of Non-GAAP Financial Measures

The Company's accounting and reporting policies conform to generally accepted accounting principles in the United States ("GAAP") and the prevailing practices in the banking industry. However, the Company provides other financial measures, such as Core net interest margin and other Core performance measures, in this presentation that are considered "non-GAAP financial measures." Generally, a non-GAAP financial measure is a numerical measure of a company's financial performance, financial position or cash flows that exclude (or include) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP.

The Company considers its Core performance measures presented in this presentation as important measures of financial performance, even though they are non-GAAP measures, as they provide supplemental information by which to evaluate the impact of non-core acquired loans and related income and expenses, the impact of nonrecurring items, and the Company's operating performance on an ongoing basis. Core performance measures include contractual interest on non-core acquired loans but exclude incremental accretion on these loans. Core performance measures also exclude Gain or loss of other real estate from non-core acquired loans and expenses directly related to the non-core acquired loans and other assets formerly covered under FDIC loss share agreements. Core performance measures also exclude certain other income and expense items, such as executive separation costs, merger related expenses, facilities charges, and gain/loss on sale of investment securities, the Company believes to be not indicative of or useful to measure the Company's operating performance on an ongoing basis. The attached tables contain a reconciliation of these Core performance measures to the GAAP measures.

The Company believes these non-GAAP measures and ratios, when taken together with the corresponding GAAP measures and ratios, provide meaningful supplemental information regarding the Company's performance and capital strength. The Company's management uses, and believes that investors benefit from referring to, these non-GAAP measures and ratios in assessing the Company's operating results and related trends and when forecasting future periods. However, these non-GAAP measures and ratios should be considered in addition to, and not as a substitute for or preferable to, ratios prepared in accordance with GAAP. In the tables below, the Company has provided a reconciliation of, where applicable, the most comparable GAAP financial measures and ratios to the non-GAAP financial measures and ratios, or a reconciliation of the non-GAAP calculation of the financial measure for the periods indicated.

Peer group data consists of median of publicly traded banks with total assets from \$1-\$10 billion with commercial loans greater than 20% and consumer loans less than 10%.

Reconciliation of Non-GAAP Financial Measures

<i>(in thousands, except per share data)</i>	For the Quarter ended				
	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
CORE PERFORMANCE MEASURES					
Net interest income	\$ 45,625	\$ 45,633	\$ 38,642	\$ 35,454	\$ 33,830
Less: Incremental accretion income	1,556	2,584	1,075	3,279	2,296
Core net interest income	44,069	43,049	37,567	32,175	31,534
Total noninterest income	8,372	7,934	6,976	9,029	6,976
Less: Gain (loss) on sale of other real estate from non-core acquired loans	-	-	-	1,085	(225)
Less: Other income from non-core acquired assets	-	-	-	95	287
Less: Gain on sale of investment securities	22	-	-	-	86
Core noninterest income	8,350	7,934	6,976	7,849	6,828
Total core revenue	52,419	50,983	44,543	40,024	38,362
Provision for portfolio loan losses	2,422	3,623	1,533	964	3,038
Total noninterest expense	27,404	32,651	26,736	23,181	20,814
Less: Merger related expenses	315	4,869	1,667	1,084	302
Less: Facilities disposal	-	-	-	1,040	-
Less: Other expenses related to non-core acquired loans	19	(16)	123	172	270
Less: Executive severance	-	-	-	-	-
Less: Other non-core expenses	-	-	-	(209)	-
Core noninterest expense	27,070	27,798	24,946	21,094	20,242
Core income before income tax expense	22,927	19,562	18,064	17,966	15,082
Core income tax expense	7,391	6,329	4,916	6,021	5,142
Core net income	\$ 15,536	\$ 13,233	\$ 13,148	\$ 11,945	\$ 9,940
Core diluted earnings per share	\$ 0.66	\$ 0.56	\$ 0.59	\$ 0.59	\$ 0.49
Core return on average assets	1.21%	1.06%	1.17%	1.19%	1.04%
Core return on average common equity	11.13%	9.72%	11.29%	12.31%	10.47%
Core return on average tangible common equity	14.50%	12.72%	13.75%	13.44%	11.46%
Core efficiency ratio	51.64%	54.52%	56.01%	52.70%	52.77%
NET INTEREST MARGIN TO CORE NET INTEREST MARGIN (FULLY TAX EQUIVALENT)					
Net interest income	\$ 46,047	\$ 46,096	\$ 39,147	\$ 35,884	\$ 34,263
Less: Incremental accretion income	1,556	2,584	1,075	3,279	2,296
Core net interest income	\$ 44,491	\$ 43,512	\$ 38,072	\$ 32,605	\$ 31,967
Average earning assets	\$ 4,712,672	\$ 4,641,198	\$ 4,259,198	\$ 3,767,272	\$ 3,589,080
Reported net interest margin	3.88%	3.98%	3.73%	3.79%	3.80%
Core net interest margin	3.75%	3.76%	3.63%	3.44%	3.54%

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Q & A