OMB Control Number 1505-0222

CPP **ANNUAL USE OF CAPITAL SURVEY - 2010**

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Enterprise Financial Services Corp

Person to be contacted regarding this report:	Mr. Frank H. Sanfilippo	RSSD: (For Bank Holding Companies)	0002303910
UST Sequence Number:	135	Holding Company Docket Number: (For Thrift Holding Companies)	N/A
CPP/CDCI Funds Received:	35,000,000	FDIC Certificate Number: (For Depository Institutions)	27237
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Dec 19, 2008	City:	St. Louis
Date Repaid[1]:	N/A	State:	Missouri

[1]If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☐	Increase lending or reduce lending less than otherwise would have occurred.	
☐	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
☐	Increase securities purchased (ABS, MBS, etc.).	

☐	Make other investments	
☐	Increase reserves for non-performing assets	
☒	Reduce borrowings	After raising $60 million in regulatory capital during December 2008 ($35 million from TARP and $25 million through a convertible sub debt issue), the Company paid off it $20 million in senior debt because of an existing loan covenant violation and probable inability to refinance in 2009.
☐	Increase charge-offs	
☒	Purchase another financial institution or purchase assets from another financial institution	In December 2008 the Company injected $18 million of cash into its banking subsidiary, Enterprise Bank & Trust (EB&T). The resulting strengthened capital ratios indirectly allowed EB&T to acquire a failed institution from the FDIC in December 2009.
☒	Held as non-leveraged increase to total capital	After the nation's financial crisis in 4Q of 2008, there was considerable customer and investor anxiety into early 2009 over the possibility of bank failures. The resulting capital ratios, after the regulatory capital raise noted above, helped ease any concerns of our customer and investor base.

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

Without resorting to other options like a common stock raise, the $35 million of CPP funds, in conjunction with the $25 million in convertible sub debt, provided the cash necessary to prevent the Company from going into default on its senior debt and staying current on the $57 million in outstanding Trust Preferred Securities (i.e. subordinated debt). The Company depends on dividends from EB&T and stock option exercises for the cash flow necessary to service its debt. Given the asset quality concerns and operating losses at EB&T during 2009, EB&T was and is unable to make any dividends to the holding company. In addition, the Company's stock valuation over the past year has not been conducive for stock option exercises.

Update 2010

None

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

We were able to continue trying to grow our balance sheet by attracting customer deposits and investing those deposits in loans or investment securities. While our historical loan balances since December 2008 have declined, this decline relates to the economy's impact on loan demand and loan losses rather than EB&T's ability or willingness to lend. In 2009, EB&T originated over $178 million in new loans, but borrower loan paydowns and payoffs, along with increased loan losses, more than offset the new loan activity. We were successful in growing our "core" customer deposits by $328 million or 23% in 2009, and having a strong capital base is important in attracting and retaining those deposits. The CPP funds helped drive that stronger capital base.

Without a strong capital base, we may not have been able to bid and close on the FDIC-assisted transaction with Valley Capital National Bank during December 2009.

In general, we believe the CPP funds helped stabilize the overall banking system and therefore, helped our Company operate more effectively in its local markets.

Update 2010
Having a larger capital base allowed us to bid on another FDIC-assisted bank failure in Arizona. The higher capital base from the CPP funds and current earnings allowed us to project a stronger image to the public and continue growing our core deposit base. Finally, the higher capital levels allowed us to continue originating loans in 2010. New loans originated in 2010 had over $135 million outstanding at 12/31/10, most of these to small and medium sized businesses.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

Update 2010 - None