

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 354(a), 358(a), 368(a), and 1001

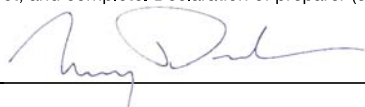
18 Can any resulting loss be recognized? ▶ See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The merger occurred on July 21, 2021. Thus, the basis adjustment should be made for calendar year 2021.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶



Date ▶

08/10/2021Print your name ▶ Troy DumlaoTitle ▶ Chief Accounting Officer**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

Enterprise Financial Services Corp, as successor to First Choice Bancorp
EIN 43-1706259
Attachment to Form 8937

Form 8937, Part II, Box 14:

On July 21, 2021, pursuant to the Agreement and Plan of Merger, dated as of April 26, 2021, by and among Enterprise Financial Services Corp (“Enterprise”), Enterprise Bank and Trust, a wholly-owned subsidiary of Enterprise, First Choice Bancorp (“First Choice”) and First Choice Bank, a wholly-owned subsidiary of First Choice, First Choice merged with and into Enterprise with Enterprise surviving (the “Merger”). In the merger, each share of First Choice common stock, no par value, was converted into 0.6603 shares of Enterprise common stock, \$0.01 par value per share. In addition, holders of shares of First Choice common stock received cash in lieu of fractional shares.

Form 8937, Part II, Box 15:

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders.

Further discussion of material U.S. federal income tax consequences of the Merger can be found in the Form S-4/A for Enterprise as filed with the Securities and Exchange Commission on June 2, 2021, under the heading “Material United States Federal Income Tax Consequences” available on the Investor Relations page of Enterprise’s website.

Consistent with the intended tax treatment (as discussed in the Form S-4), based on the value of the Enterprise common stock at the time the Merger was completed, the Merger will be reported as, and Enterprise believes that the Merger qualified as, a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”). No ruling from the Internal Revenue Service has been requested or is intended to be obtained as to the U.S. federal income tax consequences of the Merger. Assuming that the Merger constitutes a reorganization, with respect to holders of First Choice common stock that are U.S. taxpayers not in a special class of holders subject to special rules as described further in the Form S-4 (“U.S. Holders”):

- A U.S. holder of First Choice common stock will recognize gain (but not loss) in an amount equal to the lesser of (1) the amount by which the sum of the fair value of the Enterprise common stock and cash received by a holder of First Choice common stock (approximately \$29.11 per share of First Choice common stock, based upon a fair market value of \$44.09 per share of Enterprise common stock, as described in the response to box 16 below) exceeds such holder’s tax basis in the holder’s First Choice common stock, and (2) the amount of cash received by such holder of First Choice common stock, in each case treating any cash received in lieu of a fractional share of Enterprise common stock as if such fractional share was actually received and then sold for cash as described below; and

- The aggregate tax basis of the Enterprise common stock received in the Merger (including any fractional shares in Enterprise common stock deemed received and exchanged for cash, as discussed below) will be the same as the aggregate tax basis of the First Choice common stock exchanged for the Enterprise common stock, decreased by the amount of cash received in the Merger (excluding any cash received instead of a fractional share in Enterprise common stock), and increased by the amount of gain recognized on the exchange (regardless of whether such gain is classified as capital gain or dividend income, as discussed in the Form S-4), excluding any gain recognized with respect to any fractional share in Enterprise common stock for which cash is received, as discussed below.

If holders of First Choice common stock acquire different blocks of First Choice common stock at different times or at different prices, any gain will be determined separately with respect to each block of First Choice common stock.

A holder of First Choice common stock who receives cash instead of a fractional share of Enterprise common stock will generally be treated as having received the fractional share pursuant to the Merger and then as having sold to Enterprise that fractional share of Enterprise common stock for cash. As a result, a holder of First Choice common stock will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocated to such fractional share of Enterprise common stock.

Form 8937, Part II, Box 16:

The fair market value for United States federal income tax purposes of each full share of Enterprise common stock was determined to be \$44.09 as of the effective time of the Merger. This fair market value is based on an average of the highest and lowest quoted prices (\$44.57 and \$43.61, respectively) of the Enterprise common stock on the Nasdaq Stock Market on July 21, 2021, the date of the merger.

Please see Part II, Box 15 above for general description of a shareholder's change in basis calculation.

An example of this calculation is provided below:

The following are examples of the calculation of a First Choice shareholder's basis in the Enterprise common stock received in the Merger. The following examples are for illustration purposes only and do not constitute tax advice. A First Choice shareholder's individual tax consequences may differ. First Choice shareholders are urged to consult their own tax advisors on the consequences to them of the Merger in light of their individual circumstances.

		Example 1 - Higher Basis		Example 2 - Lower Basis	
1	Assumptions for This Example:				
A	Number of First Choice Shares held on July 21, 2021	100		100	
B	Shareholder's Basis in Shares Held (this is an assumption only, consult your tax advisor as necessary to determine your basis)	\$ 3,500.00		\$ 750.00	
2	Consideration to Be Received in the Merger (excluding cash for fractional shares):	Per Share	Total	Per Share	Total
A	Cash Proceeds from Merger	\$ -	\$ -	\$ -	\$ -
B	Enterprise Common Shares	0.6603	66.0300	0.6603	66.03
C	Fractional Share in Enterprise Deemed Received (66.0300-66.0000)	0.0300		0.0300	
3	Cash Received for Fractional Shares:				
A	20-Day VWAP of Enterprise Shares (see Note 1 below)	\$ 45.65		\$ 45.65	
B	Fractional Share Deemed Received (above at 2C)		0.0300		0.0300
C	Cash Received for Fractional Shares (3A multiplied by 3B)		\$ 1.37		\$ 1.37
4	Total Cash Received in Transaction:				
A	Cash Proceeds from Merger (above at 2A)		\$ -		\$ -
B	Cash Received for Fractional Shares (above at 3C)		\$ 1.37		\$ 1.37
C	Total Cash Received		\$ 1.37		\$ 1.37
5	Enterprise Shares Received in Transaction:				
A	Enterprise Shares Deemed Received in Merger (above at 2B)		66.0300		66.0300
B	Fractional Shares Deemed Received and Sold for Cash (above at 2C)		0.0300		0.0300
C	Net Enterprise Shares Received (5A less 5B)		66		66
6	Calculation of Gain Recognized, if any:				
A	Value of Enterprise Shares at Closing (see Note 2 below)	\$ 44.09		\$ 44.09	
B	Cash Received in Merger (excluding cash from sale of fractional shares, 2A above)		\$ -		\$ -
C	FMV of Enterprise Shares Received (5A multiplied by 6A)		\$ 2,911.26		\$ 2,911.26
D	Total Consideration Received (6B plus 6C)		\$ 2,911.26		\$ 2,911.26
E	Basis in First Choice Shares (above at 1B)		\$ 3,500.00		\$ 750.00
F	Gain Realized ((6D less 6E; if negative the amount is zero)		\$ -		\$ 2,161.26
G	Gain Recognized (lesser of 6B or 6F)		\$ -		\$ -
7	Tax Basis in Enterprise Shares				
A	Basis in First Choice Shares (above at 1B)		\$ 3,500.00		\$ 750.00
B	Gain Recognized (above at 6G)		\$ -		\$ -
C	Cash Received (excluding cash for fractional shares: above at 2A)		\$ -		\$ -
D	Basis in Enterprise Shares Received (including fractional shares: 7A plus 7B less 7C)		\$ 3,500.00		\$ 750.00
E	Enterprise Shares Received (including fractional shares, 5A above)		66.0300		66.0300
F	Per Share Basis in Enterprise Shares (7D divided by 7E)	\$ 53.01		\$ 11.36	
8	Calculation of Gain or Loss on Fractional Shares				
A	Per Share Basis in Enterprise Shares Received in Merger (7F above)	\$ 53.01		\$ 11.36	
B	Fractional Shares Deemed Received in Merger (3B above)	0.0300		0.0300	
C	Basis in Enterprise Fractional Shares (8A multiplied by 8B)	\$ 1.59		\$ 0.34	
D	Cash Received for Fractional (above at 3C)	\$ 1.37		\$ 1.37	
E	Gain/Loss on Sale of Fractional Shares (8D less 8C)	\$ (0.22)		\$ 1.03	
Note 1	20-day Volume Weighted Average Price (VWAP) of Enterprise Shares	45.65		45.65	
Note 2	Value of Enterprise Shares on July 21, 2021 (based on average of highest and lowest price)	44.09		44.09	

Form 8937, Part II, Box 18:

The Merger was intended to qualify as a “reorganization” within the meaning of Section 368(a) of the Code. As described in the response to Box 15, if the merger is respected as a “reorganization” within the meaning of Section 368(a) of the Code, a U.S. holder of First Choice common stock will not recognize any loss upon receipt of Enterprise common stock in the Merger, except with respect to any cash received in lieu of a fractional share of Enterprise common stock. A U.S. holder of First Choice common stock who receives cash in lieu of a fractional share in the Merger and then as having received cash in redemption of such fractional share and may recognize loss as a result of such redemption.