

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

**October 17, 2022**

Date of Report (date of earliest event reported)

**CROSSFIRST BANKSHARES, INC.**

(Exact name of registrant as specified in its charter)

**Kansas**

(State or other jurisdiction of  
incorporation or organization)

**001-39028**

(Commission File Number)

**26-3212879**

(I.R.S. Employer Identification No.)

**11440 Tomahawk Creek Parkway Leawood Kansas**

(Address of Principal Executive Offices)

**66211**

(Zip Code)

**(913) 754-9704**

Registrant's telephone number, including area code

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CFB	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On October 17, 2022, CrossFirst Bankshares, Inc. (the "Company") issued a press release announcing its financial results for its third quarter of 2022. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The Company intends to hold a conference call to present information on its results of operations for the third quarter of 2022. The investor presentation, which will accompany the call, is furnished as Exhibit 99.2 and incorporated herein by reference.

The information in Item 2.02 of this Current Report, including Exhibits 99.1 and 99.2, is being "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

99.1	<a href="#">Press Release Issued October 17, 2022</a>
99.2	<a href="#">Investor Presentation</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURE**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 17, 2022

CROSSFIRST BANKSHARES, INC.

By: /s/ Benjamin R. Clouse  
Benjamin R. Clouse  
Chief Financial Officer



October 17, 2022

## CrossFirst Bankshares, Inc. Reports Third Quarter 2022 Results

### Third Quarter 2022 Key Financial Performance Metrics

Net Income	ROAA	Net Interest Margin (FTE)	Diluted EPS	ROE
\$17.3 million	1.19%	3.56% <sup>(1)(2)</sup>	\$0.35	11.18%

LEAWOOD, Kan., October 17, 2022 (GLOBE NEWSWIRE) -- CrossFirst Bankshares, Inc. (Nasdaq: CFB), the bank holding company for CrossFirst Bank, today reported operating results for the third quarter of 2022, with third quarter net income of \$17.3 million, or \$0.35 per diluted share, and year-to-date net income of \$49.7 million, or \$0.99 per diluted share.

### CEO Commentary:

"As we reflect on our 15<sup>th</sup> anniversary as a Company, our team should be proud of the amazing growth we have driven and culture we have created since our de novo start in 2007," said CrossFirst's CEO and President, Mike Maddox. "Our people drive our success and I'm excited about the many expanded roles we announced this quarter and this team that will lead us forward."

### 2022 Third Quarter Highlights:

- \$5.8 billion of assets with 5% operating revenue<sup>(3)</sup> growth compared to the second quarter of 2022
- \$149 million or 3.3% of total loan growth from the previous quarter and \$445 million or 10.5% loan growth from the same quarter last year. Excluding PPP loans<sup>(4)</sup>, loan growth was \$157 million from the previous quarter or 3.5% and was \$547 million or 13.3% from the same quarter last year
- Continued improvement in credit quality during the third quarter of 2022 as evidenced by the decrease in non-performing assets to total assets ratio from 0.92% at September 30, 2021 to 0.31% at September 30, 2022
- Return on Average Assets of 1.19% and a Return on Equity of 11.18% for the quarter ended September 30, 2022
- Net Interest Margin (Fully Tax-Equivalent)<sup>(1)(2)</sup> of 3.56% for the quarter ended September 30, 2022, compared to 3.23% for the same quarter last year

(Dollars in millions except per share data)	Quarter-to-Date September 30,		Year-to-Date September 30,	
	2022	2021	2022	2021
Operating revenue <sup>(3)</sup>	\$ 53.5	\$ 40.7	\$ 152.4	\$ 134.1
Net income	\$ 17.3	\$ 21.0	\$ 49.7	\$ 48.6
Diluted earnings per share	\$ 0.35	\$ 0.41	\$ 0.99	\$ 0.93
Return on average assets	1.19 %	1.54 %	1.18 %	1.16 %
Return on average common equity	11.18 %	12.92 %	10.59 %	10.24 %
Net interest margin <sup>(1)</sup>	3.50 %	3.17 %	3.40 %	3.07 %
Net interest margin, fully tax-equivalent <sup>(1)(2)</sup>	3.56 %	3.23 %	3.46 %	3.12 %
Efficiency ratio	53.20 %	59.06 %	55.97 %	54.18 %
Non-GAAP core operating efficiency ratio, fully tax-equivalent <sup>(2)(4)</sup>	52.32 %	50.45 %	54.61 %	51.15 %

<sup>(1)</sup> The Company changed the annualization method on the available-for-sale securities portfolio from Actual/Actual to 30/360 and moved the unrealized gain(loss) on available-for-sale securities from an interest-earning asset to a non-interest earning asset. All periods presented reflect this change.

<sup>(2)</sup> Tax exempt income is calculated on a tax-equivalent basis. Tax-free municipal securities are exempt from federal income taxes. The incremental federal income tax rate used is 21.0%

<sup>(3)</sup> Net interest income plus non-interest income

<sup>(4)</sup> Represents a non-GAAP measure. See "Table 5. Non-GAAP Financial Measures" for a reconciliation of these measures.

**Income from Operations**

**Net Interest Income**

Interest income was \$65.6 million for the third quarter of 2022, an increase of 39% from the third quarter of 2021 and an increase of 24% from the previous quarter due to higher average loans outstanding and higher interest rates. Included in interest income for the third quarter of 2022 was interest of \$1 million as a result of several loans returning to accruing status. Average earning assets totaled \$5.6 billion for the third quarter of 2022, an increase of \$359 million or 7% from the same quarter in 2021. This increase in average earning assets was due to an increase in average loans of \$396 million.

Interest expense for the third quarter of 2022 was \$15.9 million, which increased 159% from the prior quarter and 188% from the same quarter in 2021 due to significant changes in market rates in 2022. Average interest-bearing deposits increased to \$3.8 billion in the third quarter of 2022, a 7% increase from the same prior year period. The cost of funds increased from the previous quarter to 1.23%, compared to 0.46% for the third quarter of 2021 driven by the higher interest rate environment.

Net interest income totaled \$49.7 million for the third quarter of 2022, which was 6% higher than the second quarter of 2022, and 19% higher than the third quarter of 2021. Tax-equivalent net interest margin increased to 3.56% in the current quarter from 3.52% in the previous quarter and 3.23% in the third quarter of 2021. The income recorded from loans returning to accruing status increased the tax equivalent margin by 7 basis points in the current quarter. The tax-equivalent adjustment, which accounts for income taxes saved on the interest earned on non-taxable securities and loans, was \$0.8 million for the third quarter of 2022.

**Non-Interest Income**

Non-interest income increased by \$4.9 million in the third quarter of 2022 compared to the same quarter of 2021 and decreased \$0.4 million compared to the second quarter of 2022. The decrease in non-interest income compared to the previous quarter was due to \$0.2 million in lower credit card fees and \$0.3 million in lower letter of credit fees, partially offset by higher analysis fees. The increase in non-interest income compared to the prior year was primarily the result of a \$6.2 million impairment loss on an equity investment that was received as part of a restructured loan agreement in the prior year. This variance was partially offset by increases in gains on available for sale securities of \$1.0 million and an increase in analysis fees of \$0.4 million.

**Non-Interest Expense**

Non-interest expense for third quarter of 2022 was \$28.5 million, which increased 18% compared to the third quarter of 2021, and decreased 3% from the second quarter of 2022. Salaries and benefit costs were higher in the current quarter by \$1.2 million compared to the prior quarter due to hiring in new markets and lines of business, severance payments recorded in the third quarter and increased incentive compensation expense related to performance. Furthermore, deposit insurance premiums increased \$0.2 million which were offset by decreases of \$0.5 million in professional fees and \$0.3 million in data processing costs. Other non-interest expenses were lower by \$1.5 million as a result of a \$1.1 million employee separation expense recorded in the second quarter of 2022. Compared to the same quarter of 2021, salaries and benefits were up \$2.9 million primarily because of increased hiring for market and line of business expansion.

CrossFirst's effective tax rate for the third quarter of 2022 was 20.3%, as compared to 21.2% for the third quarter of 2021 and 20.6% in the second quarter of 2022. For both comparable periods, the Company continued to benefit from its tax-exempt municipal bond portfolio and bank-owned life insurance. The tax-exempt benefit diminishes as the Company's ratio of taxable income to tax-exempt income increases.

**Balance Sheet Performance & Analysis**

During the third quarter of 2022, total assets increased by \$141 million or 3% compared to June 30, 2022, and increased \$448 million or 8% compared to September 30, 2021. Total assets increased on a linked quarter basis primarily due to a \$149 million increase in loans. The year-over-year increase was due to an increase in loans of \$453 million. Non-interest-bearing deposits decreased \$50 million compared to June 30, 2022, and increased \$153 million from September 30, 2021. During the third quarter of 2022, available-for-sale investment securities decreased \$39 million to \$657 million compared to June 30, 2022 primarily due to unrealized losses from interest rate increases. The securities yields remained consistent at a tax equivalent yield of 3.07% for the third quarter of 2022 compared to the prior quarter.

**Loan Results**

During the third quarter of 2022, the Company produced an increase in average loans of \$189 million compared to the second quarter of 2022, and an increase of \$396 million or 9% compared to the third quarter of 2021. The linked quarter increase in average loans was primarily a result of growth in the commercial and commercial real estate portfolios. Loan yields increased 80 basis points to 5.08% during the third quarter of 2022 and increased 108 basis points compared to the same prior year quarter.

	3Q22	2Q22	1Q22	4Q21	3Q21	QoQ Growth (\$)	QoQ Growth (%) <sup>(1)</sup>	YoY Growth (\$)	YoY Growth (%) <sup>(1)</sup>
<i>(Dollars in millions)</i>									
<b>Average loans (gross)</b>									
Commercial	\$ 1,630	\$ 1,532	\$ 1,434	\$ 1,328	\$ 1,233	\$ 98	6 %	\$ 397	32 %
Energy	211	241	274	290	311	(30)	(12)	(100)	(32)
Commercial real estate	1,439	1,399	1,327	1,272	1,213	40	3	226	19
Construction and land development	633	581	593	579	611	52	9	22	4
Residential and multifamily real estate	644	609	604	612	659	35	6	(15)	(2)
Paycheck Protection Program	6	20	42	84	147	(14)	(71)	(141)	(96)
Consumer	64	56	59	56	57	8	14	7	12
<b>Total</b>	<b>\$ 4,627</b>	<b>\$ 4,438</b>	<b>\$ 4,333</b>	<b>\$ 4,221</b>	<b>\$ 4,231</b>	<b>\$ 189</b>	<b>4 %</b>	<b>\$ 396</b>	<b>9 %</b>

*Yield on average loans for the period ending*

5.08%      4.28%      4.00%      4.17%      4.00%

<sup>(1)</sup> Actual unrounded values are used to calculate the reported percent disclosed. Accordingly, recalculations using the amounts in millions as disclosed in this release may not produce the same amounts.

**Deposit & Other Borrowing Results**

During the third quarter of 2022, the Company produced an increase in average deposits of 8% compared to the previous quarter, and an increase of 11% in average deposits compared to the third quarter of 2021. The deposit increase for the current quarter and the same quarter in the prior year was driven by increases in transaction, saving and money market, and time deposits. As a result of the increasing interest rate environment, the Company had an increase of 78 basis points in the overall cost of deposits during the third quarter of 2022, and an increase of 82 basis points in the last twelve months.

	3Q22	2Q22	1Q22	4Q21	3Q21	QoQ Growth (\$)	QoQ Growth (%) <sup>(1)</sup>	YoY Growth (\$)	YoY Growth (%) <sup>(1)</sup>
<i>(Dollars in millions)</i>									
<b>Average deposits</b>									
Non-interest bearing deposits	\$ 1,138	\$ 1,150	\$ 1,157	\$ 1,058	\$ 910	\$ (12)	(1)%	\$ 228	25 %
Transaction deposits	531	507	586	543	511	24	5	20	4
Savings and money market deposits	2,520	2,334	2,303	2,272	2,276	186	8	244	11
Time deposits	734	560	587	662	752	174	31	(18)	(2)
<b>Total</b>	<b>\$ 4,923</b>	<b>\$ 4,551</b>	<b>\$ 4,633</b>	<b>\$ 4,535</b>	<b>\$ 4,449</b>	<b>\$ 372</b>	<b>8 %</b>	<b>\$ 474</b>	<b>11 %</b>

*Cost of deposits for the period ending*

1.20%      0.42%      0.31%      0.33%      0.38%

*Cost of interest-bearing deposits for the period ending*

1.56%      0.56%      0.41%      0.43%      0.47%

<sup>(1)</sup> Actual unrounded values are used to calculate the reported percent disclosed. Accordingly, recalculations using the amounts in millions as disclosed in this release may not produce the same amounts.

At September 30, 2022, other borrowings totaled \$206 million, as compared to \$298 million at June 30, 2022, and \$278 million at September 30, 2021.

## CROSSFIRST BANKSHARES, INC.

### Asset Quality Position

Non-performing assets decreased to \$18.2 million at September 30, 2022 due to a \$10.8 million decrease in non-accrual loans. The decline is attributable primarily to decreases in non-accrual commercial and industrial and commercial real estate loans. The non-performing assets to total assets ratio decreased from 0.92% at September 30, 2021 to 0.31% at September 30, 2022. Classified loans decreased slightly during the third quarter due to reductions in classified commercial real estate loans, bringing the ratio of classified loans to total capital plus the allowance for credit losses to 11.3%.

The allowance for credit losses was \$55.9 million or 1.19% of outstanding loans and 324% of non-accruing loans at September 30, 2022. The combined allowance for credit losses and accrual for off-balance sheet credit risk from unfunded commitments ("RUC") was \$62.6 million or 1.34% of outstanding loans.

The allowance for credit losses to total loans decreased to 1.19% at September 30, 2022 from 1.23% at June 30, 2022. The improvements in credit metrics compared to September 30, 2021 were primarily driven by upgrades restoring loans to an accruing status in the commercial and industrial and commercial real estate portfolios. Net charge-offs were \$1.9 million for the third quarter of 2022 and increased by \$0.8 million from the prior quarter. The charge-offs for the current quarter were primarily related to commercial and industrial and energy credits. The following table provides information regarding asset quality.

Asset quality (Dollars in millions)	3Q22	2Q22	1Q22	4Q21	3Q21
Non-accrual loans	\$ 16.9	\$ 27.7	\$ 33.1	\$ 31.4	\$ 48.1
Other real estate owned	1.0	1.0	1.0	1.1	1.1
Nonperforming assets	18.2	30.8	35.6	32.7	49.8
Loans 90+ days past due and still accruing	0.3	2.2	1.5	0.1	0.5
Loans 30 - 89 days past due	21.4	16.6	15.9	3.5	37.6
Net charge-offs (recoveries)	1.9	1.1	1.1	0.8	1.3

Asset quality metrics (%)	3Q22	2Q22	1Q22	4Q21	3Q21
Nonperforming assets to total assets	0.31 %	0.54 %	0.64 %	0.58 %	0.92 %
Allowance for credit loss to total loans	1.19	1.23	1.27	1.37	1.51
Allowance for credit loss + RUC to total loans <sup>(1)</sup>	1.34	1.35	1.38	-	-
Allowance for credit loss to nonperforming loans	324	187	160	185	132
Net charge-offs (recoveries) to average loans <sup>(2)</sup>	0.16	0.10	0.10	0.07	0.13
Provision to average loans <sup>(2)</sup>	0.29	0.19	(0.06)	(0.47)	(0.94)
Classified Loans / (Total Capital + ACL)	11.3	12.1	10.8	10.8	17.3
Classified Loans / (Total Capital + ACL + RUC) <sup>(1)</sup>	11.2	12.0	10.7	-	-

<sup>(1)</sup> Includes the accrual for off-balance sheet credit risk from unfunded commitments that resulted from CECL adoption on January 1, 2022.

<sup>(2)</sup> Interim periods annualized.

### Capital Position

At September 30, 2022, stockholders' equity totaled \$581 million, or \$11.90 per share, compared to \$668 million, or \$13.23 per share, at December 31, 2021. During the third quarter of 2022, CrossFirst continued its share repurchase program by purchasing 794,457 shares of common stock outstanding. In addition, accumulated other comprehensive (loss) income declined by \$106 million between December 31, 2021 and September 30, 2022; driven by a \$102 million decrease in the unrealized (loss) gain on available-for-sale securities, net of tax.

The ratio of common equity Tier 1 capital to risk-weighted assets was approximately 11% and the ratio of total capital to risk-weighted assets was approximately 12% at September 30, 2022. The Company remains well-capitalized.

## CROSSFIRST BANKSHARES, INC.

### Conference Call and Webcast

CrossFirst Bankshares, Inc. (Nasdaq: CFB), the parent company of CrossFirst Bank, will host a conference call to review third quarter financial results on Tuesday, October 18, 2022, at 10 a.m. CT / 11 a.m. ET. To access the event by telephone, please dial (833) 630-1956 at least fifteen minutes prior to the start of the call and request access to the CrossFirst Bankshares call. International callers should dial +1 (412) 317-1837 and request access as directed above. The call will also be broadcast live over the internet and can be accessed via the following link: <https://edge.media-server.com/mmc/p/6enfwdfg>. Please visit the site at least 15 minutes prior to the call to allow time for registration. For those unable to join the presentation, a replay of the call will be available two hours after the conclusion of the live call. To access the replay, dial (877) 344-7529 and enter the replay access code 4987463. International callers should dial +1 (412) 317-0088 and enter the same access code. A replay of the webcast will also be available for 90 days on the company's website <https://investors.crossfirstbankshares.com/>.

### Cautionary Notice about Forward-Looking Statements

The financial results in this press release reflect preliminary, unaudited results, which are not final until the Company's Quarterly Report on Form 10-Q is filed. This earnings release contains forward-looking statements regarding, among other things, our business plans, and future financial performance. Any statements about management's expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "believes," "could," "will," and similar words or phrases. The inclusion of forward-looking information in this earnings release should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. Our actual results could differ materially from those anticipated in such forward-looking statements.

Accordingly, the Company cautions you that any such forward-looking statements are not a guarantee of future performance and that actual results may prove to be materially different from the results expressed or implied by the forward-looking statements due to a number of factors. Such factors include, without limitation, credit quality and risk, ongoing impact of the COVID-19 pandemic, industry and technological changes, cyber incidents or other failures, disruptions or security breaches, interest rates, commercial and residential real estate values, economic and market conditions in the United States or internationally, funding availability, accounting estimates and risk management processes, the transition away from the London Interbank Offered Rate (LIBOR), legislative and regulatory changes, business strategy execution, hiring and retention of key personnel, competition, mortgage markets, fraud committed against the Company, environmental liability and severe weather, natural disasters, acts of war or terrorism or other external events. These and other factors that could cause results to differ materially from those described in the forward-looking statements, as well as a discussion of the risks and uncertainties that may affect our business, can be found in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and in other filings we make with the Securities and Exchange Commission. These forward-looking statements are made as of the date of this communication, and we disclaim any obligation to update any forward-looking statement or to publicly announce the results of any revisions to any of the forward-looking statements included herein, except as required by law.

### About CrossFirst Bankshares, Inc.

CrossFirst Bankshares, Inc. (Nasdaq: CFB) is a Kansas corporation and a registered bank holding company for its wholly owned subsidiary CrossFirst Bank, which is headquartered in Leawood, Kansas. CrossFirst Bank has nine full-service banking locations in Kansas, Missouri, Oklahoma, Texas, and Arizona that offer products and services to businesses, professionals, individuals, and families.

### INVESTOR CONTACT

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(214)676-4666  
<https://investors.crossfirstbankshares.com>

**Unaudited Financial Tables**

- [Table 1. Consolidated Balance Sheets](#)
- [Table 2. Consolidated Statements of Operations](#)
- [Table 3. 2021 - 2022 Year-to-Date Analysis of Changes in Net Interest Income](#)
- [Table 4. 2021 - 2022 Quarterly Analysis of Changes in Net Interest Income](#)
- [Table 5. Non-GAAP Financial Measures](#)



TABLE 1. CONSOLIDATED BALANCE SHEETS

	September 30, 2022	December 31, 2021 <sup>(1)</sup>
	(Unaudited)	
	<i>(Dollars in thousands)</i>	
<b>Assets</b>		
Cash and cash equivalents	\$ 309,135	\$ 482,727
Available-for-sale securities - taxable	174,004	192,146
Available-for-sale securities - tax-exempt	482,523	553,823
Loans, net of unearned fees	4,677,646	4,256,213
Allowance for credit losses on loans <sup>(2)</sup>	55,864	58,375
Loans, net of the allowance for credit losses on loans	4,621,782	4,197,838
Premises and equipment, net	64,313	66,069
Restricted equity securities	9,277	11,927
Interest receivable	20,553	16,023
Foreclosed assets held for sale	973	1,148
Bank-owned life insurance	68,698	67,498
Other	97,719	32,258
Total assets	<u>\$ 5,848,977</u>	<u>\$ 5,621,457</u>
<b>Liabilities and stockholders' equity</b>		
<b>Deposits</b>		
Non-interest-bearing	\$ 1,113,934	\$ 1,163,224
Savings, NOW and money market	3,123,410	2,895,986
Time	750,171	624,387
Total deposits	4,987,515	4,683,597
Federal Home Loan Bank advances	205,349	236,600
Other borrowings	1,048	1,009
Interest payable and other liabilities	74,518	32,678
Total liabilities	5,268,430	4,953,884
<b>Stockholders' equity</b>		
Common stock, \$0.01 par value:		
authorized - 200,000,000 shares, issued - 53,018,448 and 52,590,015 shares at September 30, 2022 and December 31, 2021, respectively	530	526
Treasury stock, at cost:		
4,230,752 and 2,139,970 shares held at September 30, 2022 and December 31, 2021, respectively	(59,328)	(28,347)
Additional paid-in capital	529,646	526,806
Retained earnings	194,148	147,099
Accumulated other comprehensive (loss) income	(84,449)	21,489
Total stockholders' equity	580,547	667,573
Total liabilities and stockholders' equity	<u>\$ 5,848,977</u>	<u>\$ 5,621,457</u>

- (1) The year-end Condensed Consolidated Balance Sheet was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America.
- (2) As of December 31, 2021, this line represents the allowance for loan and lease losses.

TABLE 2. CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
<i>(Dollars in thousands except per share data)</i>				
<b>Interest Income</b>				
Loans, including fees	\$ 59,211	\$ 42,664	\$ 149,266	\$ 130,268
Available-for-sale securities - taxable	1,119	803	3,250	2,423
Available-for-sale securities - tax-exempt	3,905	3,562	11,442	10,410
Deposits with financial institutions	1,193	121	1,714	359
Dividends on bank stocks	122	161	478	488
Total interest income	65,550	47,311	166,150	143,948
<b>Interest Expense</b>				
Deposits	14,909	4,211	23,152	14,789
Fed funds purchased and repurchase agreements	9	-	83	3
Federal Home Loan Bank Advances	898	1,275	3,302	3,838
Other borrowings	39	24	94	72
Total interest expense	15,855	5,510	26,631	18,702
<b>Net Interest Income</b>	49,695	41,801	139,519	125,246
<b>Provision for Credit Losses<sup>(1)</sup></b>	3,334	(10,000)	4,844	1,000
<b>Net Interest Income after Provision for Credit Losses<sup>(1)</sup></b>	46,361	51,801	134,675	124,246
<b>Non-Interest Income</b>				
Service charges and fees on customer accounts	1,566	1,196	4,520	3,330
Realized (losses) gains on available-for-sale securities	(4)	1,046	(43)	1,043
Unrealized gains (losses) on equity securities, net	(87)	(6,210)	(261)	(6,243)
Income from bank-owned life insurance	405	427	1,200	3,088
Swap fees and credit valuation adjustments, net	(7)	31	123	156
ATM and credit card interchange income	1,326	1,735	5,513	5,569
Other non-interest income	581	670	1,870	1,921
Total non-interest income	3,780	(1,105)	12,922	8,864
<b>Non-Interest Expense</b>				
Salaries and employee benefits	18,252	15,399	53,288	44,612
Occupancy	2,736	2,416	7,851	7,307
Professional fees	580	618	2,453	2,538
Deposit insurance premiums	903	927	2,355	2,995
Data processing	877	700	2,849	2,136
Advertising	796	596	2,247	1,334
Software and communication	1,222	999	3,689	3,098
Foreclosed assets, net	9	(35)	(30)	680
Other non-interest expense	3,076	2,416	10,617	7,967
Total non-interest expense	28,451	24,036	85,319	72,667
<b>Net Income Before Taxes</b>	21,690	26,660	62,278	60,443
Income tax expense	4,410	5,660	12,625	11,831
<b>Net Income</b>	\$ 17,280	\$ 21,000	\$ 49,653	\$ 48,612
<b>Basic Earnings Per Share</b>	\$ 0.35	\$ 0.41	\$ 1.00	\$ 0.95
<b>Diluted Earnings Per Share</b>	\$ 0.35	\$ 0.41	\$ 0.99	\$ 0.93

(1) For the three and nine-months ended September 30, 2021, this line represents the provision for loan and lease losses.

**TABLE 3. YEAR-TO-DATE ANALYSIS OF CHANGES IN NET INTEREST INCOME  
(UNAUDITED)**

	Nine Months Ended					
	September 30,					
	2022			2021		
Average Balance	Interest Income / Expense	Average Yield / Rate <sup>(4)</sup>	Average Balance	Interest Income / Expense	Average Yield / Rate <sup>(4)</sup>	
<i>(Dollars in thousands)</i>						
<b>Interest-earning assets:</b>						
Securities - taxable <sup>(1)</sup>	\$ 218,421	\$ 3,728	2.28%	\$ 207,691	\$ 2,911	1.87%
Securities - tax-exempt <sup>(1)(2)</sup>	549,490	11,442	2.78	507,986	12,596	3.32
Federal funds sold	-	-	-	-	-	-
Interest-bearing deposits in other banks	246,213	1,714	0.93	390,588	359	0.12
Gross loans, net of unearned income <sup>(3)</sup>	4,466,887	149,266	4.47	4,381,213	130,268	3.98
Total interest-earning assets <sup>(1)(2)</sup>	5,481,011	\$ 166,150	4.05%	5,487,478	\$ 146,134	3.56%
Allowance for credit losses	(57,213)			(76,726)		
Other non-interest-earning assets	201,519			214,752		
Total assets	\$ 5,625,317			\$ 5,625,504		
<b>Interest-bearing liabilities</b>						
Transaction deposits	\$ 541,933	\$ 2,134	0.89%	\$ 629,959	\$ 936	0.20%
Savings and money market deposits	2,386,205	15,285	0.86	2,360,559	6,402	0.36
Time deposits	627,458	5,733	1.22	863,592	7,451	1.15
Total interest-bearing deposits	3,555,596	23,152	0.87	3,854,110	14,789	0.51
FHLB and short-term borrowings	241,897	3,384	1.87	285,371	3,841	1.80
Trust preferred securities, net of fair value adjustments	1,024	94	12.29	976	72	9.80
Non-interest-bearing deposits	1,148,150	-	-	814,924	-	-
Cost of funds	4,946,667	\$ 26,631	0.72%	4,955,381	\$ 18,702	0.50%
Other liabilities	51,634			35,385		
Stockholders' equity	627,016			634,738		
Total liabilities and stockholders' equity	\$ 5,625,317			\$ 5,625,504		
Net interest income <sup>(2)</sup>		\$ 139,519			\$ 127,432	
Net interest spread <sup>(1)(2)</sup>			3.33%			3.06%
Net interest margin <sup>(1)(2)</sup>			3.46%			3.12%

<sup>(1)</sup> The Company changed the annualization method on the available-for-sale securities portfolio from Actual/Actual to 30/360 and moved the unrealized gain (loss) on available-for-sale securities from an interest-earning asset to a non-interest-earning asset. All periods presented reflect this change.

<sup>(2)</sup> Tax exempt income is calculated on a tax-equivalent basis. Tax-free municipal securities are exempt from federal income taxes. The incremental income tax rate used is 21.0%.

<sup>(3)</sup> Average gross loan balances include non-accrual loans.

<sup>(4)</sup> Actual unrounded values are used to calculate the reported yield or rate disclosed. Accordingly, recalculations using the amounts in thousands as disclosed in this release may not produce the same amounts.

## YEAR-TO-DATE VOLUME &amp; RATE VARIANCE TO NET INTEREST INCOME (UNAUDITED)

Nine Months Ended  
September 30, 2022 over 2021

	Average Volume	Yield/Rate	Net Change <sup>(2)</sup>
	<i>(Dollars in thousands)</i>		
<b>Interest Income</b>			
Securities - taxable	\$ 157	\$ 660	\$ 817
Securities - tax-exempt <sup>(1)</sup>	987	(2,141)	(1,154)
Federal funds sold	-	-	-
Interest-bearing deposits in other banks	(176)	1,531	1,355
Gross loans, net of unearned income	2,614	16,384	18,998
Total interest income <sup>(1)</sup>	3,582	16,434	20,016
<b>Interest Expense</b>			
Transaction deposits	(207)	1,405	1,198
Savings and money market deposits	69	8,814	8,883
Time deposits	(2,137)	419	(1,718)
Total interest-bearing deposits	(2,275)	10,638	8,363
FHLB and short-term borrowings	(602)	146	(456)
Trust preferred securities, net of fair value adjustments	4	18	22
Total interest expense	(2,873)	10,802	7,929
Net interest income <sup>(1)</sup>	\$ 6,455	\$ 5,632	\$ 12,087

<sup>(1)</sup> Tax exempt income is calculated on a tax-equivalent basis. Tax-free municipal securities are exempt from federal income taxes. The incremental income tax rate used is 21.0%.

<sup>(2)</sup> The change in interest not due solely to volume or rate has been allocated in proportion to the respective absolute dollar amounts of the change in volume or rate.

**TABLE 4. 2021 - 2022 QUARTERLY ANALYSIS OF CHANGES IN NET INTEREST INCOME  
(UNAUDITED)**

	Three Months Ended					
	September 30,					
	2022			2021		
Average Balance	Interest Income / Expense	Average Yield / Rate <sup>(4)</sup>	Average Balance	Interest Income / Expense	Average Yield / Rate <sup>(4)</sup>	
<i>(Dollars in thousands)</i>						
<b>Interest-earning assets:</b>						
Securities - taxable <sup>(1)</sup>	\$ 213,775	\$ 1,241	2.32%	\$ 194,929	\$ 964	1.96%
Securities - tax-exempt <sup>(1)(2)</sup>	560,541	3,905	2.79	534,917	4,310	3.20
Federal funds sold	-	-	-	-	-	-
Interest-bearing deposits in other banks	231,345	1,193	2.05	313,188	121	0.15
Gross loans, net of unearned income <sup>(3)</sup>	4,626,684	59,211	5.08	4,230,553	42,664	4.00
Total interest-earning assets <sup>(1)(2)</sup>	5,632,345	\$ 65,550	4.62%	5,273,587	\$ 48,059	3.62%
Allowance for credit losses	(56,995)			(75,103)		
Other non-interest-earning assets	188,997			210,500		
Total assets	\$ 5,764,347			\$ 5,408,984		
<b>Interest-bearing liabilities</b>						
Transaction deposits	\$ 531,999	\$ 1,539	1.95%	\$ 510,823	\$ 259	0.20%
Savings and money market deposits	2,519,574	10,568	1.66	2,276,436	1,907	0.33
Time deposits	733,607	2,802	1.52	752,012	2,045	1.08
Total interest-bearing deposits	3,785,180	14,909	1.56	3,539,271	4,211	0.47
FHLB and short-term borrowings	165,196	908	2.18	278,154	1,275	1.82
Trust preferred securities, net of fair value adjustments	1,037	38	14.58	988	24	9.63
Non-interest-bearing deposits	1,137,626	-	-	909,750	-	-
Cost of funds	5,089,039	\$ 15,855	1.23%	4,728,163	\$ 5,510	0.46%
Other liabilities	62,102			36,106		
Stockholders' equity	613,206			644,715		
Total liabilities and stockholders' equity	\$ 5,764,347			\$ 5,408,984		
Net interest income <sup>(2)</sup>		\$ 49,695			\$ 42,549	
Net interest spread <sup>(1)(2)</sup>			3.39%			3.16%
Net interest margin <sup>(1)(2)</sup>			3.56%			3.23%

<sup>(1)</sup> The Company changed the annualization method on the available-for-sale securities portfolio from Actual/Actual to 30/360 and moved the unrealized gain (loss) on available-for-sale securities from an interest-earning asset to a non-interest-earning asset. All periods presented reflect this change.

<sup>(2)</sup> Tax exempt income is calculated on a tax-equivalent basis. Tax-free municipal securities are exempt from federal income taxes. The incremental income tax rate used is 21.0%.

<sup>(3)</sup> Average loan balances include non-accrual loans.

<sup>(4)</sup> Actual unrounded values are used to calculate the reported yield or rate disclosed. Accordingly, recalculations using the amounts in thousands as disclosed in this release may not produce the same amounts.

## QUARTER-TO-DATE VOLUME &amp; RATE VARIANCE TO NET INTEREST INCOME (UNAUDITED)

Three Months Ended  
September 30, 2022 over 2021

	(Dollars in thousands)		
	Average Volume	Yield/Rate	Net Change <sup>(2)</sup>
<b>Interest Income</b>			
Securities - taxable	\$ 95	\$ 182	\$ 277
Securities - tax-exempt <sup>(1)</sup>	191	(596)	(405)
Federal funds sold	-	-	-
Interest-bearing deposits in other banks	(39)	1,111	1,072
Gross loans, net of unearned income	4,269	12,278	16,547
Total interest income <sup>(1)</sup>	4,516	12,975	17,491
<b>Interest Expense</b>			
Transaction deposits	6	1,274	1,280
Savings and money market deposits	223	8,438	8,661
Time deposits	(51)	808	757
Total interest-bearing deposits	178	10,520	10,698
FHLB and short-term borrowings	(585)	218	(367)
Trust preferred securities, net of fair value adjustments	1	13	14
Total interest expense	(406)	10,751	10,345
Net interest income <sup>(1)</sup>	\$ 4,922	\$ 2,224	\$ 7,146

<sup>(1)</sup> Tax exempt income is calculated on a tax-equivalent basis. Tax-free municipal securities are exempt from federal incometaxes. The incremental income tax rate used is 21.0%.

<sup>(2)</sup> The change in interest not due solely to volume or rate has been allocated in proportion to the respective absolute dollar amounts of the change in volume or rate.

## TABLE 5. NON-GAAP FINANCIAL MEASURES

**Non-GAAP Financial Measures**

In addition to disclosing financial measures determined in accordance with GAAP, the Company discloses non-GAAP financial measures in this release. The Company believes that the non-GAAP financial measures presented in this release reflect industry conventions, or standard measures within the industry, and provide useful information to the Company's management, investors and other parties interested in the Company's operating performance. These measurements should be considered in addition to, but not as a substitute for, financial information prepared in accordance with GAAP. We have defined below each of the non-GAAP measures we use in this release, but these measures may not be synonymous to similar measurement terms used by other companies.

CrossFirst provides reconciliations (unaudited) of these non-GAAP measures below. The measures used in this release include the following:

- We calculate "non-GAAP core operating income" as net income adjusted to remove non-core income and expense items related to:
  - Acquisition costs - We incurred expenses during the second and third quarter of 2022 related to the announced acquisition of Central Bancorp, Inc.'s bank subsidiary, Farmers & Stockmens Bank.
  - Employee separation - During the quarter ended June 30, 2022, the Company recorded \$1.1 million expense related to employee separation.
  - Charges and adjustments associated with the full vesting of a former executive - We incurred additional charges in the second quarter of 2021 related to the acceleration of \$0.7 million of certain cash, stock-based compensation, and employee costs.
  - Bank Owned Life Insurance - We obtain bank owned life insurance on key employees throughout the organization and received a \$1.8 million benefit in the second quarter of 2021.
  - Unrealized loss on equity security - During the quarter ended September 30, 2021, the Company recorded a \$6.2 million impairment loss related to an equity investment that was received as part of a restructured loan agreement.

The most directly comparable GAAP financial measure for non-GAAP core operating income is net income. Management believes that non-GAAP core operating income removes events that are not part of core business activities and are useful analytical tools for investors to compare periods excluding these non-core expenses and charges.

- We calculate "non-GAAP core operating return on average assets" as non-GAAP core operating income (as defined above) divided by average assets. The most directly comparable GAAP financial measure is return on average assets, which is calculated as net income divided by average assets. Management believes that non-GAAP core operating return on average assets removes events that are not part of core business activities and are useful analytical tools for investors to compare periods excluding these non-core expenses and charges.
- We calculate "tangible common stockholders' equity" as total stockholders' equity less goodwill and intangibles and preferred equity. The most directly comparable GAAP measure is total stockholders' equity. Management believes that tangible stockholders' equity is important to many investors in the marketplace who are interested in changes from period to period in our stockholders' equity, exclusive of changes in intangible assets.
- We calculate "tangible book value per share" as tangible common stockholders' equity (as defined above) divided by the total number of shares outstanding. The most directly comparable GAAP measure is book value per share. Management believes that tangible book value per share is important to many investors in the marketplace who are interested in changes from period to period in our stockholders' equity, exclusive of changes in intangible assets.
- We calculate "non-GAAP loan growth, excluding PPP loans" as gross loans, net of unearned income subtracted by PPP loans, net of unearned income. Management believes that loan growth, excluding PPP loans is important to investors because it is a better representation of the overall loan portfolio activity when comparing between periods.
- We calculate "non-GAAP core operating efficiency ratio - fully tax equivalent (FTE)" as non-interest expense adjusted to remove non-core, non-interest expenses as defined above under non-GAAP core operating income divided by net interest income on a fully tax-equivalent basis plus non-interest income adjusted to remove non-core, non-interest income as defined above under non-GAAP core operating income. The most directly comparable financial measure is the efficiency ratio. Management believes that the non-GAAP core operating efficiency ratio is important to many investors because the ratio removes events that are not part of core business activities and is a useful analytical tool.

CROSSFIRST BANKSHARES, INC.

	Quarter Ended					Nine Months Ended	
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	9/30/2022	9/30/2021
	<i>(Dollars in thousands)</i>						
<b>Non-GAAP core operating income:</b>							
Net income	\$ 17,280	\$ 15,545	\$ 16,828	\$ 20,801	\$ 21,000	\$ 49,653	\$ 48,612
Add: Acquisition costs	81	239	-	-	-	320	-
Less: Tax effect <sup>(2)</sup>	17	50	-	-	-	67	-
Acquisition costs, net of tax	64	189	-	-	-	253	-
Add: Employee separation	-	1,063	-	-	-	1,063	-
Less: Tax effect <sup>(2)</sup>	-	223	-	-	-	223	-
Employee separation, net of tax	-	840	-	-	-	840	-
Add: Unrealized loss on equity security	-	-	-	-	6,200	-	6,200
Less: Tax effect <sup>(2)</sup>	-	-	-	-	1,302	-	1,302
Unrealized loss on equity security, net of tax	-	-	-	-	4,898	-	4,898
Add: Accelerated employee benefits	-	-	-	-	-	-	719
Less: Tax effect <sup>(3)</sup>	-	-	-	-	-	-	210
Accelerated employee benefits, net of tax	-	-	-	-	-	-	509
Less: BOLI settlement benefits <sup>(1)</sup>	-	-	-	-	-	-	1,841
<b>Non-GAAP core operating income</b>	<b>\$ 17,344</b>	<b>\$ 16,574</b>	<b>\$ 16,828</b>	<b>\$ 20,801</b>	<b>\$ 25,898</b>	<b>\$ 50,746</b>	<b>\$ 52,178</b>

<sup>(1)</sup> No tax effect.

<sup>(2)</sup> Represents the tax impact of the adjustments at a tax rate of 21.0%.

<sup>(3)</sup> Represents the tax impact of the adjustments above at a tax rate of 21.0%, plus a permanent tax benefit associated with stock-based grants.

	Quarter Ended					Nine Months Ended	
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	9/30/2022	9/30/2021
	<i>(Dollars in thousands)</i>						
<b>Non-GAAP core operating return on average assets:</b>							
Net income	\$ 17,280	\$ 15,545	\$ 16,828	\$ 20,801	\$ 21,000	\$ 49,653	\$ 48,612
Non-GAAP core operating income	17,344	16,574	16,828	20,801	25,898	50,746	52,178
Average assets	\$ 5,764,347	\$ 5,545,657	\$ 5,563,738	\$ 5,490,482	\$ 5,408,984	\$ 5,625,317	\$ 5,625,504
<b>Return on average assets</b>	<b>1.19 %</b>	<b>1.12 %</b>	<b>1.23 %</b>	<b>1.50 %</b>	<b>1.54 %</b>	<b>1.18 %</b>	<b>1.16 %</b>
<b>Non-GAAP core operating return on average assets</b>	<b>1.19 %</b>	<b>1.20 %</b>	<b>1.23 %</b>	<b>1.50 %</b>	<b>1.90 %</b>	<b>1.21 %</b>	<b>1.24 %</b>



CROSSFIRST BANKSHARES, INC.

	Quarter Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
	<i>(Dollars in thousands except per share data)</i>				
<b>Tangible common stockholders' equity:</b>					
Total stockholders' equity	\$ 580,547	\$ 608,016	\$ 623,199	\$ 667,573	\$ 652,407
Less: goodwill and other intangible assets	71	91	110	130	149
<b>Tangible common stockholders' equity</b>	<b>\$ 580,476</b>	<b>\$ 607,925</b>	<b>\$ 623,089</b>	<b>\$ 667,443</b>	<b>\$ 652,258</b>
<b>Tangible book value per share:</b>					
Tangible common stockholders' equity	\$ 580,476	\$ 607,925	\$ 623,089	\$ 667,443	\$ 652,258
Shares outstanding at end of period	48,787,696	49,535,949	49,728,253	50,450,045	51,002,698
<b>Book value per share</b>	<b>\$ 11.90</b>	<b>\$ 12.27</b>	<b>\$ 12.53</b>	<b>\$ 13.23</b>	<b>\$ 12.79</b>
<b>Tangible book value per share</b>	<b>\$ 11.90</b>	<b>\$ 12.27</b>	<b>\$ 12.53</b>	<b>\$ 13.23</b>	<b>\$ 12.79</b>

	Quarter Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
	<i>(Dollars in thousands)</i>				
<b>Non-GAAP loan growth, excluding PPP loans:</b>					
Gross loans, net of unearned income	\$ 4,677,646	\$ 4,528,234	\$ 4,349,558	\$ 4,256,213	\$ 4,233,117
Less: PPP loans, net of unearned income	6,622	14,536	31,200	64,805	109,465
<b>Non-PPP gross loans, net of unearned income</b>	<b>\$ 4,671,024</b>	<b>\$ 4,513,698</b>	<b>\$ 4,318,358</b>	<b>\$ 4,191,408</b>	<b>\$ 4,123,652</b>
Year-over-year loan growth	10.50 %				
Non-GAAP year-over-year loan growth excluding PPP loans	13.27				
Linked quarter loan growth	3.30				
Non-GAAP linked quarter loan growth excluding PPP loans	3.49 %				

CROSSFIRST BANKSHARES, INC.

	Quarter Ended				Nine Months Ended			
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	9/30/2022	9/30/2021	
	<i>(Dollars in thousands)</i>							
<b>Non-GAAP Core Operating Efficiency Ratio - Fully Tax Equivalent (FTE)</b>								
Non-interest expense	\$ 28,451	\$ 29,203	\$ 27,666	\$ 26,715	\$ 24,036	\$ 85,319	\$ 72,667	
Less: Accelerated employee benefits	-	-	-	-	-	-	719	
Adjusted Non-interest expense (numerator)	\$ 28,451	\$ 29,203	\$ 27,666	\$ 26,715	\$ 24,036	\$ 85,319	\$ 71,948	
Net interest income	49,695	46,709	43,115	43,445	41,801	139,519	125,246	
Tax equivalent interest income <sup>(1)</sup>	820	808	775	762	748	2,403	2,186	
Non-interest income (loss)	3,780	4,201	4,942	4,796	(1,105)	12,922	8,864	
Add: Acquisition costs	81	239	-	-	-	320	-	
Add: Employee separation	-	1,063	-	-	-	1,063	-	
Add: Unrealized loss on equity security	-	-	-	-	6,200	-	6,200	
Less: BOLI settlement benefits	-	-	-	-	-	-	1,841	
Total tax-equivalent income (denominator)	\$ 54,376	\$ 53,020	\$ 48,832	\$ 49,003	\$ 47,644	\$ 156,227	\$ 140,655	
<b>Efficiency Ratio</b>	<b>53.20 %</b>	<b>57.36 %</b>	<b>57.57 %</b>	<b>55.38 %</b>	<b>59.06 %</b>	<b>55.97 %</b>	<b>54.18 %</b>	
<b>Non-GAAP Core Operating Efficiency Ratio - Fully Tax Equivalent (FTE)</b>	<b>52.32 %</b>	<b>55.08 %</b>	<b>56.66 %</b>	<b>54.52 %</b>	<b>50.45 %</b>	<b>54.61 %</b>	<b>51.15 %</b>	

<sup>(1)</sup> Tax exempt income (tax-free municipal securities) is calculated on a tax equivalent basis. The incremental tax rate used is 21.0%.

CROSSFIRST BANKSHARES, INC.  
NASDAQ: CFB

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3<sup>rd</sup> Quarter 2022 Earnings Presentation  
October 18, 2022

**FORWARD-LOOKING STATEMENTS.** The financial results in this presentation reflect preliminary, unaudited results, which are not final until the Company's Quarterly Report on Form 10-Q is filed. This presentation and oral statements made during this meeting contain forward-looking statements. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These forward-looking statements include, but are not limited to, statements regarding our business plans, the acquisition of Central,\* expansion targets and opportunities, and future financial performance. These statements are often, but not always, made through the use of words or phrases such as "positioning," "would," "could," "optimistic," "potential," "believe," "expect," "will make," "will," "anticipate," "looking forward," "growth," "intend," "plan," "position," "future," "goal," "target," "focus," "uncertainty," "strategy," and "assuming" or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but not limited to, the following: risks relating to the ongoing COVID-19 pandemic; risks related to general business and economic conditions and any regulatory responses to such conditions; our ability to effectively execute our growth strategy and manage our growth, including identifying and consummating suitable mergers and acquisitions; the geographic concentration of our markets; fluctuation of the fair value of our investment securities due to factors outside our control; our ability to successfully manage our credit risk and the sufficiency of our allowance; regulatory restrictions on our ability to grow due to our concentration in commercial real estate lending; our ability to attract, hire and retain key personnel; interest rate fluctuations; our ability to raise or maintain sufficient capital; competition from banks, credit unions and other financial services providers; the effectiveness of our risk management framework in mitigating risks and losses; our ability to maintain effective internal control over financial reporting; our ability to keep pace with technological changes; system failures and interruptions, cyber-attacks and security breaches; employee error, fraudulent activity by employees or clients and inaccurate or incomplete information about our clients and counterparties; our ability to maintain our reputation; costs and effects of litigation, investigations or similar matters; risk exposure from transactions with financial counterparties; compliance with governmental and regulatory requirements; and changes in the laws, rules, regulations, interpretations or policies relating to financial institutions, accounting, tax, trade, monetary and fiscal matters. These and other factors that could cause results to differ materially from those described in the forward-looking statements, as well as a discussion of the risks and uncertainties that may affect our business, can be found in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and in other filings we make with the Securities and Exchange Commission. These forward-looking statements are made as of the date of this communication, and we disclaim any obligation to update any forward-looking statement or to publicly announce the results of any revisions to any of the forward-looking statements included herein, except as required by law.

**MARKET AND INDUSTRY DATA.** This presentation references certain market, industry and demographic data, forecasts and other statistical information. We have obtained this data, forecasts and information from various independent, third party industry sources and publications. Nothing in the data, forecasts or information used or derived from third party sources should be construed as advice. Some data and other information are also based on our good faith estimates, which are derived from our review of industry publications and surveys and independent sources. We believe that these sources and estimates are reliable but have not independently verified them. Statements as to our market position are based on market data currently available to us. Although we are not aware of any misstatements regarding the economic, employment, industry and other market data presented herein, these estimates involve inherent risks and uncertainties and are based on assumptions that are subject to change.

\* CrossFirst announced its plans to acquire Farmers & Stockmens Bank ("Central") on June 13, 2022. The closing of the merger is subject to regulatory approval.

# ABOUT NON-GAAP FINANCIAL MEASURES



Certain of the financial measures and ratios we present, including "tangible common stockholders' equity", "tangible book value per share", "non-GAAP core operating income", "non-GAAP core operating return on average assets", "non-GAAP loan growth, excluding PPP loans" and "non-GAAP core operating efficiency ratio – fully tax equivalent (FTE)" metrics, are supplemental measures that are not required by, or are not presented in accordance with, U.S. generally accepted accounting principles (GAAP). We refer to these financial measures and ratios as "non-GAAP financial measures." We consider the use of select non-GAAP financial measures and ratios to be useful for financial and operational decision making and useful in evaluating period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain expenditures or assets that we believe are not indicative of our primary business operating results or by presenting certain metrics on a fully taxable equivalent basis. We believe that management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, analyzing and comparing past, present and future periods.

These non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP and you should not rely on non-GAAP financial measures alone as measures of our performance. The non-GAAP financial measures we present may differ from non-GAAP financial measures used by our peers or other companies. We compensate for these limitations by providing the equivalent GAAP measures whenever we present the non-GAAP financial measures and by including a reconciliation of the impact of the components adjusted for in the non-GAAP financial measure so that both measures and the individual components may be considered when analyzing our performance.

CrossFirst does not provide a reconciliation of forward-looking non-GAAP financial measures to its comparable GAAP financial measures because it could not do so without unreasonable effort due to the unavailability of the information needed to calculate reconciling items and the variability, complexity and limited visibility of the adjusting items that would be excluded from the non-GAAP financial measures in future periods. When planning, forecasting and analyzing future periods, CrossFirst does so primarily on a non-GAAP basis without preparing a GAAP analysis as that would require estimates for various cash and non-cash reconciling items (including items such as expected credit losses, acquisition- and disposition-related expenses, and restructuring costs) that would be difficult to predict with reasonable accuracy. For example, future expectations for credit losses depend on a variety of factors including general economic conditions that make estimation on a GAAP basis impractical. It is also difficult to anticipate the need for or magnitude of presently unforeseen one-time restructuring expenses. As a result, CrossFirst does not believe that a GAAP reconciliation to forward-looking non-GAAP financial measures would provide meaningful supplemental information about CrossFirst's forward-looking measures.



## ONE TEAM

- Elevating our Strong Corporate Culture by Living our CrossFirst Values
- Attracting and Retaining High Performing Talent
- Invest in well-being of our Employees

**Total  
Assets**

**\$5.8 billion**



## ONE BANK

- Targeting Businesses and Professionals
- Branch-Light – Technology Focused
- Delivering Extraordinary Service and Customer Experience
- Enhancing Products and Services

**Gross  
Loans**

**\$4.7 billion**



## SHARED VISION

- Performance & Profitability
- Seizing Growth Opportunities
- Strong Credit Quality
- Managing Enterprise Risk
- Contributing to our Communities

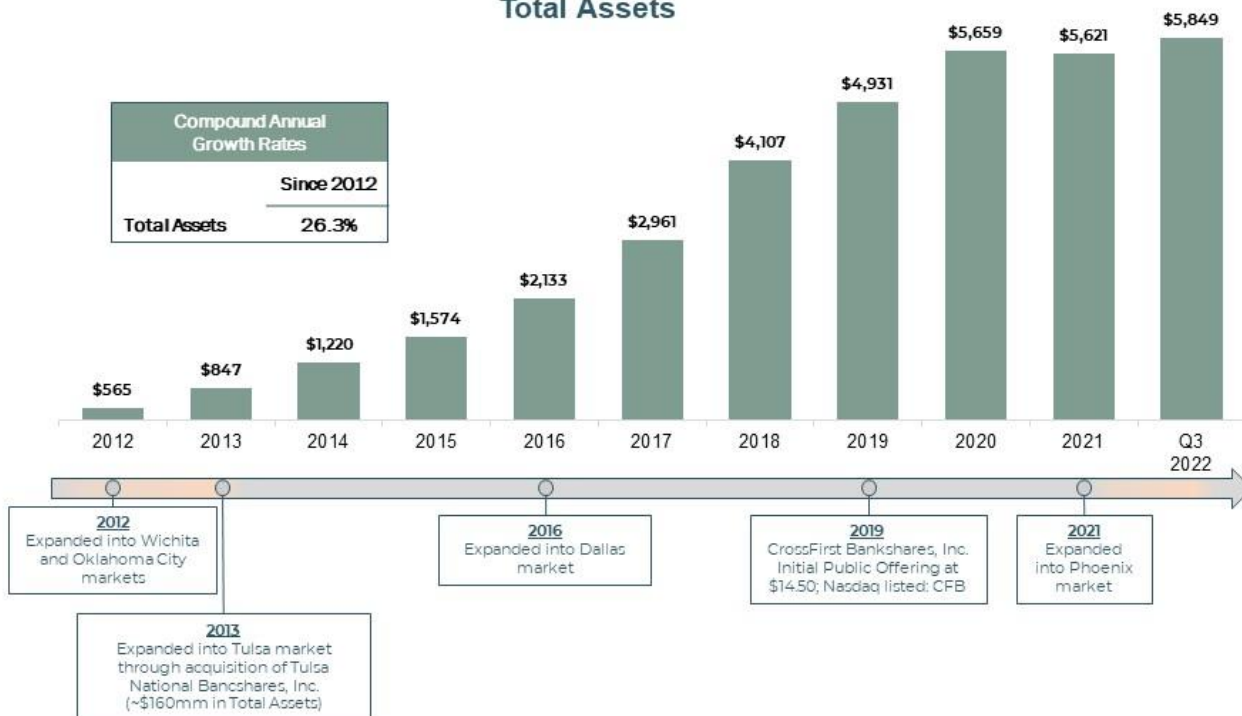
**Total  
Deposits**

**\$5.0 billion**



# OUR GROWTH

## Total Assets



Note: Dollars in chart are in millions.

# DRIVEN BY OUR EXTRAORDINARY CULTURE

## FOCUSING ON OUR CORE VALUES

At CrossFirst Bank, extraordinary service is the unifying purpose at the very heart of our organization. To deliver on our purpose, each of our employees operate under four values that define our approach to banking:

**CHARACTER**  
Who You Are

**COMPETENCE**  
What You Can Do

**COMMITMENT**  
What You Want To Do

**CONNECTION**  
What Others See In You

## INVESTING IN OUR PEOPLE & CLIENTS

We prioritize and invest in creating opportunities to help employees grow and build their careers:



A culture and leadership-driven onboarding program for new hires



A development program designed for emerging leaders that explores core leadership concepts and foundational concepts of the banking industry



As a GALLUP® Strengths-Based organization, provide every employee access to their unique CliftonStrengths®.

## POSITIONING FOR SUCCESS

We strive to build an equitable and inclusive environment with diverse teams. We strive to hire and retain diverse, top-tier talent:

2021 New Hires were

**21%**

ethnically diverse

Overall company is

**59%**

female new hires

GALLUP® Q12 Survey

**68%**

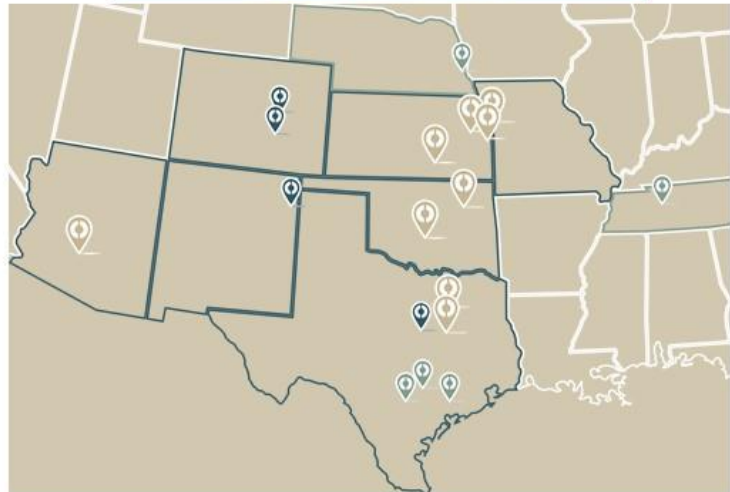
engaged employees; with more than 94% of employees responding, we received our highest scores ever for employee engagement



## AREAS OF FOCUS

- Continue to execute our organic growth strategy in new and existing markets
- Focus new expansion in target markets where we currently have client business
- Evaluate expansion strategies in key target markets:
  - De Novo Expansion:
    - Hire experienced talent to expand in key growth markets
  - Strategic Acquisition\*:
    - Provides operational scale and synergies
    - Adds new lines of business
    - Adds fee income opportunities

## CURRENT AND POTENTIAL TARGET MARKETS



- 📍 Austin, Texas
- 📍 Houston, Texas
- 📍 San Antonio, Texas
- 📍 Nashville, Tennessee
- 📍 Omaha, Nebraska

### Legend:

- 📍 Current CFB Location
- 📍 Planned CFB Location\*
- 📍 Target CFB Locations

\* Anticipated benefits as transaction closing is subject to regulatory approval.



# THIRD QUARTER 2022 HIGHLIGHTS



Financial Performance	Net Income <b>\$17.3</b>	Diluted EPS <b>\$0.35</b>	ROE <b>11.18%</b>	ROA <b>1.19%</b>
-----------------------	-----------------------------	------------------------------	----------------------	---------------------

<b>Net Income</b>	<ul style="list-style-type: none"><li>✓ Net interest income increased 6% on strong loan growth and increased yield</li><li>✓ Non-interest expenses declined, partially offset by continued production hiring</li><li>✓ Fully tax equivalent NIM increased 4bps to 3.56% during Q3 2022 and has expanded 33bps from Q3 2021<sup>(1)</sup></li></ul>
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<b>Balance Sheet</b>	<ul style="list-style-type: none"><li>✓ Loan portfolio increased 3% from Q2 2022; the portfolio increased 11% from Q3 2021</li><li>✓ Total deposits increased 5% from the prior quarter and 12% from Q3 2021; DDA as a percentage of total deposits was 22% in Q3 2022</li></ul>
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<b>Credit Quality</b>	<ul style="list-style-type: none"><li>✓ Classified loans / total capital + combined ACL ratio<sup>(2)</sup> of 11% has declined from 17% at Q3 2021</li><li>✓ NCOs / average loans of 0.16% for the quarter and 0.11% on a trailing-twelve-month basis</li><li>✓ NPAs / assets decreased 23bps during the quarter to 0.31% and have declined 61bps from Q3 2021</li></ul>
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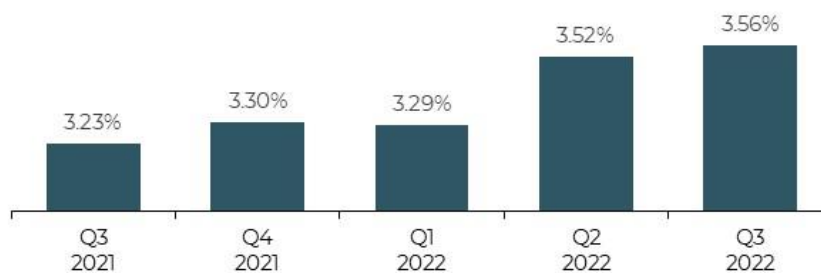
(1) For all quarters presented, investment yield accrual calculation changed to 30/360 from actual/actual and excludes unrealized gains and losses in the investment portfolio and earning assets.  
(2) Includes the accrual for off-balance sheet credit risk from unfunded commitments ("RUC") that resulted from CECL adoption on January 1, 2022.

# NET INTEREST MARGIN

## Yield on Loans & Cost of Deposits



## Net Interest Margin - Fully Tax Equivalent (FTE)\*

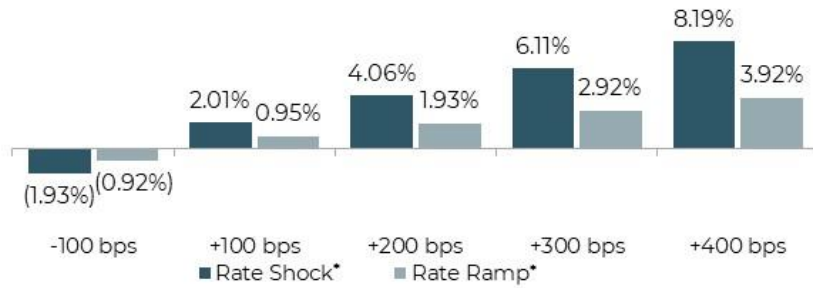


- Fully tax-equivalent net interest margin increased 4bps from Q2 2022, primarily due to higher loan yields, loan growth, and accrual improvements, offset by an increase in funding costs
- Cost of deposits increased 78ps from Q2 2022 due to market rate increases
- Loan to deposit ratio decreased to 94% from 95% in Q2 2022
- Current funding structure allows for significant additional capacity for borrowing or wholesale funding if necessary

\* For all quarters presented, investment yield accrual calculation changed to 30/360 from actual/actual and excludes unrealized gains and losses in the investment portfolio and earning assets

# NET INTEREST INCOME SENSITIVITY

## Net Interest Income Impact From Rate Changes



- Anticipated asset sensitivity with rate increases driving potential expansion of net interest income

## Loans: Rate Reset and Cash Flow Profile



- Roughly 69% of Company's earning assets reprice or mature over the next 12 months, with 53% in month one

Note: Data as of September 30, 2022

\* Rate Shock analysis: measures instantaneous parallel shifts in market rates

Rate Ramp analysis: rate changes occur gradually over 12 months time

Balance sheet size and mix held constant from month end position and includes average YTD loan fees (excluding PPP fees)

## Classified Loans / (Total Capital + ACL + RUC\*)



- Classified loans decreased 12%
- 10% of classifieds in Q3 2022 relate to energy, down from 15% in Q2 2022

## Nonperforming Assets / Assets



- NPAs decreased due to continued improvements and successful workouts with borrowers
- 30% of the non-performing asset balance in Q3 2022 relates to energy credits

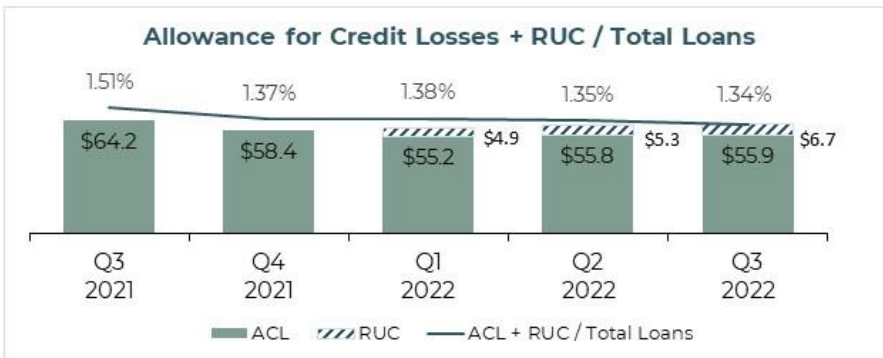
Note: Dollar amounts are in millions.

\* Includes the accrual for off-balance sheet credit risk from unfunded commitments ("RUC") that resulted from CECL adoption on January 1, 2022.

# ASSET QUALITY PERFORMANCE



- Q3 2022 included \$1.9 million of net charge-offs which consisted of loans in both energy and commercial and industrial credits



- ACL + RUC / Total Loans decreased slightly to 1.34% at end of Q3 2022 primarily due to a change in portfolio mix
- Allowance for credit losses to non-accruing loans at the end of Q3 2022 was 324%

Note: Dollar amounts are in millions  
 (1) Ratio is annualized for interim periods.

<b>Business Driver</b>	<b>Annual Outlook</b>
Loans	Expect 8-10% core loan growth
Deposits	Expect continued deposit growth to fund lending growth with a continued focus on improving the DDA mix
Net Interest Margin (NIM)	Expect NIM to be in a range of 3.45 to 3.55%, assuming a Fed Funds rate of 4.50 to 4.75% at year-end
Combined ACL / Loans	Anticipated to remain in the 1.30% to 1.45% range, based on current economic conditions
Effective Tax Rate	Expect to remain in the 20-22% range

Note: Guidance excludes any impact from the anticipated closing of the Central acquisition.





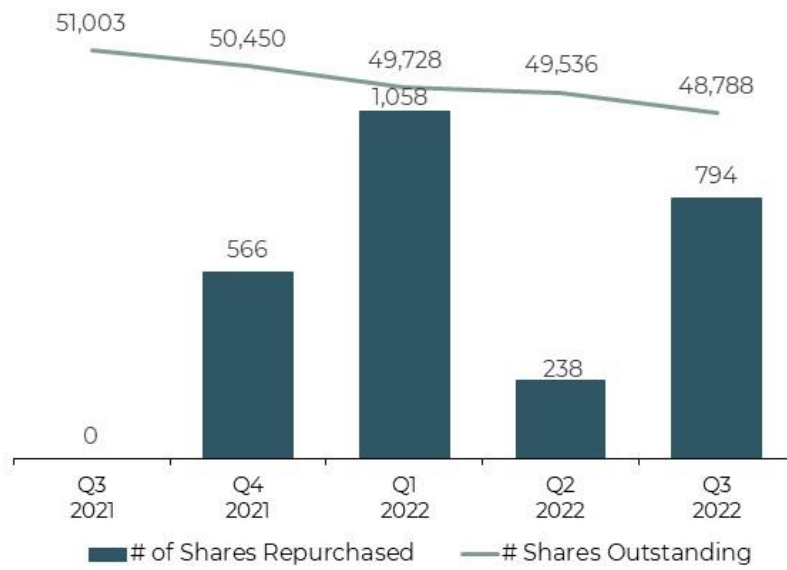
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BANKSHARES, INC.

SUPPLEMENTAL INFORMATION



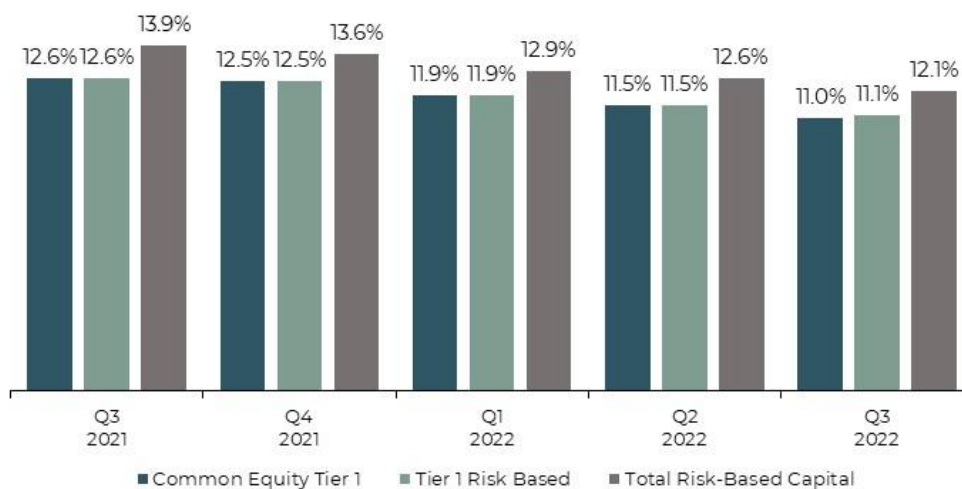
# STOCK REPURCHASE ACTIVITY



- Repurchased 1.6% of outstanding shares in Q3 2022
- Drives improvement in ROE and EPS
- Little tangible book value dilution and a short earnback period

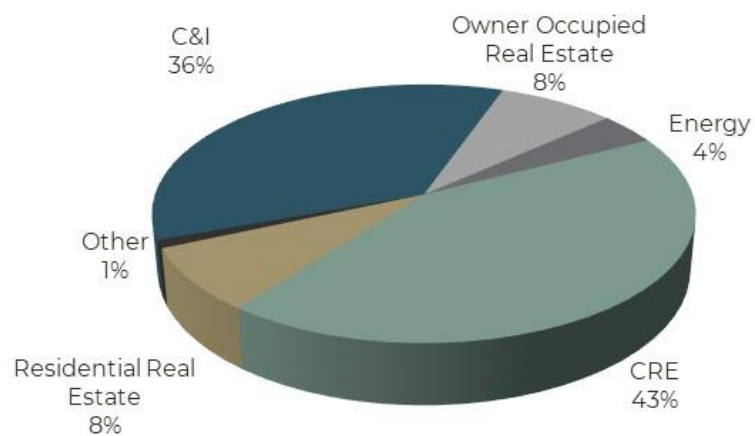
Note: shares in thousands.

**Capital Ratios**



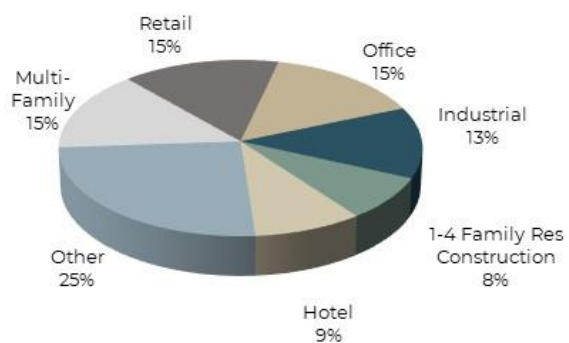
- Maintaining strong capital levels to support future growth
- Remain well capitalized as we return capital to shareholders through share repurchases
- Execution of our profitable growth strategy supports capital ratios
- Capital ratios have decreased due to share repurchase activity and loan growth

## Loan Mix by Type (\$4.7bn)

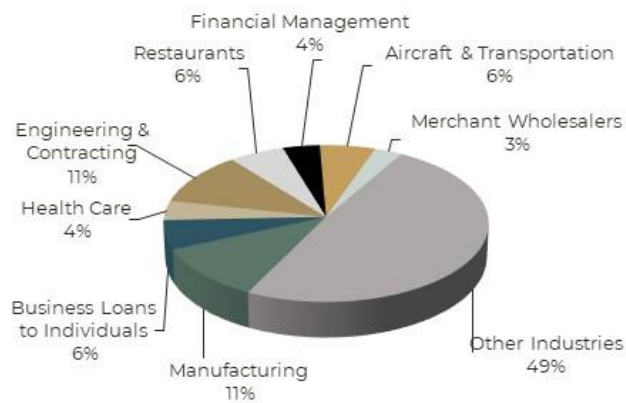


Note: Cross loans, (net of unearned income) data as of September 30, 2022.

### CRE Loan Portfolio by Segment (\$2.0bn)

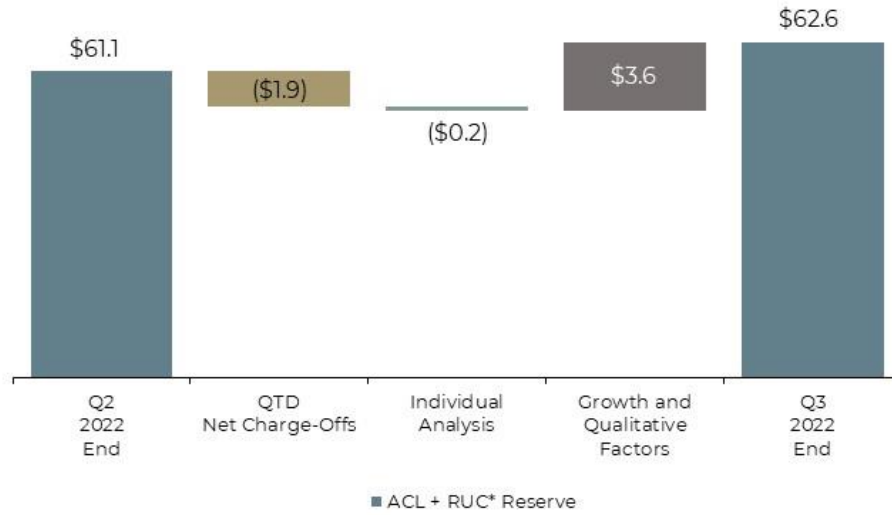


### C&I Loan Breakdown by Type (\$1.7bn)



Note: Data as of September 30, 2022.

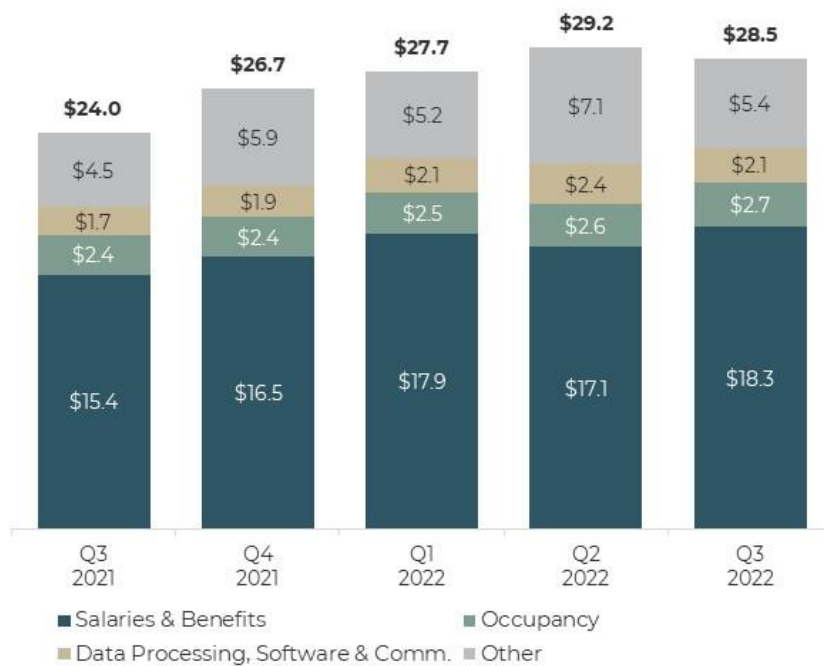
## ACL and Reserve for Unfunded Commitments



Note: As of end of period; dollars in millions.

\* Includes the accrual for off-balance sheet credit risk from unfunded commitments ("RUC") that resulted from CECL adoption on January 1, 2022.

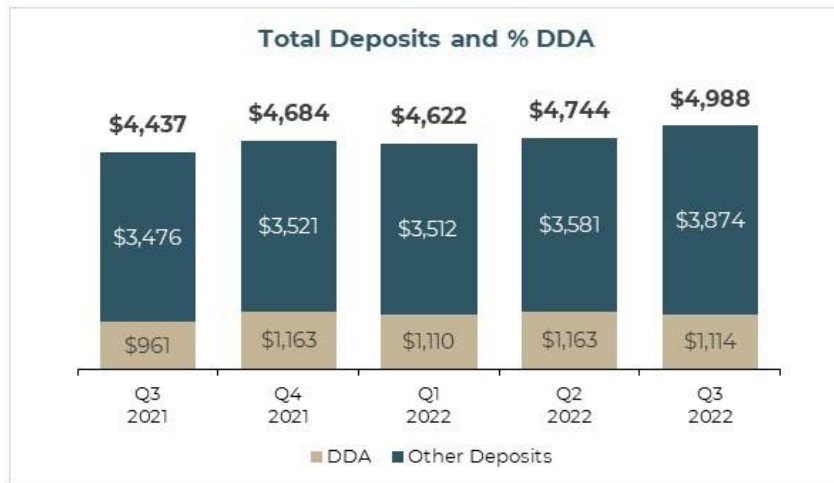
# EXPENSE MANAGEMENT



- Investments in talent and technology continue to account for the increase in expenses year over year
- Other expense in Q2 2022 included \$1.1 million of employee separation costs
- Salaries and benefits were higher due to the increased hiring in new markets and business lines and increased incentive compensation due to performance

Note: Dollars are in millions and amounts shown are as of the end of the period unless otherwise specified.

# IMPROVING CORE FUNDING BASE



- Total demand deposits increased 16% since Q3 2021
- Cost of deposits increased 78bps this quarter, due to market rate increases
- Non-interest-bearing deposits were 22% of total deposits this quarter

**Cost of Deposits**

0.38%

0.33%

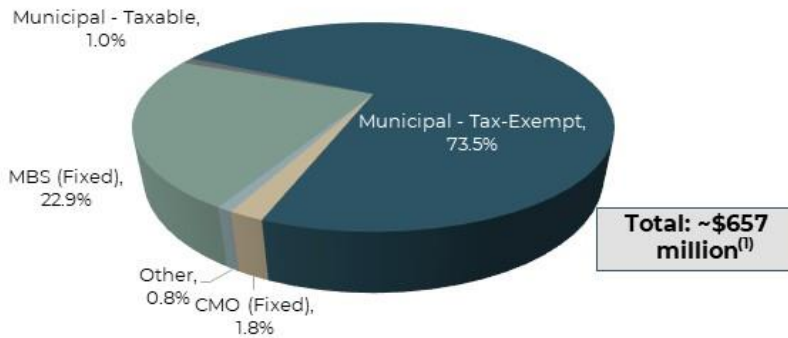
0.31%

0.42%

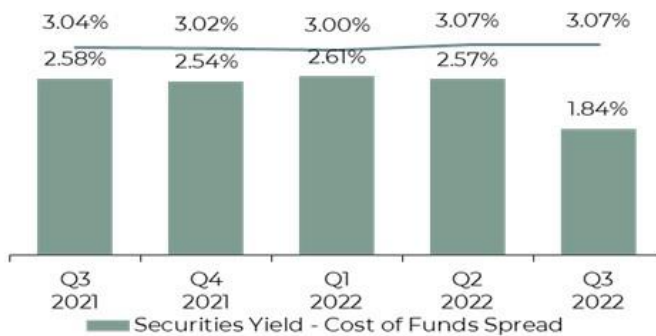
1.20%

Note: Dollars are in millions and amounts shown are as of the end of the period.

## Investment Portfolio Breakout as of September 30, 2022



## Securities Yield - Fully Tax Equivalent <sup>(2)</sup>



- At the end of Q3 2022, the portfolio's duration was approximately 5.5 years
- The fully taxable equivalent yield for Q3 2022 remained consistent at 3.07%
- The securities portfolio has unrealized losses of approximately \$108 million as of September 30, 2022
- During Q3 2022, \$8 million of securities were purchased at an average tax-equivalent yield of 5.19% and there were \$6 million in MBS paydowns

<sup>(1)</sup> Based on approximate fair value.  
<sup>(2)</sup> A tax rate of 21% is used to calculate the fully tax equivalent yield



# QUARTERLY SELECTED FINANCIALS (UNAUDITED)



(Dollars in thousands, except per share data)

CrossFirst Bankshares, Inc. Quarterly Financials

	For the Three Months Ended				
	9/30/22	6/30/22	3/31/22	12/31/21	9/30/21
<b>Income Statement Data:</b>					
Interest income	\$ 65,550	\$ 52,840	\$ 47,760	\$ 49,202	\$ 47,311
Interest expense	15,855	6,131	4,645	5,757	5,510
Net interest income	49,695	46,709	43,115	43,445	41,801
Provision for credit losses	3,334	2,135	(625)	(5,000)	(10,000)
Non-interest income	3,780	4,201	4,942	4,796	(1,105)
Non-interest expense	28,451	29,203	27,666	26,715	24,036
Net income before taxes	21,690	19,572	21,016	26,526	26,660
Income tax expense	4,410	4,027	4,188	5,725	5,660
Net income	17,280	15,545	16,828	20,801	21,000
Non-GAAP core operating income <sup>(1)</sup>	\$ 17,344	\$ 16,574	\$ 16,828	\$ 20,801	\$ 25,898
<b>Balance Sheet Data:</b>					
Cash and cash equivalents	\$ 309,135	\$ 277,678	\$ 276,927	\$ 482,727	\$ 316,722
Securities	656,527	695,647	722,778	745,969	708,106
Gross loans (net of unearned income)	4,677,646	4,528,234	4,349,568	4,256,213	4,233,117
Allowance for credit losses <sup>(2)</sup>	55,864	55,817	55,231	58,375	64,152
Goodwill and intangibles	71	91	110	130	149
Total assets	5,848,977	5,708,311	5,518,121	5,621,457	5,401,151
Non-interest bearing deposits	1,113,934	1,163,462	1,110,284	1,163,224	960,999
Total deposits	4,987,515	4,744,420	4,621,680	4,683,597	4,436,597
Borrowings and repurchase agreements	205,349	296,606	226,600	236,600	276,600
Trust preferred securities, net of fair value adjustments	1,048	1,035	1,022	1,009	997
Stockholders' Equity	580,547	608,016	623,199	667,573	652,407
Tangible common stockholders' equity <sup>(1)</sup>	\$ 580,476	\$ 607,924	\$ 623,089	\$ 667,443	\$ 652,257
<b>Share and Per Share Data:</b>					
Basic earnings per common share	\$ 0.35	\$ 0.31	\$ 0.33	\$ 0.41	\$ 0.41
Diluted earnings per common share	0.35	0.31	0.33	0.40	0.41
Book value per share	11.90	12.27	12.53	13.23	12.79
Tangible book value per share <sup>(1)</sup>	\$ 11.90	\$ 12.27	\$ 12.53	\$ 13.23	\$ 12.79
Basic weighted average common shares outstanding	49,266,811	49,758,263	50,251,297	50,893,493	50,990,113
Diluted weighted average common shares outstanding	49,721,493	50,203,725	50,910,490	51,660,723	51,605,721
Shares outstanding at end of period	48,787,696	49,535,949	49,728,253	50,450,045	51,002,698

(1) Represents a non-GAAP financial measure. See Non-GAAP Reconciliation slides at the end of this presentation for additional detail.

(2) Implemented CECL on January 1, 2022. All prior quarters presented represent the allowance for loan losses.

# QUARTERLY SELECTED FINANCIALS (UNAUDITED)



CrossFirst Bankshares, Inc. Quarterly Financials

	For the Three Months Ended				
	9/30/22	6/30/22	3/31/22	12/31/21	9/30/21
<b>Selected Ratios:</b>					
Return on average assets <sup>(1)</sup>	1.19 %	1.12 %	1.23 %	1.50 %	1.54 %
Non-GAAP core operating return on average assets <sup>(1)(2)</sup>	1.19	1.20	1.23	1.50	1.90
Return on average common equity	11.18	10.15	10.44	12.57	12.92
Yield on earning assets	4.62	3.92	3.59	3.65	3.56
Yield on earning assets - tax equivalent <sup>(3)</sup>	4.62	3.98	3.64	3.72	3.64
Yield on securities	2.66	2.66	2.59	2.49	2.46
Yield on securities - tax equivalent <sup>(3)</sup>	3.07	3.07	3.00	3.02	3.04
Yield on loans	5.08	4.28	4.00	4.17	4.00
Cost of funds	1.23	0.50	0.39	0.48	0.46
Cost of interest-bearing liabilities	1.59	0.66	0.51	0.61	0.57
Cost of interest-bearing deposits	1.56	0.56	0.41	0.43	0.47
Cost of deposits	1.20	0.42	0.31	0.33	0.38
Cost of other borrowings	2.18	1.66	1.95	3.03	1.82
Net interest margin - tax equivalent <sup>(3)</sup>	3.56	3.52	3.29	3.30	3.23
Non-interest expense to average assets	1.96	2.11	2.02	1.93	1.76
Efficiency ratio <sup>(4)</sup>	53.20	57.36	57.57	55.38	59.06
Non-GAAP core operating efficiency ratio (FTE) <sup>(4)(5)</sup>	52.29	55.08	56.66	54.52	50.45
Non-interest bearing deposits to total deposits	22.33	24.52	24.02	24.84	21.66
Loans to deposits	93.79 %	95.44 %	94.11 %	90.87 %	95.41 %
<b>Credit Quality Ratios:</b>					
Allowance for credit losses to total loans	1.19 %	1.23 %	1.27 %	1.37 %	1.51 %
Allowance for credit losses + RUC to total loans <sup>(5)</sup>	1.34	1.35	1.38	-	-
Nonperforming assets to total assets	0.31	0.54	0.64	0.58	0.92
Nonperforming loans to total loans	0.37	0.66	0.79	0.74	1.15
Allowance for credit losses to nonperforming loans	323.89	186.92	159.60	185.19	131.76
Net charge-offs (recoveries) to average loans <sup>(1)</sup>	0.16 %	0.10 %	0.10 %	0.07 %	0.13 %
<b>Capital Ratios:</b>					
Total stockholders' equity to total assets	9.92 %	10.65 %	11.29 %	11.88 %	12.08 %
Common equity tier 1 capital ratio	11.04	11.51	11.88	12.46	12.61
Tier 1 risk-based capital ratio	11.05	11.53	11.90	12.48	12.63
Total risk-based capital ratio	12.09	12.60	12.92	13.61	13.88
Tier 1 leverage ratio	11.43 %	11.77 %	11.61 %	11.84 %	11.77 %

(1) Interim periods are annualized.

(2) Represents a non-GAAP financial measure. See Non-GAAP Reconciliation slides at the end of this presentation for additional detail.

(3) Tax-exempt income is calculated on a tax-equivalent basis. Tax-exempt income includes municipal securities, which is exempt from federal taxation. A tax rate of 21% is used.

(4) Efficiency ratio is non-interest expense divided by the sum of net interest income and non-interest income; non-GAAP core operating efficiency ratio (FTE) is adjusted for non-core or non-recurring items.

(5) Includes the accrual for off-balance sheet credit risk from unfunded commitments ("RUC") that resulted from CECL adoption on January 1, 2022.

# NON-GAAP RECONCILIATIONS



(Dollars in thousands)

**Non-GAAP Core Operating Income:**

	For the Three Months Ended				
	9/30/22	6/30/22	3/31/22	12/31/21	9/30/21
Net income	\$ 17,280	\$ 15,545	\$ 16,828	\$ 20,801	\$ 21,000
Add: Acquisition costs	81	239	-	-	-
Less: Tax effect <sup>(1)</sup>	17	50	-	-	-
Acquisition costs, net of tax	64	189	-	-	-
Add: Employee separation	-	1,063	-	-	-
Less: Tax effect <sup>(1)</sup>	-	223	-	-	-
Employee separation, net of tax	-	840	-	-	-
Add: Unrealized loss on equity security	-	-	-	-	6,200
Less: Tax effect <sup>(1)</sup>	-	-	-	-	1,302
Unrealized loss on equity security, net of tax	-	-	-	-	4,898
Non-GAAP core operating income	\$ 17,344	\$ 16,574	\$ 16,828	\$ 20,801	\$ 25,898

**Non-GAAP Core Operating Return on Average Assets:**

Net income	\$ 17,280	\$ 15,545	\$ 16,828	\$ 20,801	\$ 21,000
Non-GAAP core operating income	17,344	16,574	16,828	20,801	25,898
Average assets	\$ 5,764,347	\$ 5,545,657	\$ 5,663,739	\$ 5,490,482	\$ 5,408,984
GAAP return on average assets	1.9 %	1.2 %	1.23 %	1.50 %	1.54 %
Non-GAAP core operating return on average assets	1.9 %	1.20 %	1.23 %	1.50 %	1.90 %

**Non-GAAP Core Operating Efficiency Ratio:**

Non-interest expense (numerator)	\$ 28,451	\$ 29,203	\$ 27,888	\$ 28,716	\$ 24,038
Net interest income	49,895	46,709	43,116	43,445	41,801
Tax equivalent interest income <sup>(2)</sup>	820	808	775	782	748
Non-interest income	3,780	4,201	4,942	4,796	(1,05)
Add: Acquisition costs	81	239	-	-	-
Add: Employee separation	-	1,063	-	-	-
Add: Unrealized loss on equity security	-	-	-	-	6,200
Non-GAAP operating revenue (denominator)	\$ 54,376	\$ 53,020	\$ 48,832	\$ 49,003	\$ 47,844
GAAP Efficiency Ratio	53.20 %	57.38 %	57.57 %	55.38 %	59.08 %
Non-GAAP core operating efficiency ratio (FTE)	52.32 %	55.08 %	56.86 %	54.52 %	50.45 %

<sup>(1)</sup> Represents the tax impact of the adjustments at a tax rate of 21.0%.

<sup>(2)</sup> Tax exempt income (tax-free municipal securities) is calculated on a tax equivalent basis. The incremental tax rate used is 21.0%.

# NON-GAAP RECONCILIATIONS



	As of or for the Year Ended				Nine Months Ended	
	2021	2020	2019	2018	2022	2021
<b>Non-GAAP core operating income:</b>						
Net income	\$ 69,413	\$ 12,601	\$ 28,473	\$ 19,590	\$ 49,653	\$ 48,612
Add: Acquisition costs	-	-	-	-	320	-
Less: Tax effect <sup>(1)</sup>	-	-	-	-	67	-
Acquisition costs, net of tax	-	-	-	-	253	-
Add: Employee separation	-	-	-	-	1,063	-
Less: Tax effect <sup>(1)</sup>	-	-	-	-	223	-
Employee separation, net of tax	-	-	-	-	840	-
Add: Unrealized loss on equity security	6,200	-	-	-	-	6,200
Less: Tax effect <sup>(1)</sup>	1,302	-	-	-	-	1,302
Unrealized loss on equity security, net of tax	4,898	-	-	-	-	4,898
Add: restructuring charges	-	-	-	4,733	-	-
Less: Tax effect <sup>(1)</sup>	-	-	-	1,381	-	-
Restructuring charges, net of tax	-	-	-	3,352	-	-
Add: fixed asset impairments	-	-	424	171	-	-
Less: Tax effect <sup>(2)</sup>	-	-	109	44	-	-
Fixed asset impairments, net of tax	-	-	315	127	-	-
Add: Goodwill impairment <sup>(3)</sup>	-	7,397	-	-	-	-
Add: State tax credit <sup>(3)</sup>	-	-	(1,361)	(3,129)	-	-
Add: Accelerated employee benefits	719	-	-	-	-	719
Less: Tax effect <sup>(2)</sup>	210	-	-	-	-	210
Accelerated employee benefits, net of tax	509	-	-	-	-	509
Less: BOLI settlement benefits <sup>(3)</sup>	1,841	-	-	-	-	1,841
Non-GAAP core operating income	\$ 72,979	\$ 19,998	\$ 27,427	\$ 19,940	\$ 50,746	\$ 52,178
<b>Non-GAAP Core Operating Return on Average Assets:</b>						
<b>Assets:</b>						
Net income	\$ 69,413	\$ 12,601	\$ 28,473	\$ 19,590	\$ 49,653	\$ 48,612
Non-GAAP core operating income	72,979	19,998	27,427	19,940	50,746	52,178
Average assets	\$ 5,591,471	\$ 5,358,479	\$ 4,499,764	\$ 3,494,655	\$ 5,625,317	\$ 5,625,504
GAAP Return on average assets	1.24 %	0.24 %	0.63 %	0.56 %	1.18 %	1.16 %
Non-GAAP core operating return on average assets	1.31 %	0.37 %	0.61 %	0.57 %	1.21 %	1.24 %

- (1) Represents the tax impact of the adjustments above at a tax rate of 25.73% from 2018 through 2020 and at 21% for 2021 and 2022, plus a permanent tax benefit associated with stock-based grants.  
(2) Represents the tax impact of the adjustments above at a tax rate of 25.73% for fiscal years 2018 and after.  
(3) No tax effect associated with the 2017 Tax Act adjustment or state tax credit or the goodwill impairment.

# NON-GAAP RECONCILIATIONS



	As of or for the Year Ended				Nine Months Ended	
	December 31,				September 30,	
	2021	2020	2019	2018	2022	2021
<b>Non-GAAP Core Operating Efficiency Ratio:</b>						
Non-interest expense	\$ 99,382	\$ 99,968	\$ 87,640	\$ 85,755	\$ 85,319	\$ 72,667
Less: Accelerated employee benefits	719	-	-	-	-	719
Less: goodwill impairment	-	7,397	-	-	-	-
Less: restructuring charges	-	-	-	4,733	-	-
Non-GAAP non-interest expense (numerator)	\$ 98,663	\$ 92,571	\$ 87,640	\$ 81,022	\$ 85,319	\$ 71,948
Net interest income	168,691	160,249	141,444	110,368	139,519	125,246
Tax equivalent interest income <sup>(1)</sup>	2,948	2,732	2,522	3,099	2,403	2,186
Non-interest income	13,660	11,733	8,707	6,083	12,922	8,864
Add: Acquisition costs	-	-	-	-	320	-
Add: Employee separation	-	-	-	-	1,063	-
Add: Unrealized loss on equity security	6,200	-	-	-	-	6,200
Add: fixed asset impairments	-	-	424	171	-	-
Less: BOLI settlement benefits <sup>(2)</sup>	1,841	-	-	-	-	1,841
Non-GAAP Operating revenue (denominator)	\$ 189,658	\$ 174,714	\$ 153,097	\$ 119,721	\$ 156,227	\$ 140,655
GAAP Efficiency Ratio	54.50 %	58.13 %	58.37 %	73.64 %	55.97 %	54.18 %
Non-GAAP Core Operating Efficiency Ratio (FTE)	52.02 %	52.98 %	57.25 %	67.68 %	54.61 %	51.15 %

(1) Tax exempt income (tax-free municipal securities) is calculated on a tax equivalent basis. The incremental tax rate used is 21.0%.

(2) No tax effect associated with the 2017 Tax Act adjustment or state tax credit or the goodwill impairment.

# NON-GAAP RECONCILIATIONS



(Dollars in thousands, except per share data)

**Tangible common stockholders' equity:**

	For the Three Months Ended				
	9/30/22	6/30/22	3/31/22	12/31/21	9/30/21
Stockholders' equity	\$ 580,547	\$ 608,016	\$ 623,199	\$ 667,573	\$ 652,407
Less: goodwill and other intangible assets	71	91	110	130	149
Tangible Stockholders' Equity	\$ 580,476	\$ 607,925	\$ 623,089	\$ 667,443	\$ 652,258
Shares outstanding at end of period	48,787,696	49,535,949	49,728,253	50,450,045	51,002,698
Book value per share	\$ 11.90	\$ 12.27	\$ 12.53	\$ 13.23	\$ 12.79
Tangible book value per share	\$ 11.90	\$ 12.27	\$ 12.53	\$ 13.23	\$ 12.79

**Non-GAAP loan growth, excluding PPP loans**

	For the Three Months Ended				
	9/30/22	6/30/22	3/31/22	12/31/21	9/30/21
Gross loans, net of unearned income	\$ 4,677,646	\$ 4,528,234	\$ 4,349,558	\$ 4,256,213	\$ 4,233,117
Less: PPP loans, net of unearned income	6,622	14,536	31,200	64,805	109,465
Non-PPP gross loans, net of unearned income	\$ 4,671,024	\$ 4,513,698	\$ 4,318,358	\$ 4,191,408	\$ 4,123,652
Year-over-year loan growth	10.50 %				
Non-GAAP year-over-year loan growth excluding PPP loans	13.27 %				
Linked quarter loan growth	3.30 %				
Non-GAAP linked quarter loan growth excluding PPP loans	3.49 %				

