

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 16, 2023

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 Park, Leawood Kansas

(Address of Principal Executive Offices)

66211

(Zip Code)

(913) 901-4516

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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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 (17 CFR 230.405) 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 16, 2023, CrossFirst Bankshares, Inc. (the “Company”) announced that it had released its financial results for its 2023 third quarter. A copy of the full text of the related press release, which is posted on the Investor Section of the Company’s website (investors.crossfirstbankshares.com) under Financials – Quarterly Reports, is furnished as Exhibit 99.1 hereto and incorporated into this Item 2.02. The Company does not intend for information contained on its website to be part of this report.

The Company intends to hold a conference call to review third quarter 2023 financial results. The investor presentation, which is furnished as Exhibit 99.2 hereto 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 to be filed under Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly stated in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 99.1 [Press Release Issued October 16, 2023](#)
- 99.2 [Investor Presentation](#)
- 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 by the undersigned hereunto duly authorized.

Date: October 16, 2023

CROSSFIRST BANKSHARES, INC.

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



CrossFirst Bankshares, Inc. Reports Third Quarter 2023 Results

LEAWOOD, Kan., October 16, 2023 (GLOBE NEWSWIRE) -- CrossFirst Bankshares, Inc. (Nasdaq: CFB), the bank holding company of CrossFirst Bank, today reported third quarter net income of \$16.9 million, or \$0.34 per diluted common share, and adjusted net income of \$18.6 million, or \$0.37 per diluted common share on an adjusted basis.

Third Quarter 2023 Key Financial Performance Metrics

Net Income	ROAA ⁽¹⁾	Net Interest Margin Fully Tax Equivalent ("FTE") ⁽²⁾	Diluted EPS	ROCE ⁽¹⁾
\$16.9 million	0.94%	3.19%	\$0.34	10.19%

Adjusted Third Quarter 2023 Key Financial Performance Metrics⁽²⁾

Adjusted Net Income	Adjusted ROAA	Net Interest Margin FTE ⁽²⁾	Adjusted Diluted EPS	Adjusted ROCE
\$18.6 million	1.04%	3.19%	\$0.37	11.26%

CEO Commentary:

"We continued to execute on our strategic plans with growth in operating revenue, core deposits and earnings this quarter in a challenging economic environment for banking," said CrossFirst's CEO and President, Mike Maddox. Mr. Maddox continued, "Our focus on driving scale and gaining operating leverage through our high-growth, dynamic markets and verticals all while maintaining high credit quality."

2023 Third Quarter Highlights:

- Improved profitability as operating revenue, adjusted diluted earnings per common share, and adjusted return on common equity increased compared to the prior quarter and the prior year third quarter; Year-to-date 2023 operating revenue increased compared to the prior year
- Completed the previously-announced acquisition of Canyon Bancorporation, Inc. and its wholly owned subsidiary Canyon N.A. ("Tucson acquisition")
 - Added \$106 million of loans net of \$5.2 million in acquired loan marks, \$165 million of deposits and \$4.5 million deposit intangible
 - Deepened our Arizona franchise; system integration planned for the fourth quarter of 2023
- Loans grew \$149 million, or 2.6%, for the quarter and grew 10.7% year-to-date
 - Excluding the Tucson acquisition, loans grew 0.8% for the quarter and 8.7% year-to-date
- Deposits grew \$232 million, or 3.8%, for the quarter and grew 12.0% year-to-date
 - Excluding the Tucson acquisition, deposits grew 1.1% for the quarter and 9.1% year-to-date
 - Non-interest-bearing deposits increased 11% from the prior quarter, and increased 6% excluding the Tucson acquisition
- Non-performing assets increased to 0.50% of total assets but were contained within a few relationships of \$1.3 million were previously reserved and represented an annualized rate of 0.09% of total assets
- Reduced non-interest expense compared to the linked quarter, progressing towards our longer-term efficiency goal

⁽¹⁾ Ratios are annualized.

⁽²⁾ With the exception of Net Interest Margin - FTE, represents a non-GAAP financial measure. See "Table 5. Non-GAAP Financial Measures" for a reconciliation of these measures.



(Dollars in millions except per share data)	Quarter-to-Date			Year-to-Date	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Operating revenue ⁽¹⁾	\$ 61.1	\$ 60.3	\$ 53.5	\$ 184.1	\$ 152.4
Net income	\$ 16.9	\$ 16.0	\$ 17.3	\$ 49.0	\$ 49.7
Adjusted net income ⁽²⁾	\$ 18.6	\$ 17.3	\$ 17.3	\$ 53.2	\$ 50.7
Diluted earnings per common share	\$ 0.34	\$ 0.33	\$ 0.35	\$ 0.99	\$ 0.99
Adjusted diluted earnings per common share ⁽²⁾	\$ 0.37	\$ 0.35	\$ 0.35	\$ 1.08	\$ 1.01
Return on average assets	0.94%	0.93%	1.19%	0.95%	1.18%
Adjusted return on average assets ⁽²⁾	1.04%	1.00%	1.19%	1.03%	1.21%
Return on average common equity	10.19%	10.00%	11.18%	10.24%	10.59%
Adjusted return on average common equity ⁽²⁾	11.26%	10.81%	11.22%	11.12%	10.82%
Net interest margin	3.15%	3.23%	3.50%	3.32%	3.40%
Net interest margin - FTE ⁽³⁾	3.19%	3.27%	3.56%	3.36%	3.46%
Efficiency ratio	59.49%	62.02%	53.20%	60.77%	55.97%
Adjusted efficiency ratio - FTE ⁽³⁾	55.17%	57.27%	52.25%	56.28%	54.21%

⁽¹⁾ Net interest income plus non-interest income.

⁽²⁾ Represents a non-GAAP financial measure. See "Table 5. Non-GAAP Financial Measures" for a reconciliation of these measures.

⁽³⁾ 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%.

Income from Operations

Net income totaled \$16.9 million, or \$0.34 per diluted common share, for the third quarter of 2023, compared to \$16.0 million, or \$0.33 per diluted common share, during the second quarter of 2023 and \$17.3 million, or \$0.35 per diluted common share, during the third quarter of 2022. On a linked quarter basis, net income was higher due to increases in net interest income and non-interest income as well as lower provision expense, partially offset by higher provision expense. Compared to the same period in the prior year, net income was impacted by higher net interest income and non-interest income that were more than offset by higher non-interest expense.

The third quarter included acquisition-related charges of \$1.3 million and Day 1 CECL provision expense on acquired loans of \$0.9 million, resulting in adjusted net income of \$18.6 million, or \$0.37 per diluted common share on an adjusted basis, compared to \$17.3 million, or \$0.35 per diluted common share, on an adjusted basis for the second quarter of 2023.

Net Interest Income

Fully tax equivalent net interest income totaled \$55.8 million for the quarter, compared to \$55.3 million for the second quarter of 2023. Higher average earning assets, higher loan yields and one additional day were partially offset by higher cost of funds. Net FTE narrowed to 3.19% primarily due to the impact of non-accrual loan interest reversals.

Average earning assets increased \$183 million compared to the prior quarter primarily due to higher average loan balances and the impact of the Tucson acquisition. The yield on earning assets widened 8 basis points entirely due to repricing of variable rate loans as well as higher pricing on new loans, partially offset by the impact of interest rate cuts. The cost of interest-bearing liabilities increased 23 basis points due to continued pricing pressure on deposits from the higher interest rate environment.

Compared to the third quarter of 2022, net interest income – FTE increased \$5.3 million while net interest margin – FTE increased 137 basis points. The higher income is due to 23% growth in average earning assets while the net interest margin – FTE increased was more than offset by a higher cost of funds due to the rising rate environment. The increase in average earning assets was driven by higher average loan and investment balances, partially offset by lower average cash balances. The cost of funds increased 1.79% due to new loan production as well as repricing of variable rate loans. The cost of funds increased 1.79% due to repricing pressure on deposits as well as client migration into higher cost deposit products compared to the prior year.

Non-Interest Income

Non-interest income increased \$0.2 million compared to the second quarter of 2023 and increased \$2.2 million compared to the second quarter of 2022. The increase in non-interest income compared to both prior periods was due to increases in service charges and card interchange income and other client-related non-interest income. Additionally, gains on sale of loans decreased to the prior quarter due to stronger SBA loan sales in the prior quarter.

Non-Interest Expense

Non-interest expense decreased \$1.1 million from the second quarter of 2023 and increased \$7.9 million from the third quarter of 2022. The third quarter of 2023 included \$1.3 million of acquisition-related expenses with \$0.8 million included in professional fees, salaries and employee benefits, \$0.1 million in software and communication, and \$0.1 million in other non-interest expense. The second quarter of 2023 included \$0.3 million of acquisition-related expenses, most of which were included in professional fees, employee separation costs included in salaries and employee benefits. The third quarter of 2022 included \$0.3 million of acquisition-related expenses, which were included in advertising, professional fees and other non-interest expense. The second quarter of 2022 included \$0.3 million of acquisition-related expenses and employee separation costs, non-interest expense decreased \$0.7 million compared to the third quarter of 2022 and increased \$6.7 million compared to the third quarter of 2022.

On an adjusted basis, salaries and employee benefits were \$1.0 million lower than the prior quarter due to reductions in headcount. Additionally, other non-interest expenses decreased \$0.3 million primarily due to a decrease in discretionary expenses. There was a \$0.4 million increase in other professional fees and a \$0.1 million increase in occupancy expense. Intangible amortization also increased \$0.1 million due to the Tucson acquisition. Compared to the third quarter of 2022, employee benefits costs were higher due to the addition of employees as part of the Colorado and New Mexico and Tucson acquisitions. Occupancy costs increased due to the addition of a second location in Dallas, Texas and new locations in Colorado and New Mexico. Additionally, deposit insurance premiums increased due to growth in assets and a higher loss ratio. Software and communication expenses increased due to headcount and client account growth as well as new technology. Intangible amortization expense also increased compared to the prior year as a result of the previously mentioned acquisitions.

The Company's effective tax rate for the third quarter of 2023 was 21.3%, as compared to 20.8% in the second quarter of 2023 and 20.9% in the second quarter of 2022. The higher rate for the third quarter of 2023 was primarily related to discrete impacts of stock compensation.

Statement of Financial Condition Performance & Analysis

During the third quarter of 2023, total assets increased slightly compared to the end of the prior quarter and increased \$0.1 billion to September 30, 2023, from \$10.1 billion at the end of the prior quarter. Total assets increased on a linked quarter basis primarily due to an increase in loans, primarily from acquisition. The year-over-year increase was primarily due to an increase in loans of \$1.3 billion, including \$0.5 billion in Deposits and \$0.8 billion in Other assets. Total liabilities increased \$0.2 billion compared to June 30, 2023, and increased \$1.3 billion from September 30, 2022, including \$0.7 billion in Deposits.

Loan Results

During the third quarter of 2023, loans increased \$149 million compared to June 30, 2023, including \$106 million, net, from acquisition. Total loans increased \$1.3 billion, or 27%, compared to September 30, 2022, including the impact of acquired loans. The year-over increase compared to September 30, 2022 was primarily due to growth in the commercial and industrial, owner-occupied and commercial real estate – non-owner-occupied portfolios.

CROSSFIRST BANKSHARES, INC.

	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	% of Total	QoQ Growth (\$)	QoQ Growth (%)	YoY Growth (\$)	YoY Growth (%)
(Dollars in millions)										
Period-end loans (gross)										
Commercial and industrial	\$ 2,056	\$ 2,058	\$ 2,034	\$ 1,975	\$ 1,689	34%	\$ (2)	(0)%	\$ 367	22 %
Energy	214	233	194	173	179	4	(19)	(8)	35	20
Commercial real estate - owner-occupied	584	543	478	437	362	10	41	8	222	61
Commercial real estate - non-owner-occupied	2,593	2,480	2,472	2,315	1,988	43	113	5	605	30
Residential real estate	456	440	440	439	421	8	16	4	35	8
Consumer	43	43	30	34	39	1	-	0	4	10
Total	\$ 5,946	\$ 5,797	\$ 5,648	\$ 5,373	\$ 4,678	100%	\$ 149	3 %	\$ 1,268	27 %

Deposit & Other Borrowing Results

During the third quarter of 2023, deposits increased 4%, compared to June 30, 2023, and increased 27%, compared to September 30, 2022. The deposit increase compared to June 30, 2023 was due to increases in non-interest-bearing deposits, transaction deposits and time deposits, partially offset by decreases in time deposits. Increases in deposits include \$165 million related to the acquisition of certain deposits from the acquisition of CrossFirst Bank of Oklahoma. Decreases in time deposits were due to decreases in wholesale funding with increases in client deposits more than offsetting. The total deposit increase compared to September 30, 2022 was due to increases in transaction deposits, savings and money market deposits and time deposits, including acquired deposits, partially offset by decreases in non-interest-bearing deposits.

	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	QoQ Growth (\$)	QoQ Growth (%)	YoY Growth (\$)	YoY Growth (%)
(Dollars in millions)									
Period-end deposits									
Non-interest-bearing deposits	\$ 1,029	\$ 928	\$ 970	\$ 1,400	\$ 1,114	\$ 101	11 %	\$ (85)	(8) %
Transaction deposits	802	604	665	544	519	198	33	283	55
Savings and money market deposits	2,757	2,730	2,826	2,761	2,605	27	1	152	6
Time deposits	1,744	1,838	1,376	946	750	(94)	(5)	994	133
Total	\$ 6,332	\$ 6,100	\$ 5,837	\$ 5,651	\$ 4,988	\$ 232	4 %	\$ 1,344	27 %

FHLB and Other borrowings ended the quarter at \$106.6 million compared to \$277.0 million in the linked quarter and \$267.4 million in 2022. Borrowings were reduced due to client deposit growth and acquired deposit balances across both periods.

Asset Quality and Provision for Credit Losses

The Company recorded \$3.3 million of provision expense, compared to \$2.6 million in the prior quarter and \$3.3 million in the prior year. The current quarter's provision expense was driven by \$0.9 million of Day 1 CECL provision for the well as increases due to economic factors, specific reserves, and loan growth. Provision expense was partially offset by a reversal of specific reserves for unfunded commitments.

Non-performing assets increased \$22.8 million to \$36.1 million at September 30, 2023 primarily due to one commercial and industrial and commercial real estate – non-owner-occupied credit that moved to nonaccrual during the quarter and several credits that were 90 days past due and still accruing at quarter-end. Annualized net charge-offs were 0.09% for the quarter compared to 0.04% in the prior quarter and 0.16% in the prior year third quarter.

The allowance for credit losses was \$71.6 million and increased to 1.20% of outstanding loans at September 30, 2023. The allowance for credit losses and accrual for off-balance sheet credit risk from unfunded commitments ("RUC") was \$77.7 million or 1.21% of outstanding loans which was slightly higher compared to the linked quarter and lower than the prior year third quarter due to a reduction in unfunded commitments and the related reserve.

CROSSFIRST BANKSHARES, INC.

The following table provides information regarding asset quality.

Asset quality (Dollars in millions)	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22
Non-accrual loans	\$ 20.4	\$ 12.9	\$ 9.5	\$ 11.3	\$ 16.9
Other real estate owned	-	-	0.9	1.1	1.0
Loans 90+ days past due and still accruing	15.7	0.4	0.8	0.8	0.3
Non-performing assets	\$ 36.1	\$ 13.3	\$ 11.2	\$ 13.2	\$ 18.2
Loans 30 - 89 days past due	29.5	13.3	5.1	19.6	21.4
Net charge-offs (recoveries)	1.3	0.6	1.6	(0.3)	1.9
Asset quality metrics (%)	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22
Nonperforming assets to total assets	0.50 %	0.19 %	0.16 %	0.20 %	0.31 %
Allowance for credit losses to total loans	1.20	1.17	1.15	1.15	1.19
Allowance for credit losses + RUC to total loans ⁽²⁾	1.31	1.30	1.30	1.31	1.34
Allowance for credit losses to non-performing loans	198	508	629	514	324
Net charge-offs (recoveries) to average loans ⁽¹⁾	0.09	0.04	0.12	(0.02)	0.16
Provision to average loans ⁽¹⁾	0.23	0.18	0.32	0.53	0.29
Classified Loans / (Total Capital + ACL)	14.2	9.7	9.4	10.1	11.3
Classified Loans / (Total Capital + ACL + RUC) ⁽²⁾	14.0	9.6	9.3	10.0	11.2

⁽¹⁾ Interim periods annualized.

⁽²⁾ Includes the accrual for off-balance sheet credit risk from unfunded commitments

Capital Position

At September 30, 2023, stockholders' equity totaled \$643 million, or \$13.04 of book value per common share, compared to \$631 million of book value per common share, at June 30, 2023. The decrease was due to an increase in accumulated other comprehensive income of \$12 million, net of tax, from the unrealized loss on available-for-sale securities, net of tax, partially offset by net income and the issuance of shares as part of the consideration in the Tucson acquisition.

Tangible book value per common share⁽¹⁾ was \$12.23 at September 30, 2023, a decrease of \$0.44, or 3%, from June 30, 2023. The ratio of common equity Tier 1 capital to risk-weighted assets was approximately 9.7%, and the ratio of total capital to risk-weighted assets was approximately 10.9% at September 30, 2023.

⁽¹⁾ Represents a non-GAAP financial measure. See "Table 5. Non-GAAP Financial Measures" for a reconciliation of this measure.

CROSSFIRST BANKSHARES, INC.

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, a full-service financial institution that offers products and services to businesses, professionals, individuals, and families. CrossFirst Bank, headquartered in Leawood, Kansas, has locations in Kansas, Missouri, Oklahoma, Texas, Colorado, and New Mexico.

INVESTOR CONTACT

Mike Daley, Chief Accounting Officer and Head of Investor Relations

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<https://investors.crossfirstbankshares.com>

TABLE 1. CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)

	September 30, 2023	June 30, 2023	December 31, 2022
	<i>(Dollars in thousands)</i>		
Assets			
Cash and cash equivalents	\$ 233,191	\$ 342,497	\$ 300,138
Available-for-sale securities - taxable	345,708	297,097	198,808
Available-for-sale securities - tax-exempt	404,779	446,803	488,093
Loans, net of unearned fees	5,945,753	5,796,599	5,372,729
Allowance for credit losses on loans	<u>71,556</u>	<u>67,567</u>	<u>61,775</u>
Loans, net of the allowance for credit losses on loans	5,874,197	5,729,032	5,310,954
Premises and equipment, net	70,245	68,539	65,984
Restricted equity securities	4,396	13,060	12,536
Interest receivable	35,814	33,303	29,507
Foreclosed assets held for sale	-	-	1,130
Goodwill and other intangible assets, net	32,293	27,457	29,081
Bank-owned life insurance	70,367	69,929	69,101
Other	<u>108,489</u>	<u>92,461</u>	<u>95,754</u>
Total assets	<u>\$ 7,179,479</u>	<u>\$ 7,120,178</u>	<u>\$ 6,601,086</u>
Liabilities and stockholders' equity			
Deposits			
Non-interest-bearing	\$ 1,028,974	\$ 928,098	\$ 1,400,260
Savings, NOW and money market	3,558,994	3,333,514	3,305,481
Time	<u>1,743,653</u>	<u>1,838,455</u>	<u>945,567</u>
Total deposits	6,331,621	6,100,067	5,651,308
Federal Home Loan Bank advances	88,531	262,708	218,111
Other borrowings	18,059	14,320	35,457
Interest payable and other liabilities	<u>98,217</u>	<u>91,600</u>	<u>87,611</u>
Total liabilities	6,536,428	6,468,695	5,992,487
Stockholders' equity			
Preferred Stock, \$0.01 par value: Authorized - 15,000 shares, issued - 7,750 at September 30, 2023 and June 30, 2023 and no shares at December 31, 2022	-	-	-
Common Stock, \$0.01 par value: Authorized - 200,000,000 shares, issued - 53,285,789, 53,241,855 and 53,036,613 shares at September 30, 2023, June 30, 2023 and December 31, 2022, respectively	533	532	530
Treasury stock, at cost: 3,990,753 shares held at September 30, 2023 and 4,588,398 shares held at June 30, 2023 and December 31, 2022	(58,195)	(64,127)	(64,127)
Additional paid-in capital	542,191	539,793	530,658
Retained earnings	254,855	238,147	206,095
Accumulated other comprehensive loss	<u>(96,333)</u>	<u>(62,862)</u>	<u>(64,557)</u>
Total stockholders' equity	643,051	651,483	608,599
Total liabilities and stockholders' equity	<u>\$ 7,179,479</u>	<u>\$ 7,120,178</u>	<u>\$ 6,601,086</u>

TABLE 2. CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<i>(Dollars in thousands except per share data)</i>					
Interest Income					
Loans, including fees	\$ 103,631	\$ 98,982	\$ 59,211	\$ 292,231	\$ 149,266
Available-for-sale securities - taxable	3,089	2,622	1,119	7,560	3,250
Available-for-sale securities - tax-exempt	3,365	3,571	3,905	10,730	11,442
Deposits with financial institutions	2,444	1,609	1,193	6,067	1,714
Dividends on bank stocks	127	364	122	753	478
Total interest income	112,656	107,148	65,550	317,341	166,150
Interest Expense					
Deposits	56,297	48,663	14,909	141,685	23,152
Fed funds purchased and repurchase agreements	5	-	9	51	83
Federal Home Loan Bank Advances	1,003	3,734	898	7,128	3,302
Other borrowings	224	212	39	590	94
Total interest expense	57,529	52,609	15,855	149,454	26,631
Net Interest Income	55,127	54,539	49,695	167,887	139,519
Provision for Credit Losses	3,329	2,640	3,334	10,390	4,844
Net Interest Income after Provision for Credit Losses	51,798	51,899	46,361	157,497	134,675
Non-Interest Income					
Service charges and fees on customer accounts	2,249	2,110	1,566	6,188	4,520
ATM and credit card interchange income	1,436	1,213	1,326	3,913	5,513
Gain on sale of loans	739	1,205	-	2,131	-
Income from bank-owned life insurance	437	418	405	1,266	1,200
Swap fees and credit valuation adjustments, net	57	84	(7)	231	123
Other non-interest income	1,063	749	490	2,452	1,566
Total non-interest income	5,981	5,779	3,780	16,181	12,922
Non-Interest Expense					
Salaries and employee benefits	22,017	24,061	18,252	68,700	53,288
Occupancy	3,183	3,054	2,736	9,211	7,851
Professional fees	1,945	970	580	5,533	2,453
Deposit insurance premiums	1,947	1,881	903	5,359	2,355
Data processing	904	1,057	877	3,203	2,849
Advertising	593	649	796	1,994	2,247
Software and communication	1,898	1,655	1,222	5,204	3,689
Foreclosed assets, net	-	(21)	9	128	(30)
Other non-interest expense	2,945	3,304	3,057	9,980	10,559
Core deposit intangible amortization	922	802	19	2,546	58
Total non-interest expense	36,354	37,412	28,451	111,858	85,319
Net Income Before Taxes	21,425	20,266	21,690	61,820	62,278
Income tax expense	4,562	4,219	4,410	12,802	12,625
Net Income	\$ 16,863	\$ 16,047	\$ 17,280	\$ 49,018	\$ 49,653
Basic Earnings Per Common Share	\$ 0.34	\$ 0.33	\$ 0.35	\$ 1.00	\$ 1.00
Diluted Earnings Per Common Share	\$ 0.34	\$ 0.33	\$ 0.35	\$ 0.99	\$ 0.99

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

	Nine Months Ended September 30,					
	2023			2022		
	Average Balance	Interest Income / Expense	Average Yield / Rate ⁽³⁾	Average Balance	Interest Income / Expense	Average Yield / Rate ⁽³⁾
<i>(Dollars in thousands)</i>						
Interest-earning assets:						
Securities - taxable	\$ 321,128	\$ 8,313	3.4%	\$ 218,421	\$ 3,728	2.2%
Securities - tax-exempt - FTE	514,333	12,984	3.37	549,490	13,845	3.36
Federal funds sold	691	11	2.13	-	-	-
Interest-bearing deposits in other banks	179,649	6,056	4.51	246,213	1,714	0.93
Gross loans, net of unearned income	5,742,621	292,231	6.80	4,466,887	149,266	4.47
Total interest-earning assets - FTE	6,758,422	\$ 319,595	6.32%	5,481,011	\$ 168,553	4.12%
Allowance for loan losses	(66,265)			(57,213)		
Other non-interest-earning assets	228,314			201,519		
Total assets	\$ 6,920,471			\$ 5,625,317		
Interest-bearing liabilities						
Transaction deposits	\$ 610,869	\$ 13,566	2.97%	\$ 541,933	\$ 2,134	0.89%
Savings and money market deposits	2,787,915	80,151	3.84	2,386,205	15,285	0.86
Time deposits	1,505,329	47,968	4.26	627,458	5,733	1.22
Total interest-bearing deposits	4,904,113	141,685	3.86	3,555,596	23,152	0.87
FHLB and short-term borrowings	250,795	7,593	4.05	241,897	3,385	1.87
Trust preferred securities, net of fair value adjustments	1,077	176	21.85	1,024	94	12.29
Non-interest-bearing deposits	1,022,469	-	-	1,148,150	-	-
Cost of funds	6,178,454	\$ 149,454	3.23%	4,946,667	\$ 26,631	0.72%
Other liabilities	99,896			51,634		
Stockholders' equity	642,121			627,016		
Total liabilities and stockholders' equity	\$ 6,920,471			\$ 5,625,317		
Net interest income - FTE		\$ 170,141			\$ 141,922	
Net interest spread - FTE			3.09%			3.39%
Net interest margin - FTE			3.30%			3.40%

⁽¹⁾ 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%.

⁽²⁾ Average gross loan balances include non-accrual loans.

⁽³⁾ 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.

TABLE 4. QUARTERLY ANALYSIS OF CHANGES IN NET INTEREST INCOME – FTE (UNAUDITED)

	September 30, 2023			June 30, 2023			September 30, 2022		
	Average Balance	Interest Income / Expense	Average Yield / Rate ⁽³⁾	Average Balance	Interest Income / Expense	Average Yield / Rate ⁽³⁾	Average Balance	Interest Income / Expense	Average Yield / Rate ⁽³⁾
(Dollars in thousands)									
Interest-earning assets:									
Securities - taxable	\$ 357,260	\$ 3,216	3.60%	\$ 336,446	\$ 2,986	3.55%	\$ 213,775	\$ 1,241	2.32%
Securities - tax-exempt - FTE ⁽¹⁾	489,320	4,072	3.33	511,993	4,321	3.38	560,541	4,725	3.37
Federal funds sold	332	5	5.97	-	-	-	-	-	-
Interest-bearing deposits in other banks	198,068	2,439	4.89	145,559	1,609	4.43	231,345	1,193	2.05
Gross loans, net of unearned income ⁽²⁾	5,907,730	103,631	6.96	5,776,137	98,982	6.87	4,626,684	59,211	5.08
Total interest-earning assets - FTE ⁽¹⁾	6,952,710	\$ 113,363	6.47%	6,770,135	\$ 107,898	6.39%	5,632,345	\$ 66,370	4.68%
Allowance for loan losses	(69,415)			(66,078)			(56,995)		
Other non-interest-earning assets	230,933			225,915			188,997		
Total assets	\$ 7,114,228			\$ 6,929,972			\$ 5,764,347		
Interest-bearing liabilities									
Transaction deposits	\$ 689,973	\$ 5,727	3.29%	\$ 598,646	\$ 4,339	2.91%	\$ 531,999	\$ 1,539	1.95%
Savings and money market deposits	2,775,549	29,655	4.24	2,707,637	26,927	3.99	2,519,574	10,568	1.66
Time deposits	1,795,798	20,915	4.62	1,612,105	17,397	4.33	733,607	2,802	1.52
Total interest-bearing deposits	5,261,320	56,297	4.25	4,918,388	48,663	3.97	3,785,180	14,909	1.56
FHLB and short-term borrowings	131,420	1,169	3.53	349,763	3,888	4.46	165,196	907	2.18
Trust preferred securities, net of fair value adjustments	1,091	63	22.91	1,077	58	21.60	1,037	39	14.58
Non-interest-bearing deposits	954,005	-	-	921,259	-	-	1,137,626	-	-
Cost of funds	6,347,836	\$ 57,529	3.60%	6,190,487	\$ 52,609	3.41%	5,089,039	\$ 15,855	1.23%
Other liabilities	108,148			91,994			62,102		
Stockholders' equity	658,244			647,491			613,206		
Total liabilities and stockholders' equity	\$ 7,114,228			\$ 6,929,972			\$ 5,764,347		
Net interest income - FTE ⁽¹⁾		\$ 55,834			\$ 55,289			\$ 50,515	
Net interest spread - FTE ⁽¹⁾			2.87%			2.98%			3.45%
Net interest margin - FTE ⁽¹⁾			3.19%			3.27%			3.56%

⁽¹⁾ 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%.

⁽²⁾ Average loan balances include non-accrual loans.

⁽³⁾ 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.

TABLE 5. NON-GAAP FINANCIAL MEASURES

Non-GAAP Financial Measures

In addition to disclosing financial measures determined in accordance with U.S. generally accepted accounting principles (GAAP), the Company discloses non-GAAP financial measures in this release including “tangible common stockholders’ equity,” “adjusted efficiency ratio – fully tax equivalent (FTE),” “adjusted net income,” “adjusted diluted earnings per share,” “adjusted return on average assets (ROAA),” and “adjusted return on average common equity (ROCE).” We consider non-GAAP financial measures and ratios to be useful for financial and operational decision making and period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain expenditures or gains that we believe are not indicative of our primary business. We believe that management and investors benefit from referring to these non-GAAP financial measures in assessing 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 and reconciled to GAAP. Our non-GAAP financial measures should not be used alone as measures of our performance. The non-GAAP financial measures presented may differ from non-GAAP financial measures used by our peers or other companies. We compensate for these differences by providing equivalent GAAP measures whenever we present the non-GAAP financial measures and by including a reconciliation 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.

A reconciliation of non-GAAP financial measures to the comparable GAAP financial measures follows.

CROSSFIRST BANKSHARES, INC.

	Quarter Ended					Nine Months Ended	
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	9/30/2023	9/30/2022
	<i>(Dollars in thousands, except per share data)</i>						
Adjusted net income:							
Net income	\$ 16,863	\$ 16,047	\$ 16,108	\$ 11,946	\$ 17,280	\$ 49,018	\$ 49,653
Add: Acquisition costs	1,328	338	1,477	3,570	81	3,143	320
Add: Acquisition - Day 1 CECL provision	900	-	-	4,400	-	900	-
Add: Employee separation	-	1,300	-	-	-	1,300	1,063
Less: Tax effect ⁽¹⁾	(468)	(344)	(310)	(2,045)	(17)	(1,122)	(290)
Adjusted net income	\$ 18,623	\$ 17,341	\$ 17,275	\$ 17,871	\$ 17,344	\$ 53,239	\$ 50,746
Preferred stock dividends	\$ 155	\$ 103	\$ -	\$ -	\$ -	\$ 258	\$ -
Diluted weighted average common shares outstanding	49,480,107	48,943,325	49,043,621	49,165,578	49,725,207	49,184,810	50,280,593
Diluted earnings per common share	\$ 0.34	\$ 0.33	\$ 0.33	\$ 0.24	\$ 0.35	\$ 0.99	\$ 0.99
Adjusted diluted earnings per common share	\$ 0.37	\$ 0.35	\$ 0.35	\$ 0.36	\$ 0.35	\$ 1.08	\$ 1.01

⁽¹⁾ Represents the tax impact of the adjustments at a tax rate of 21.0%, plus permanent tax expense associated with merger related transactions.

	Quarter Ended					Nine Months Ended	
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	9/30/2023	9/30/2022
	<i>(Dollars in thousands)</i>						
Adjusted return on average assets:							
Net income	\$ 16,863	\$ 16,047	\$ 16,108	\$ 11,946	\$ 17,280	\$ 49,018	\$ 49,653
Adjusted net income	18,623	17,341	17,275	17,871	17,344	53,239	50,746
Average assets	\$ 7,114,228	\$ 6,929,972	\$ 6,712,801	\$ 6,159,783	\$ 5,764,347	\$ 6,920,471	\$ 5,625,317
Return on average assets	0.94 %	0.93 %	0.97 %	0.77 %	1.19 %	0.95 %	1.18 %
Adjusted return on average assets	1.04 %	1.00 %	1.04 %	1.15 %	1.19 %	1.03 %	1.21 %

CROSSFIRST BANKSHARES, INC.

	Quarter Ended				Nine Months Ended		
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	9/30/2022	
	(Dollars in thousands)						
Adjusted return on average common equity:							
Net income	\$ 16,863	\$ 16,047	\$ 16,108	\$ 11,946	\$ 17,280	\$ 49,018	\$ 49,653
Preferred stock dividends	155	103	-	-	-	258	-
Net income attributable to common shareholders	\$ 16,708	\$ 15,944	\$ 16,108	\$ 11,946	\$ 17,280	\$ 48,760	\$ 49,653
Adjusted net income	\$ 18,623	\$ 17,341	\$ 17,275	\$ 17,871	\$ 17,344	\$ 53,239	\$ 50,746
Preferred stock dividends	155	103	-	-	-	258	-
Adjusted net income attributable to common shareholders	\$ 18,468	\$ 17,238	\$ 17,275	\$ 17,871	\$ 17,344	\$ 52,981	\$ 50,746
Average common equity	\$ 650,494	\$ 639,741	\$ 619,952	\$ 589,587	\$ 613,206	\$ 636,841	\$ 627,016
Return on average common equity	10.19 %	10.00 %	10.54 %	8.04 %	11.18 %	10.24 %	10.59 %
Adjusted return on average common equity	11.26 %	10.81 %	11.30 %	12.03 %	11.22 %	11.12 %	10.82 %

	Quarter Ended				
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022
	(Dollars in thousands, except per share data)				
Tangible common stockholders' equity:					
Total stockholders' equity	\$ 643,051	\$ 651,483	\$ 645,491	\$ 608,599	\$ 580,547
Less: goodwill and other intangible assets	32,293	27,457	28,259	29,081	71
Less: preferred stock	7,750	7,750	7,750	-	-
Tangible common stockholders' equity	\$ 603,008	\$ 616,276	\$ 609,482	\$ 579,518	\$ 580,476
Common shares outstanding at end of period	49,295,036	48,653,487	48,600,618	48,448,215	48,787,696
Book value per common share	\$ 13.04	\$ 13.39	\$ 13.28	\$ 12.56	\$ 11.90
Tangible book value per common share	\$ 12.23	\$ 12.67	\$ 12.54	\$ 11.96	\$ 11.90

CROSSFIRST BANKSHARES, INC.

	Quarter Ended				Nine Months Ended		
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	9/30/2022	
	(Dollars in thousands)						
Adjusted Efficiency Ratio - Fully Tax Equivalent (FTE)⁽¹⁾							
Non-interest expense	\$ 36,354	\$ 37,412	\$ 38,092	\$ 36,423	\$ 28,451	\$ 111,858	\$ 85,319
Less: Acquisition costs	(1,328)	(338)	(1,477)	(3,570)	(81)	(3,143)	(320)
Less: Core deposit intangible amortization	(922)	(802)	(822)	(291)	-	(2,546)	-
Less: Employee separation	-	(1,300)	-	-	-	(1,300)	(1,063)
Adjusted Non-interest expense (numerator)	\$ 34,104	\$ 34,972	\$ 35,793	\$ 32,562	\$ 28,370	\$ 104,869	\$ 83,936
Net interest income	55,127	54,539	58,221	54,015	49,695	167,887	139,519
Tax equivalent interest income ⁽¹⁾	707	750	797	818	820	2,254	2,403
Non-interest income	5,981	5,779	4,421	4,359	3,780	16,181	12,922
Total tax-equivalent income (denominator)	\$ 61,815	\$ 61,068	\$ 63,439	\$ 59,192	\$ 54,295	\$ 186,322	\$ 154,844
Efficiency Ratio	59.49 %	62.02 %	60.81 %	62.40 %	53.20 %	60.77 %	55.97 %
Adjusted Efficiency Ratio - Fully Tax Equivalent (FTE)⁽¹⁾	55.17 %	57.27 %	56.42 %	55.01 %	52.25 %	56.28 %	54.21 %

⁽¹⁾ 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

Third Quarter 2023 Earnings Presentation
October 16, 2023

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 relating to this presentation contain forward-looking statements regarding, among other things, our business plans; expansion targets and opportunities; post-closing plans, objectives, expectations and intentions with respect to the Tucson acquisition; expense management initiatives and the results expected to be realized from those initiatives; anticipated expenses, cash requirements and sources of liquidity; capital allocation strategies and plans; and future financial performance. These statements are often, but not always, made through the use of words or phrases such as "positioned," "growth," "estimate," "believe," "plan," "future," "opportunity," "optimistic," "anticipate," "target," "expectations," "expect," "will," "strategy," "goal," "focused," "guidance," "foresee" and similar words or phrases of a future or forward-looking nature. The inclusion of forward-looking information herein 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. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs, certain assumptions made by management, and financial trends that may affect our financial condition, results of operations, business strategy or financial needs, many of which, by their nature, are inherently uncertain and beyond our control. Our actual results could differ materially from those anticipated in such forward-looking statements. 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 due to a number of factors, including without limitation, the following: impact on us and our clients of a decline in general business and economic conditions and any regulatory responses thereto, including uncertainty and volatility in the financial markets; interest rate fluctuations; our ability to effectively execute our growth strategy and manage our growth, including identifying and consummating suitable mergers and acquisitions, entering new lines of business or offering new or enhanced services or products; fluctuations in fair value of our investments due to factors outside of our control; our ability to successfully manage credit risk and the sufficiency of our allowance; geographic concentration of our markets; economic impact on our commercial real estate and commercial-based loan portfolios, including declines in commercial and residential real estate values; an increase in non-performing assets; our ability to attract, hire and retain key personnel; maintaining and increasing customer deposits, funding availability, liquidity and our ability to raise and maintain sufficient capital; competition from banks, credit unions and other financial services providers; the effectiveness of our risk management framework; accounting estimates; our ability to maintain effective internal control over financial reporting; our ability to keep pace with technological changes; cyber incidents or other failures, disruptions or security breaches; employee error, fraud committed against the Company or our clients, or incomplete or inaccurate information about clients and counterparties; mortgage markets; our ability to maintain our reputation; costs and effects of litigation; environmental liability; risk exposure from transactions with financial counterparties; severe weather, natural disasters, pandemics, acts of war or terrorism or other external events; and changes in laws, rules, regulations, interpretations or policies relating to financial institutions, including stringent capital requirements, higher FDIC insurance premiums and assessments, consumer protection laws and privacy laws. 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 hereof, 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.

ABOUT NON-GAAP FINANCIAL MEASURES



In addition to disclosing financial measures determined in accordance with U.S. generally accepted accounting principles (GAAP), we disclose non-GAAP financial measures, including "adjusted net income", "adjusted diluted earnings per common share", "tangible common stockholders' equity", "tangible book value per common share", "adjusted return on average assets (ROAA)", "adjusted return on average common equity (ROCE)", "adjusted efficiency ratio - fully tax equivalent (FTE)" and "adjusted non-interest expense."

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 gains that we believe are not indicative of our primary business operating results. 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.

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The CrossFirst Story

- Began de novo operations in 2007, completed IPO in 2019
- CrossFirst has grown primarily organically, as well as through four strategic acquisitions
- Maintains a branch-light business model with strategically placed locations across Kansas, Missouri, Oklahoma, Texas, Arizona, Colorado and New Mexico
- Specialty industry verticals include family office, financial institutions, restaurant finance, energy, mortgage, and small business (SBA)

Strategic Approach

- Realize enhanced profitability growth by gaining scale
- Operate in high-growth, dynamic markets and verticals
- Optimize our expense base to improve operating efficiency
- Attract, retain and develop talent to drive a highly-engaged workforce
- Leverage technology to elevate the client experience
- Employ effective enterprise risk management

3Q23 Company Highlights

Full-service Branches	15
Listing	Nasdaq: CFB
Balance Sheet	
Total Assets	\$7.2 billion
Total Loans	\$5.9 billion
Total Deposits	\$6.3 billion
ACL + RUC / Loans	1.31%
Key Ratios	
3Q23 ROAA / Adjusted ROAA ⁽¹⁾	0.94% / 1.04%
3Q23 ROCE / Adjusted ROCE ⁽¹⁾	10.19% / 11.26%
3Q23 Net Interest Margin – FTE ⁽²⁾	3.19%
3Q23 Efficiency Ratio / Adjusted Efficiency Ratio-FTE ⁽¹⁾⁽²⁾	59.5% / 55.2%
Common Equity Tier 1	9.7%
Tier 1 Leverage	9.9%

(1) Represents a non-GAAP financial measure, see non-GAAP reconciliation slides at the end of this presentation for more details. Ratios are annualized.

(2) The incremental federal income tax rate used in calculating tax-exempt income on a tax-equivalent basis is 21.0%

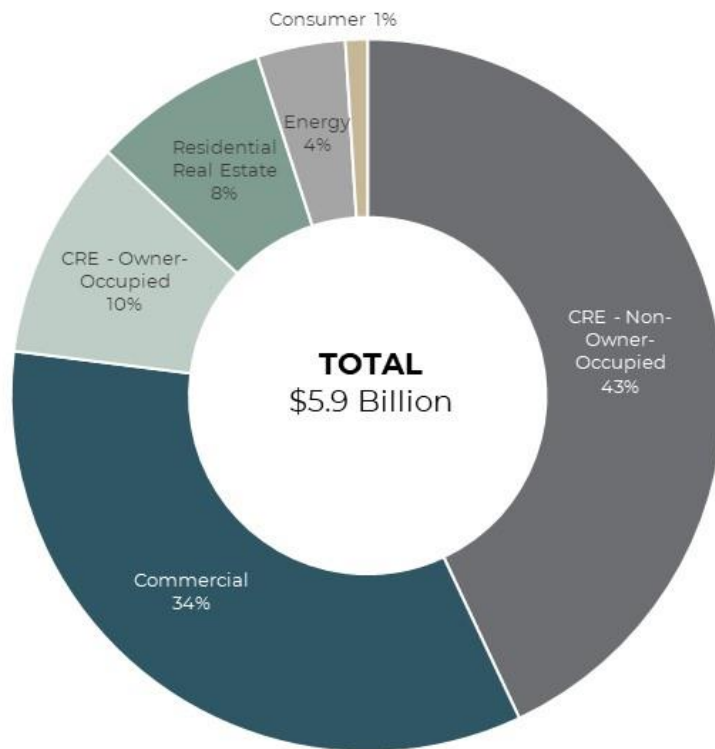
THIRD QUARTER 2023 HIGHLIGHTS



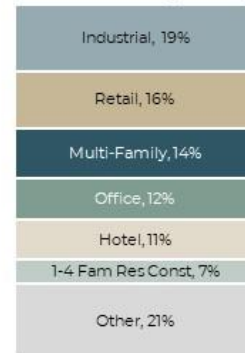
Financial Performance	Net Income \$16.9 Million	Diluted EPS \$0.34	ROCE⁽¹⁾ 10.19%	ROAA⁽¹⁾ 0.94%
	Adjusted⁽²⁾ Net Income \$18.6 Million	Adjusted⁽²⁾ Diluted EPS \$0.37	Adjusted⁽¹⁾⁽²⁾ ROCE 11.26%	Adjusted⁽¹⁾⁽²⁾ ROAA 1.04%
Profitability	<ul style="list-style-type: none"> ✓ Improving profitability as operating revenue, adjusted diluted EPS and adjusted ROCE increased compared to the prior quarter and the prior year third quarter ✓ YTD 2023 operating revenue grew 21% compared to the prior year ✓ Completed the previously-announced acquisition of Canyon Bancorporation, Inc. and its wholly owned subsidiary, Canyon Community Bank, N.A. ("Tucson Acquisition") 			
Balance Sheet	<ul style="list-style-type: none"> ✓ Loans grew \$149 million, or 2.6% for the quarter and 10.7% year-to-date; excluding the Tucson acquisition, grew 0.8% for the quarter and 8.7% year-to-date ✓ Deposits grew \$232 million, or 3.8% for the quarter and 12.0% year-to-date; excluding the Tucson acquisition, grew 1.1% for the quarter and 9.1% year-to-date 			
Credit Quality	<ul style="list-style-type: none"> ✓ Nonperforming assets increased to 0.50% of total assets, but were contained within a few relationships of manageable size ✓ Net charge-offs of \$1.3 million were previously reserved and represented an annualized rate of 0.09% of average loans 			
Capital	<ul style="list-style-type: none"> ✓ Book value per common share was \$13.04 and tangible book value per common share was \$12.23 at September 30, 2023 ✓ CET1 capital ratio was 9.7% and total risk-based capital ratio was 10.9%, both increasing from June 30, 2023 levels 			

⁽¹⁾ Ratios are annualized
⁽²⁾ Represents a non-GAAP financial measure, see non-GAAP reconciliation slides at the end of this presentation for more details

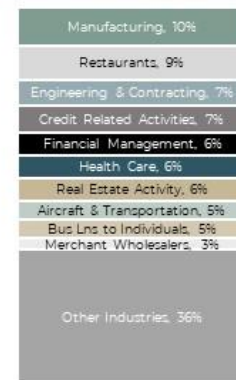
DIVERSE LOAN PORTFOLIO



CRE - Non-Owner-Occupied by Segment



Commercial by Loan Type



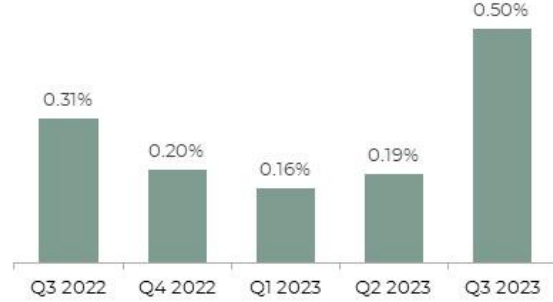
Note: Gross loans, (net of unearned income) data as of September 30, 2023.

ASSET QUALITY PERFORMANCE

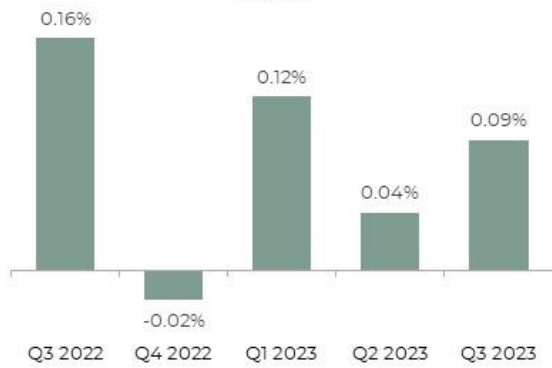
Classified Loans



Non-performing Assets / Total Assets



Net Charge-offs (Recoveries) / Average Loans⁽¹⁾



Allowance for Credit Losses + RUC⁽²⁾

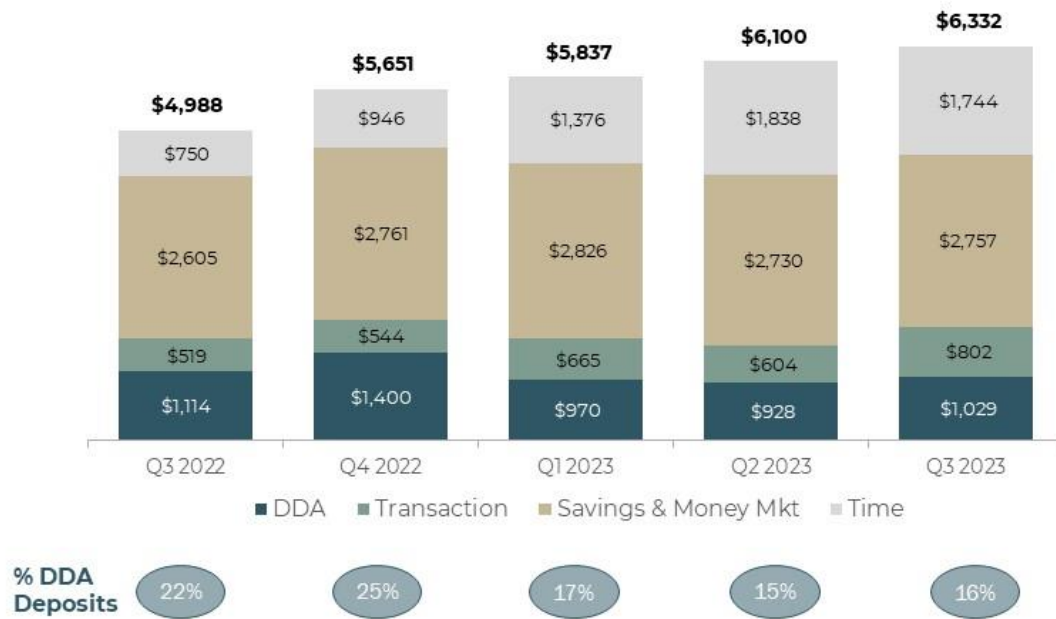


Note: Dollars are in millions and amounts shown are as of the end of the period.

(1) Ratio is annualized for interim periods

(2) RUC includes the accrual for off-balance sheet credit risk for unfunded commitments

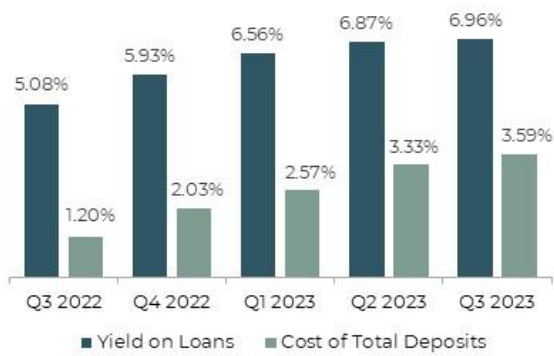
DEPOSIT TRENDS



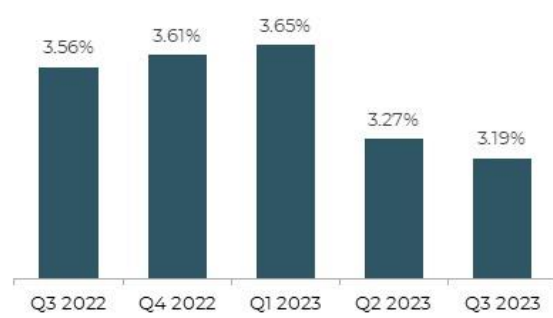
Note: Dollars are in millions and amounts shown are as of the end of the period.

NET INTEREST MARGIN

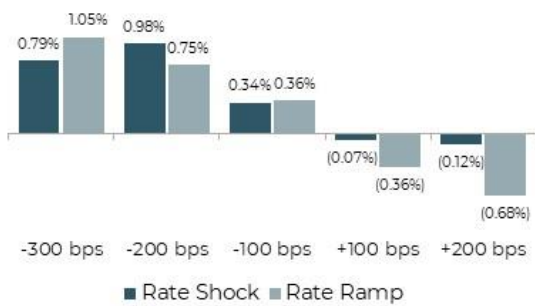
Yield on Loans & Cost of Deposits



Net Interest Margin – Fully Tax Equivalent (FTE)⁽¹⁾



Net Interest Income Impact From Rate Changes

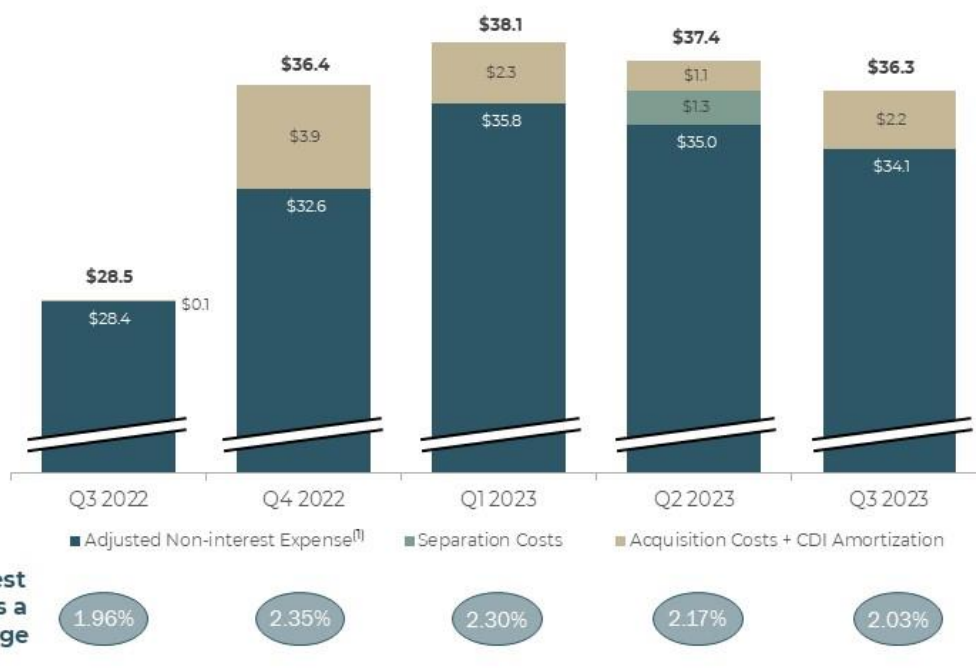


Loans: Rate Reset and Cash Flow Profile



(1) Ratio is annualized for interim periods; the incremental Federal income tax rate used in calculating tax exempt income on a tax equivalent basis is 21.0%

EXPENSE MANAGEMENT



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

(1) Represents a non-GAAP financial measure that is calculated as the numerator of the Adjusted Efficiency Ratio - Fully Tax Equivalent; see non-GAAP reconciliation slides at the end of this presentation for more details.

AMPLE LIQUIDITY AND FLEXIBILITY

Total Liquidity - \$2.42B | 34% of Total Assets



Total Liquidity - 9/30/2023	
On-balance Sheet Liquidity	
Securities Portfolio	\$751M
Cash & Equivalents	\$233M
	\$984M
Off-balance Sheet Liquidity	\$1.436B
Total Liquidity	\$2.420B

Off-Balance Sheet Liquidity



Investment Strategy 2022 and Prior

- Tax-exempt Municipal strategy focused on maximizing yield in a low-interest rate environment
- Tax-exempt securities added asset duration to offset short duration in loan portfolio
- MBS securities provided cashflow

Investment Strategy 2023 and Beyond

- Reducing Municipal concentration and focusing reinvestment in lower risk-weighted assets
- Restructuring portfolio to increase liquidity and provide more balanced cash flow
- Improved performance with ~40bps pick up in tax-equivalent yield during 2023

Business Driver	Prior	Current
Loans	8-10% core loan growth	Unchanged
Net Interest Margin (NIM)	3.20% to 3.35% (Full Year)	3.20% to 3.25% (Q4)
Non-interest Expense ⁽¹⁾	\$34-\$35 million per quarter	Unchanged
Combined ACL / Loans	1.30% to 1.45%	Unchanged
Effective Tax Rate	20-22%	Unchanged

(1) Excluding the impact of acquisition-related costs.

NON-GAAP RECONCILIATIONS



	Quarter Ended					Nine Months Ended	
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	9/30/2023	9/30/2022
	(Dollars in thousands, except per share data)						
Adjusted net income:							
Net income (GAAP)	\$ 16,863	\$ 16,047	\$ 16,108	\$ 11,946	\$ 17,280	\$ 49,018	\$ 49,653
Add: Acquisition costs	1,328	338	1,477	3,570	81	3,143	320
Add: Acquisition - Day 1 CECL provision	900	-	-	4,400	-	900	-
Add: Employee separation	-	1,300	-	-	-	1,300	1,063
Less: Tax effect ⁽¹⁾	(468)	(344)	(310)	(2,045)	(17)	(1,122)	(290)
Adjusted net income	\$ 18,623	\$ 17,341	\$ 17,275	\$ 17,871	\$ 17,344	\$ 53,239	\$ 50,746
Preferred stock dividends	\$ 155	\$ 103	\$ -	\$ -	\$ -	\$ 258	\$ -
Diluted weighted average common shares outstanding	49,480,107	48,943,325	49,043,621	49,165,978	49,725,207	49,184,810	50,280,593
Earnings per common share - diluted (GAAP)	\$ 0.34	\$ 0.33	\$ 0.33	\$ 0.24	\$ 0.35	\$ 0.99	\$ 0.59
Adjusted earnings per common share - diluted	\$ 0.37	\$ 0.35	\$ 0.35	\$ 0.36	\$ 0.35	\$ 1.08	\$ 1.01

	Quarter Ended					Nine Months Ended	
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	9/30/2023	9/30/2022
	(Dollars in thousands)						
Adjusted return on average assets:							
Net income (GAAP)	\$ 16,863	\$ 16,047	\$ 16,108	\$ 11,946	\$ 17,280	\$ 49,018	\$ 49,653
Adjusted net income	18,623	17,341	17,275	17,871	17,344	53,239	50,746
Average assets	\$ 7,114,228	\$ 6,929,972	\$ 6,712,801	\$ 6,159,783	\$ 5,764,347	\$ 6,920,471	\$ 5,623,317
Return on average assets (GAAP)	0.34 %	0.33 %	0.37 %	0.77 %	1.19 %	0.95 %	1.38 %
Adjusted return on average assets	1.04 %	1.00 %	1.04 %	1.15 %	1.19 %	1.03 %	1.21 %

	Quarter Ended					Nine Months Ended	
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	9/30/2023	9/30/2022
	(Dollars in thousands)						
Adjusted return on average common equity:							
Net income (GAAP)	\$ 16,863	\$ 16,047	\$ 16,108	\$ 11,946	\$ 17,280	\$ 49,018	\$ 49,653
Preferred stock dividends	155	103	-	-	-	258	-
Net income attributable to common shareholders (GAAP)	\$ 16,708	\$ 15,944	\$ 16,108	\$ 11,946	\$ 17,280	\$ 48,760	\$ 49,653
Adjusted net income	18,623	17,341	17,275	17,871	17,344	53,239	50,746
Preferred stock dividends	155	103	-	-	-	258	-
Net income attributable to common shareholders (GAAP)	\$ 18,468	\$ 17,238	\$ 17,275	\$ 17,871	\$ 17,344	\$ 52,981	\$ 50,746
Average common equity	\$ 650,494	\$ 639,741	\$ 619,952	\$ 589,587	\$ 613,206	\$ 636,841	\$ 627,016
Return on average common equity (GAAP)	10.19 %	10.00 %	10.54 %	8.04 %	11.18 %	10.24 %	10.59 %
Adjusted return on average common equity	11.26 %	10.81 %	11.30 %	12.03 %	11.22 %	11.12 %	10.82 %

(1) Represents the tax impact of the adjustments at a tax rate of 21.0%, plus permanent tax expense associated with merger related transactions.

NON-GAAP RECONCILIATIONS



	Quarter Ended				
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022
	(Dollars in thousands, except per share data)				
Tangible common stockholders' equity:					
Total stockholders' equity (GAAP)	\$ 643,051	\$ 651,483	\$ 645,491	\$ 608,599	\$ 580,547
Less: goodwill and other intangible assets	32,293	27,457	28,259	29,081	71
Less: preferred stock	7,750	7,750	7,750	-	-
Tangible common stockholders' equity	\$ 603,008	\$ 616,276	\$ 609,482	\$ 579,518	\$ 580,476
Tangible book value per common share:					
Tangible common stockholders' equity	\$ 603,008	\$ 616,276	\$ 609,482	\$ 579,518	\$ 580,476
Common shares outstanding at end of period	49,295,036	48,653,487	48,600,618	48,448,215	48,787,696
Book value per common share (GAAP)	\$ 13.04	\$ 13.39	\$ 13.28	\$ 12.56	\$ 11.90
Tangible book value per common share	\$ 12.23	\$ 12.67	\$ 12.54	\$ 11.96	\$ 11.90

	Quarter Ended					Nine Months Ended	
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	9/30/2023	9/30/2022
	(Dollars in thousands)						
Adjusted Efficiency Ratio - Fully Tax Equivalent (FTE)⁽¹⁾							
Non-interest expense	\$ 36,354	\$ 37,412	\$ 38,090	\$ 36,423	\$ 28,451	\$ 111,858	\$ 85,319
Less: Acquisition costs	(1,328)	(338)	(1,477)	(5,570)	(81)	(3,143)	(320)
Less: Core deposit intangible amortization	(922)	(802)	(822)	(291)	-	(2,546)	-
Less: Employee separation	-	(1,300)	-	-	-	(1,300)	(1,063)
Adjusted Non-Interest expense (numerator)	\$ 34,104	\$ 34,972	\$ 35,793	\$ 32,562	\$ 28,370	\$ 104,869	\$ 83,936
Net interest income	55,127	54,539	58,221	54,015	49,695	187,687	139,519
Tax equivalent interest income ⁽¹⁾	707	750	797	818	820	2,254	2,403
Non-interest income (loss)	5,981	5,779	4,421	4,359	3,780	16,181	12,922
Total tax-equivalent income (denominator)	\$ 61,815	\$ 61,068	\$ 63,439	\$ 59,192	\$ 54,295	\$ 186,322	\$ 154,844
Efficiency Ratio (GAAP)	59.49 %	62.02 %	60.81 %	62.40 %	53.20 %	60.77 %	55.37 %
Adjusted Efficiency Ratio - Fully Tax Equivalent (FTE)⁽¹⁾	55.17 %	57.27 %	56.42 %	55.01 %	52.25 %	56.28 %	54.21 %

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

