UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2023
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

Commission file number 001-39028

CROSSFIRST BANKSHARES, INC.

(Exact Name of Registrant as Specified in its Charter)

Kansas	26-3212879
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
11440 Tomahawk Creek Parkway Leawood, KS	66211
(Address of principal executive offices)	(Zip Code)

(913) 901-4516
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 28, 2023, the registrant had 48,600,618 shares of common stock, par value $0.01, outstanding.

CROSSFIRST BANKSHARES, INC.
Form 10-Q for the Quarter Ended March 31, 2023

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Forward-Looking Information

All statements contained in this quarterly report on Form 10-Q that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “goal,” “target,” “outlook,” “aim,” “would,” “annualized,” “position” and “outlook,” or the negative of these words or other comparable words or phrases of a future or forward-looking nature. For example, our forward-looking statements include statements regarding our expectations, opportunities or plans for growth; the proposed acquisition of Canyon Bancorporation, Inc. and Canyon Community Bank, N.A. (collectively “Canyon”); our anticipated expenses, cash requirements and sources of liquidity; and our capital allocation strategies and plans.

Unless we state otherwise or the context otherwise requires, references below to “we,” “our,” “us,” and the “Company” refer to CrossFirst Bankshares, Inc., and its consolidated subsidiaries. References to “CrossFirst Bank” and the “Bank” refer to CrossFirst Bank, our wholly owned consolidated bank subsidiary.

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, the Company cautions 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 the Company believes 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: impacts 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; the transition away from the London Interbank Offered Rate (“LIBOR”); 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 or other external events; changes in laws, rules, regulations, interpretations or policies relating to financial institutions, including capital requirements, higher FDIC insurance premiums and assessments, consumer protection laws and privacy laws; volatility in our stock price; issuance of our preferred stock; risks inherent with proposed business acquisitions and the failure to achieve projected synergies; or other external events. Additional discussion of these and other risk factors can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (“2022 Form 10-K), filed with the Securities and Exchange Commission (“SEC”) on March 3, 2023, and in our other filings with the SEC.

Except as required by law, the Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in our business, results of operations or financial condition over time. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

PART I - FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

CROSSFIRST BANKSHARES, INC.
Consolidated Statements of Financial Condition – Unaudited

	March 31, 2023	December 31, 2022
	(Dollars in thousands)	
Assets		
Cash and cash equivalents	$ 262,971	$ 300,138
Available-for-sale securities - taxable	280,408	198,808
Available-for-sale securities - tax-exempt	470,843	488,093
Loans, net of unearned fees	5,647,639	5,372,729
Allowance for credit losses on loans	65,130	61,775
Loans, net of the allowance for credit losses on loans	5,582,509	5,310,954
Premises and equipment, net	67,311	65,984
Restricted equity securities	16,700	12,536
Interest receivable	30,385	29,507
Foreclosed assets held for sale	855	1,130
Goodwill and other intangible assets, net	28,259	29,081
Bank-owned life insurance	69,511	69,101
Other	84,978	95,754
Total assets	$ 6,894,730	$ 6,601,086
Liabilities and stockholders' equity		
Deposits		
Non-interest-bearing	$ 969,701	$ 1,400,260
Savings, NOW and money market	3,491,586	3,305,481
Time	1,376,027	945,567
Total deposits	5,837,314	5,651,308
Federal Home Loan Bank advances	314,031	218,111
Other borrowings	17,970	35,457
Interest payable and other liabilities	79,924	87,611
Total liabilities	6,249,239	5,992,487
Stockholders' equity		
Preferred stock, $0.01 par value: Authorized - 15,000 shares, issued -7,750 and no shares at March 31, 2023 and December 31, 2022, respectively	-	-
Common stock, $0.01 par value: Authorized - 200,000,000 shares, issued - 53,189,016 and 53,036,613 shares at March 31, 2023 and December 31, 2022, respectively	532	530
Treasury stock, at cost: 4,588,398 shares held at March 31, 2023 and December 31, 2022	(64,127)	(64,127)
Additional paid-in capital	539,023	530,658
Retained earnings	222,203	206,095
Accumulated other comprehensive loss	(52,140)	(64,557)
Total stockholders' equity	645,491	608,599
Total liabilities and stockholders' equity	$ 6,894,730	$ 6,601,086

See Notes to Consolidated Financial Statements – Unaudited

CROSSFIRST BANKSHARES, INC.

Consolidated Statements of Operations – Unaudited

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(Dollars in thousands except per share data)	
Interest Income		
Loans, including fees	$ 89,618	$ 42,728
Available-for-sale securities - taxable	1,849	1,044
Available-for-sale securities - tax-exempt	3,794	3,692
Deposits with financial institutions	2,014	152
Dividends on bank stocks	262	144
Total interest income	97,537	47,760
Interest Expense		
Deposits	36,725	3,511
Fed funds purchased and repurchase agreements	46	-
Federal Home Loan Bank Advances	2,391	1,109
Other borrowings	154	25
Total interest expense	39,316	4,645
Net Interest Income	58,221	43,115
Provision for Credit Losses	4,421	(625)
Net Interest Income after Provision for Credit Losses	53,800	43,740
Non-Interest Income		
Service charges and fees on customer accounts	1,829	1,408
ATM and credit card interchange income	1,264	2,664
Realized gains (losses) on available-for-sale securities	63	(26)
Gain on sale of loans	187	-
Gains (losses), net on equity securities	10	(103)
Income from bank-owned life insurance	411	388
Swap fees and credit valuation adjustments, net	90	118
Other non-interest income	567	493
Total non-interest income	4,421	4,942
Non-Interest Expense		
Salaries and employee benefits	22,622	17,941
Occupancy	2,974	2,493
Professional fees	2,618	805
Deposit insurance premiums	1,531	737
Data processing	1,242	812
Advertising	752	692
Software and communication	1,651	1,270
Foreclosed assets, net	149	(53)
Other non-interest expense	3,731	2,950
Core deposit intangible amortization	822	19
Total non-interest expense	38,092	27,666
Net Income Before Taxes	20,129	21,016
Income tax expense	4,021	4,188
Net Income	$ 16,108	16,828
Basic Earnings Per Common Share	$ 0.33	$ 0.33
Diluted Earnings Per Common Share	$ 0.33	$ 0.33

See Notes to Consolidated Financial Statements – Unaudited

CROSSFIRST BANKSHARES, INC.

Consolidated Statements of Comprehensive Income (Loss) – Unaudited

	Three Months Ended March 31,	
	2023	**2022**
	(Dollars in thousands)	
Net Income	$ 16,108	$ 16,828
Other Comprehensive Income (Loss)		
Unrealized gain (loss) on available-for-sale securities	14,951	(58,956)
Less: income tax expense (benefit)	3,657	(14,433)
Unrealized gain (loss) on available-for-sale securities, net of income tax	11,294	(44,523)
Reclassification adjustment for realized gains (losses) included in income	63	(26)
Less: income tax expense (benefit)	15	(6)
Less: reclassification adjustment for realized gain (loss) included in income, net of income tax	48	(20)
Unrealized gain on cash flow hedges	1,540	2,655
Less: income tax expense	369	653
Unrealized gain on cash flow hedges, net of income tax	1,171	2,002
Other comprehensive income (loss)	12,417	(42,501)
Comprehensive Income (Loss)	$ 28,525	$ (25,673)

CROSSFIRST BANKSHARES, INC.

Consolidated Statements of Stockholders' Equity – Unaudited

	Preferred Stock		Common Stock						
	Shares	Amount	Shares	Amount	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	(Dollars in thousands)								
Balance at December 31, 2021	-	$ -	50,450,045	$ 526	$ (28,347)	$ 526,806	$ 147,099	$ 21,489	$ 667,573
Adoption of ASU 2016-13	-	-	-	-	-	-	(2,610)	-	(2,610)
Net income	-	-	-	-	-	-	16,828	-	16,828
Other comprehensive loss - available-for-sale securities	-	-	-	-	-	-	-	(44,503)	(44,503)
Other comprehensive gain - cash flow hedges	-	-	-	-	-	-	-	2,002	2,002
Issuance of shares from equity-based awards	-	-	336,540	3	-	(453)	-	-	(450)
Open market common share repurchases	-	-	(1,058,332)	-	(16,762)	-	-	-	(16,762)
Employee receivables from sale of stock	-	-	-	-	-	-	6	-	6
Stock-based compensation	-	-	-	-	-	1,115	-	-	1,115
Balance at March 31, 2022	-	$ -	49,728,253	$ 529	$ (45,109)	$ 527,468	$ 161,323	$ (21,012)	$ 623,199

	Preferred Stock		Common Stock						
	Shares	Amount	Shares	Amount	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	(Dollars in thousands)								
Balance at December 31, 2022	-	$ -	48,448,215	$ 530	$ (64,127)	$ 530,658	$ 206,095	$ (64,557)	$ 608,599
Net income	-	-	-	-	-	-	16,108	-	16,108
Other comprehensive gain - available-for-sale securities	-	-	-	-	-	-	-	11,246	11,246
Other comprehensive gain - cash flow hedges	-	-	-	-	-	-	-	1,171	1,171
Issuance of preferred shares	7,750	-	-	-	-	7,750	-	-	7,750
Issuance of shares from equity-based awards	-	-	152,403	2	-	(623)	-	-	(621)
Stock-based compensation	-	-	-	-	-	1,238	-	-	1,238
Balance March 31, 2023	7,750	$ -	48,600,618	$ 532	$ (64,127)	$ 539,023	$ 222,203	$ (52,140)	$ 645,491

See Notes to Consolidated Financial Statements – Unaudited

CROSSFIRST BANKSHARES, INC.
Consolidated Statements of Cash Flows – Unaudited

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(Dollars in thousands)	
Operating Activities		
Net income	$ 16,108	$ 16,828
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,318	1,241
Provision for credit losses	4,421	(625)
Accretion of discounts on loans	(547)	-
Accretion of discounts and amortization of premiums on securities	926	1,116
Equity based compensation	1,238	1,115
(Gain) loss on disposal of fixed assets	(4)	13
Loss (gain) on sale of foreclosed assets and related impairments	102	(62)
Gain on sale of loans	(187)	-
Deferred income taxes	1,640	3,358
Net increase in bank owned life insurance	(411)	(388)
Net realized (gains) losses on available-for-sale securities	(63)	26
Dividends on FHLB stock	(261)	(142)
Changes in:		
Interest receivable	(878)	(910)
Other assets	2,615	14,565
Other liabilities	(2,693)	(21,650)
Net cash provided by operating activities	24,324	14,485
Investing Activities		
Net change in loans	(275,817)	(94,437)
Purchases of available-for-sale securities	(93,488)	(49,138)
Proceeds from maturities of available-for-sale securities	5,714	11,582
Proceeds from sale of available-for-sale securities	37,069	-
Proceeds from the sale of foreclosed assets	173	237
Purchase of premises and equipment	(2,662)	(962)
Proceeds from the sale of premises and equipment and related insurance claims	4	13
Purchase of restricted equity securities	(8,226)	-
Proceeds from sale of restricted equity securities	4,334	1,544
Net cash used in investing activities	(332,899)	(131,161)
Financing Activities		
Net (decrease) increase in demand deposits, savings, NOW and money market accounts	(244,454)	50,403
Net increase (decrease) in time deposits	430,407	(112,320)
Net decrease in federal funds sold	(20,000)	-
Repayment of Federal Home Loan Bank advances	(12,643)	(10,000)
Net proceeds of Federal Home Loan Bank line of credit	110,969	-
Proceeds from issuance of preferred shares, net of issuance cost	7,750	-
Issuance of common shares, net of issuance cost	2	170
Proceeds from employee stock purchase plan	167	172
Repurchase of common stock	-	(16,762)
Acquisition of common stock for tax withholding obligations	(790)	(793)
Net decrease in employee receivables	-	6
Net cash provided by (used in) financing activities	271,408	(89,124)
Decrease in Cash and Cash Equivalents	(37,167)	(205,800)
Cash and Cash Equivalents, Beginning of Period	300,138	482,727
Cash and Cash Equivalents, End of Period	$ 262,971	$ 276,927
Supplemental Cash Flows Information		
Interest paid	35,459	4,784
Income taxes paid	24	-

See Notes to Consolidated Financial Statements – Unaudited

CROSSFIRST BANKSHARES, INC.
Notes to Consolidated Financial Statements – Unaudited

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization and Nature of Operations

CrossFirst Bankshares, Inc. (the "Company") is a bank holding company whose principal activities are the ownership and management of its wholly-owned subsidiary, CrossFirst Bank (the "Bank"). In addition, the Bank has three subsidiaries including CrossFirst Investments, Inc. ("CFI"), which holds investments in marketable securities, CFBSA I, LLC and CFBSA II, LLC.

The Bank is primarily engaged in providing a full range of banking and financial services to individual and corporate customers through its branches in: (i) Leawood, Kansas; (ii) Wichita, Kansas; (iii) Kansas City, Missouri; (iv) Oklahoma City, Oklahoma; (v) Tulsa, Oklahoma; (vi) Dallas, Texas; (vii) Fort Worth, Texas; (viii) Frisco, Texas; (ix) Phoenix, Arizona; (x) Colorado Springs, Colorado; (xi) Denver, Colorado; and (xii) Clayton, New Mexico.

Basis of Presentation

The accompanying interim unaudited consolidated financial statements serve to update the CrossFirst Bankshares, Inc. Annual Report on Form 10-K for the year ended December 31, 2022 and include the accounts of the Company, the Bank, CFI, CFBSA I, LLC and CFBSA II, LLC. The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and where applicable, with general practices in the banking industry or guidelines prescribed by bank regulatory agencies. However, they may not include all information and notes necessary to constitute a complete set of financial statements under GAAP applicable to annual periods and accordingly should be read in conjunction with the financial information contained in the Company's most recent Annual Report on Form 10-K. The unaudited consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results presented. All such adjustments are of a normal recurring nature. All significant intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications of prior years' amounts are made whenever necessary to conform to current period presentation. The results of operations for the interim period are not necessarily indicative of the results that may be expected for the full year or any other interim period. All amounts are in thousands, except share data, or as otherwise noted.

GAAP requires management to make estimates that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. By their nature, estimates are based on judgment and available information. Management has made significant estimates in certain areas, such as the fair values of financial instruments, and the allowance for credit losses ("ACL"). Because of the inherent uncertainties associated with any estimation process and future changes in market and economic conditions, it is possible that actual results could differ significantly from those estimates.

The Company's significant accounting policies followed in the preparation of the unaudited consolidated financial statements are disclosed in Note 1 of the audited financial statements and notes for the year ended December 31, 2022 and are contained in the Company's Annual Report on Form 10-K for that period. There have been no significant changes to the application of significant accounting policies since December 31, 2022 other than those noted below :

Related Party Transactions

The Bank extends credit and receives deposits from related parties. In management's opinion, the loans and deposits were made in the ordinary course of business and made on similar terms as those prevailing at the time with other persons. Related party loans totaled $11 million and $13 million at March 31, 2023 and December 31, 2022, respectively. Related party deposits totaled $129 million and $92 million at March 31, 2023 and December 31, 2022, respectively.

Accounting Pronouncements Implemented

ASU 2022-02, Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures

Background – ASU 2022-02 provides new guidance on (i) troubled debt restructurings ("TDRs") and (ii) vintage disclosures for gross write-offs. The update eliminates the accounting guidance for TDRs and requires a company to determine if a modification results in a new loan or a continuation of an existing loan. The update enhances the required disclosures for certain modifications made to borrowers experiencing financial difficulty. In addition, the update requires disclosure of current-period gross charge-offs by year of origination for financing receivables. For the Company, the amendments are effective as of January 1, 2023.

Impact of adoption – The Company adopted the provisions of this guidance as of January 1, 2023 on a prospective basis. The adoption of this ASU did not impact our consolidated financial statements. The incremental vintage disclosures for gross write-offs are included within "Note 3: Loans and Allowance for Credit Losses."

Note 2: Securities

The amortized cost and approximate fair values, together with gross unrealized gains and losses, of period end available-for-sale securities consisted of the following:

	March 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
	(Dollars in thousands)			
Available-for-sale securities				
Mortgage-backed - GSE residential	$ 274,895	$ 2,110	$ 22,356	$ 254,649
Collateralized mortgage obligations - GSE residential	10,989	-	604	10,385
State and political subdivisions	523,464	1,449	47,771	477,142
Corporate bonds	9,754	-	679	9,075
Total available-for-sale securities	$ 819,102	$ 3,559	$ 71,410	$ 751,251

	December 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
	(Dollars in thousands)			
Available-for-sale securities				
Mortgage-backed - GSE residential	$ 197,243	$ 232	$ 25,166	$ 172,309
Collateralized mortgage obligations - GSE residential	11,629	-	743	10,886
State and political subdivisions	551,007	929	57,440	494,496
Corporate bonds	9,762	-	552	9,210
Total available-for-sale securities	$ 769,641	$ 1,161	$ 83,901	$ 686,901

The carrying value of securities pledged as collateral was $17 million and $22 million at March 31, 2023 and December 31, 2022, respectively.

As of March 31, 2023 and December 31, 2022, the available-for-sale securities had $6 million of accrued interest, excluded from the amortized cost basis, and presented in "interest receivable" on the consolidated statements of financial condition.

The following tables summarize the gross realized gains and losses from sales or maturities of AFS securities:

	For the Three Months Ended March 31, 2023		
	Gross Realized Gains	Gross Realized Losses	Net Realized Gain
	(Dollars in thousands)		
Available-for-sale securities	$ 193	$ (130)	$ 63

	For the Three Months Ended March 31, 2022		
	Gross Realized Gains	Gross Realized Losses	Net Realized Loss
	(Dollars in thousands)		
Available-for-sale securities	$ 1	$ (27)	$ (26)

The following table shows available-for-sale securities gross unrealized losses, the number of securities that are in an unrealized loss position, and fair value of the Company's investments with unrealized losses, aggregated by investment class and length of time that individual securities have been in a continuous unrealized loss position at March 31, 2023 and December 31, 2022:

	March 31, 2023								
	Less than 12 Months			12 Months or More			Total		
	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities
	(Dollars in thousands)								
Available-for-sale securities									
Mortgage-backed - GSE residential	$ 13,935	$ 562	20	$ 133,560	$ 21,794	36	$ 147,495	$ 22,356	56
Collateralized mortgage obligations - GSE residential	2,235	88	1	8,150	516	18	10,385	604	19
State and political subdivisions	142,418	2,633	105	210,220	45,138	151	352,638	47,771	256
Corporate bonds	4,861	251	2	4,213	428	3	9,074	679	5
Total temporarily impaired securities	$ 163,449	$ 3,534	128	$ 356,143	$ 67,876	208	$ 519,592	$ 71,410	336

	December 31, 2022								
	Less than 12 Months			12 Months or More			Total		
	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities
	(Dollars in thousands)								
Available-for-sale securities									
Mortgage-backed - GSE residential	$ 91,929	$ 10,410	41	$ 66,036	$ 14,756	16	$ 157,965	$ 25,166	57
Collateralized mortgage obligations - GSE residential	10,636	733	18	251	10	1	10,887	743	19
State and political subdivisions	350,884	36,697	266	52,519	20,743	40	403,403	57,440	306
Corporate bonds	9,210	552	5	-	-	-	9,210	552	5
Total temporarily impaired securities	$ 462,659	$ 48,392	330	$ 118,806	$ 35,509	57	$ 581,465	$ 83,901	387

Based on the Company's evaluation at each respective period end, we recorded no credit loss impairment during the first quarter of 2023 or fourth quarter of 2022. The unrealized losses in the Company's investment portfolio were caused by interest rate changes. As of March 31, 2023 the Company does not intend to sell the investments in loss positions, and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost basis.

The amortized cost, fair value, and weighted average yield of available-for-sale securities at March 31, 2023, by contractual maturity, are shown below:

	March 31, 2023				
	Within One Year	After One to Five Years	After Five to Ten Years	After Ten Years	Total
	(Dollars in thousands)				
Available-for-sale securities					
Mortgage-backed - GSE residential [1]					
Amortized cost	$ -	$ 17	$ 91	$ 274,787	$ 274,895
Estimated fair value	$ -	$ 17	$ 88	$ 254,544	$ 254,649
Weighted average yield[2]	- %	4.82 %	4.02 %	3.14 %	3.14 %
Collateralized mortgage obligations - GSE residential[1]					
Amortized cost	$ -	$ -	$ 2,322	$ 8,667	$ 10,989
Estimated fair value	$ -	$ -	$ 2,235	$ 8,150	$ 10,385
Weighted average yield[2]	- %	- %	2.75 %	2.25 %	2.36 %
State and political subdivisions					
Amortized cost	$ 1,075	$ 7,962	$ 90,970	$ 423,457	$ 523,464
Estimated fair value	$ 1,078	$ 8,158	$ 90,981	$ 376,925	$ 477,142
Weighted average yield[2]	3.71 %	4.32 %	2.96 %	2.68 %	2.76 %
Corporate bonds					
Amortized cost	$ -	$ 149	$ 9,605	$ -	$ 9,754
Estimated fair value	$ -	$ 146	$ 8,929	$ -	$ 9,075
Weighted average yield[2]	- %	4.09 %	5.71 %	- %	5.68 %
Total available-for-sale securities					
Amortized cost	$ 1,075	$ 8,128	$ 102,988	$ 706,911	$ 819,102
Estimated fair value	$ 1,078	$ 8,321	$ 102,233	$ 639,619	$ 751,251
Weighted average yield[2]	3.71%	4.32%	3.21%	2.85%	2.92%

(1) Actual maturities may differ from contractual maturities because issuers may have the rights to call or prepay obligations with or without prepayment penalties.

(2) Yields are calculated based on amortized cost using 30/360 day basis. Tax-exempt securities are not tax effected.

Equity Securities

Equity securities consist of $3.2 million of private equity investments. Equity securities are included in “other assets” on the consolidated statements of financial condition.

The Company elected a measurement alternative for three private equity investments that did not have a readily determinable fair value and did not qualify for the practical expedient to estimate fair value using the net asset value per share. A cost basis was calculated for the equity investments. The recorded balance will adjust for any impairment or any observable price changes for an identical or similar investment of the same issuer. No such events occurred during the three-month period ended March 31, 2023.

The following is a summary of the unrealized and realized gains and losses on equity securities recognized in net income:

	Three Months Ended March 31,	
	2023	2022
	(Dollars in thousands)	
Net gains (losses) recognized during the reporting period on equity securities	$ 10	$ (103)
Less: net gains recognized during the reporting period on equity securities sold during the reporting period	-	-
Unrealized gains (losses) recognized during the reporting period on equity securities still held at the reporting date	$ 10	$ (103)

Note 3: Loans and Allowance for Credit Losses

The table below shows the loan portfolio composition including carrying value by segment as of the dates shown. The carrying value of loans is net of discounts, fees, costs, and fair value marks of $24 million as of March 31, 2023 and December 31, 2022.

	March 31, 2023		December 31, 2022	
	Amount	% of Loans	Amount	% of Loans
	(Dollars in thousands)			
Commercial and industrial	$ 986,636	17 %	$ 1,017,678	19 %
Commercial and industrial lines of credit	1,047,280	19	957,254	18
Energy	193,859	3	173,218	3
Commercial real estate	1,808,888	33	1,718,947	32
Construction and land development	845,085	15	794,788	15
Residential real estate	412,334	7	409,124	8
Multifamily real estate	295,469	5	237,984	4
Consumer	58,088	1	63,736	1
Loans, net of unearned fees	5,647,639	100 %	5,372,729	100 %
Less: allowance for credit losses on loans	65,130		61,775	
Loans, net of the allowance for credit losses on loans	$ 5,582,509		$ 5,310,954	

Accrued interest of $24 million and $23 million at March 31, 2023 and December 31, 2022, respectively, presented in “interest receivable” on the consolidated statements of financial condition is excluded from the carrying value disclosed in the above table.

The Company aggregates the loan portfolio by similar credit risk characteristics. The loan segments are described in additional detail below:

- **Commercial and Industrial** - The category includes loans to commercial and industrial customers for use in property, plant, and equipment purchases and expansions. Loan terms typically require principal and interest payments that decrease the outstanding loan balance. Repayment is primarily from the cash flow of a borrower’s principal business operation. Credit risk is driven by creditworthiness of a borrower and the economic conditions that impact the cash flow stability from business operations.

  The category also includes the remaining PPP loans outstanding. These loans were established by the Coronavirus Aid, Relief, and Economic Security Act which authorized forgivable loans to small businesses to pay their employees during the COVID-19 pandemic. The loans are 100 percent guaranteed by the Small Business Administration (“SBA”) and repayment is primarily dependent on the borrower’s cash flow or SBA repayment approval.

- **Commercial and Industrial Lines of Credit** – The category includes lines of credit to commercial and industrial customers for working capital needs. The loan terms typically require interest-only payments, mature in one year, and require the full balance paid-off at maturity. Lines of credit allow the borrower to draw down and repay the line of credit based on the customer’s cash flow needs. Repayment is primarily from the operating cash flow of the business. Credit risk is driven by creditworthiness of a borrower and the economic conditions that impact the cash flow stability from business operations.

- **Energy** - The category includes loans to oil and natural gas customers for use in financing working capital needs, exploration and production activities, and acquisitions. The loans are repaid primarily from the conversion of crude oil and natural gas to cash. Credit risk is driven by creditworthiness of a borrower and the economic conditions that impact the cash flow stability from business operations. Energy loans are typically collateralized with the underlying oil and gas reserves.
- **Commercial Real Estate** - The category includes loans that typically involve larger principal amounts and repayment of these loans is generally dependent on the successful operations of the property securing the loan or the business conducted on the property securing the loan. These are viewed primarily as cash flow loans and secondarily as loans secured by real estate. Credit risk may be impacted by the creditworthiness of a borrower, property values and the local economies in the borrower's market areas.
- **Construction and Land Development** - The category includes loans that are usually based upon estimates of costs and estimated value of the completed project and include independent appraisal reviews and a financial analysis of the developers and property owners. Sources of repayment include permanent loans, sales of developed property or an interim loan commitment from the Company until permanent financing is obtained. These loans are higher risk than other real estate loans due to their ultimate repayment being sensitive to interest rate changes, general economic conditions, and the availability of long-term financing. Credit risk may be impacted by the creditworthiness of a borrower, property values and the local economies in the borrower's market areas.
- **Residential Real Estate** - The category includes loans that are generally secured by owner-occupied 1-4 family residences. Repayment of these loans is primarily dependent on the personal income and credit rating of the borrowers. Credit risk in these loans can be impacted by economic conditions within or outside the borrower's market areas that might impact either property values or a borrower's personal income.
- **Multifamily Real Estate** - The category includes loans that are generally secured by multifamily properties. Repayment of these loans is primarily dependent on occupancy rates and the personal income of the tenants. Credit risk in these loans can be impacted by economic conditions within or outside the borrower's market areas that might impact either property values or the tenants' personal income.
- **Consumer** - The category includes revolving lines of credit and various term loans such as automobile loans and loans for other personal purposes. Repayment is primarily dependent on the personal income and credit rating of the borrowers. Credit risk is driven by consumer economic factors (such as unemployment and general economic conditions in the borrower's market area) and the creditworthiness of a borrower.

Allowance for Credit Losses

The Company's CECL committee meets at least quarterly to oversee the ACL methodology. The committee estimates the ACL using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The ACL represents the Company's current estimate of lifetime credit losses inherent in the loan portfolio at the statement of financial condition date. The ACL is adjusted for expected prepayments when appropriate and excludes expected extensions, renewals, and modifications.

The ACL is the sum of three components: (i) asset specific / individual loan reserves; (ii) quantitative (formulaic or pooled) reserves; and (iii) qualitative (judgmental) reserves.

Asset Specific - When unique qualities cause a loan's exposure to loss to be inconsistent with the pool segments, the loan is individually evaluated. Individual reserves are calculated for loans that are risk-rated substandard and on non-accrual and loans that are risk-rated doubtful or loss that are greater than a defined dollar threshold. In addition, TDRs are also individually evaluated. Reserves on asset specific loans may be based on collateral, for collateral-dependent loans, or on quantitative and qualitative factors, including expected cash flow, market sentiment, and guarantor support.

Quantitative - The Company used the cohort method, which identifies and captures the balance of a pool of loans with similar risk characteristics as of a particular time to form a cohort. For example, the outstanding commercial and industrial loans and commercial and industrial lines of credit loan segments as of quarter-end are considered cohorts. The cohort is then tracked for losses over the remaining life of loans or until the pool is exhausted. The Company used a lookback period of approximately six-years to establish the cohort population. By using the historical data timeframe, the Company can establish a historical loss factor for each of its loan segments and adjust the losses with qualitative and forecast factors.

Qualitative – The Company uses qualitative factors to adjust the historical loss factors for current conditions. The Company primarily uses the following qualitative factors:

- The nature and volume of changes in risk ratings;
- The volume and severity of past due loans;
- The volume of non-accrual loans;
- The nature and volume of the loan portfolio, including the existence, growth, and effect of any concentrations of credit;
- Changes in the Institute of Supply Management's Purchasing Manager Indices ("PMI") for services and manufacturing;
- Changes in collateral values;
- Changes in lending policies, procedures, and quality of loan reviews;
- Changes in lending staff; and
- Changes in competition, legal and regulatory environments

In addition to the current condition qualitative adjustments, the Company uses the Federal Reserve's unemployment forecast to adjust the ACL based on forward looking guidance. The Federal Reserve's unemployment forecast extends three-years and is eventually reverted to the mean of six percent by year 10.

Internal Credit Risk Ratings

The Company uses a weighted average risk rating factor to adjust the historical loss factors for current events. Risk ratings incorporate the criteria utilized by regulatory authorities to describe criticized assets, but separate various levels of risk concentrated within the regulatory "Pass" category. Risk ratings are established for loans at origination and are monitored on an ongoing basis. The rating assigned to a loan reflects the risks posed by the borrower's expected performance and the transaction's structure. Performance metrics used to determine a risk rating include, but are not limited to, cash flow adequacy, liquidity, and collateral. A description of the loan risk ratings follows:

Loan Grades

- **Pass (risk rating 1-4)** - The category includes loans that are considered satisfactory. The category includes borrowers that generally maintain good liquidity and financial condition, or the credit is currently protected with sales trends remaining flat or declining. Most ratios compare favorably with industry norms and Company policies. Debt is programmed and timely repayment is expected.
- **Special Mention (risk rating 5)** - The category includes borrowers that generally exhibit adverse trends in operations or an imbalanced position in their balance sheet that has not reached a point where repayment is jeopardized. Credits are currently protected but, if left uncorrected, the potential weaknesses may result in deterioration of the repayment prospects for the credit or in the Company's credit or lien position at a future date. These credits are not adversely classified and do not expose the Company to enough risk to warrant adverse classification.
- **Substandard (risk rating 6)** - The category includes borrowers that generally exhibit well-defined weakness(es) that jeopardize repayment. Credits are inadequately protected by the current worth and paying capacity of the obligor or of the collateral pledged. A distinct possibility exists that the Company will sustain some loss if

deficiencies are not corrected. Loss potential, while existing in the aggregate amount of substandard assets, does not have to exist in individual assets classified substandard. Substandard loans include both performing and non-performing loans and are broken out in the table below.

- **Doubtful (risk rating 7)** - The category includes borrowers that exhibit weaknesses inherent in a substandard credit and characteristics that these weaknesses make collection or liquidation in full highly questionable or improbable based on existing facts, conditions, and values. Because of reasonably specific pending factors, which may work to the advantage and strengthening of the assets, classification as a loss is deferred until its more exact status may be determined.
- **Loss (risk rating 8)** - Credits which are considered uncollectible or of such little value that their continuance as a bankable asset is not warranted.

The following tables present the credit risk profile of the Company's loan portfolio based on internal rating categories and loan segments as of March 31, 2023 and December 31, 2022:

As of March 31, 2023									
	Amortized Cost Basis by Origination Year and Internal Risk Rating						Amortized Cost Basis		
	2023	2022	2021	2020	2019	2018 and Prior	Revolving Loans	Revolving Loans converted to Term Loans	Total
	(Dollars in thousands)								
Commercial and industrial									
Pass	$ 111,407	$ 379,176	$ 224,316	$ 54,865	$ 48,014	$ 64,730	$ -	$ 27,044	$ 909,552
Special mention	12,388	5,826	19,996	13,802	795	318	-	33	53,158
Substandard - accrual	-	69	125	1,566	1,152	1,019	-	19,786	23,717
Substandard - non-accrual	-	-	-	-	-	11	-	198	209
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 123,795	$ 385,071	$ 244,437	$ 70,233	$ 49,961	$ 66,078	$ -	$ 47,061	$ 986,636
Commercial and industrial lines of credit									
Pass	$ -	$ -	$ -	$ -	$ -	$ -	$ 973,052	$ -	$ 973,052
Special mention	-	-	-	-	-	-	49,569	-	49,569
Substandard - accrual	-	-	-	-	-	-	18,594	-	18,594
Substandard - non-accrual	-	-	-	-	-	-	6,065	-	6,065
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,047,280	$ -	$ 1,047,280
Energy									
Pass	$ -	$ 7,481	$ 206	$ 192	$ -	$ -	$ 185,262	$ 160	$ 193,301
Special mention	-	-	-	-	-	-	-	-	-
Substandard - accrual	-	-	-	-	-	-	-	-	-
Substandard - non-accrual	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	558	-	558
Loss	-	-	-	-	-	-	-	-	-
Total	$ -	$ 7,481	$ 206	$ 192	$ -	$ -	$ 185,820	$ 160	$ 193,859

	As of March 31, 2023								
	Amortized Cost Basis by Origination Year and Internal Risk Rating						Amortized Cost Basis		
	2023	2022	2021	2020	2019	2018 and Prior	Revolving Loans	Revolving Loans converted to Term Loans	Total
	(Dollars in thousands)								
Commercial real estate									
Pass	$ 65,310	$ 437,240	$ 287,175	$ 153,430	$ 128,097	$ 135,622	$ 411,771	$ 101,002	$ 1,719,647
Special mention	9,833	12,446	5,945	555	1,204	13,815	4,243	27,476	75,517
Substandard - accrual	-	10,238	-	550	81	385	-	-	11,254
Substandard - non-accrual	-	-	2,470	-	-	-	-	-	2,470
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 75,143	$ 459,924	$ 295,590	$ 154,535	$ 129,382	$ 149,822	$ 416,014	$ 128,478	$ 1,808,888
Construction and land development									
Pass	$ 96,933	$ 395,906	$ 212,418	$ 70,749	$ 9,960	$ 1,603	$ 49,228	$ -	$ 836,797
Special mention	-	-	7,624	-	-	-	-	-	7,624
Substandard - accrual	-	226	-	-	-	-	438	-	664
Substandard - non-accrual	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 96,933	$ 396,132	$ 220,042	$ 70,749	$ 9,960	$ 1,603	$ 49,666	$ -	$ 845,085
Residential real estate									
Pass	$ 6,195	$ 77,458	$ 86,022	$ 118,328	$ 44,628	$ 68,535	$ 3,950	$ -	$ 405,116
Special mention	253	-	3,253	182	212	-	-	-	3,900
Substandard - accrual	-	-	-	3,130	-	-	-	-	3,130
Substandard - non-accrual	-	-	-	-	-	-	-	188	188
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 6,448	$ 77,458	$ 89,275	$ 121,640	$ 44,840	$ 68,535	$ 3,950	$ 188	$ 412,334

As of March 31, 2023									
	Amortized Cost Basis by Origination Year and Internal Risk Rating						Amortized Cost Basis		
	2023	2022	2021	2020	2019	2018 and Prior	Revolving Loans	Revolving Loans converted to Term Loans	Total
	(Dollars in thousands)								
Multifamily real estate									
Pass	$ 22,508	$ 112,051	$ 39,983	$ 7,490	$ 11,869	$ 3,178	$ 98,355	$ -	$ 295,434
Special mention	-	-	-	-	-	-	-	35	35
Substandard - accrual	-	-	-	-	-	-	-	-	-
Substandard - non-accrual	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 22,508	$ 112,051	$ 39,983	$ 7,490	$ 11,869	$ 3,178	$ 98,355	$ 35	$ 295,469
Consumer									
Pass	$ 397	$ 7,016	$ 707	$ 133	$ 255	$ 130	$ 49,407	$ -	$ 58,045
Special mention	-	-	-	-	-	8	-	-	8
Substandard - accrual	-	-	-	30	-	5	-	-	35
Substandard - non-accrual	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 397	$ 7,016	$ 707	$ 163	$ 255	$ 143	$ 49,407	$ -	$ 58,088
Total									
Pass	$ 302,750	$ 1,416,328	$ 850,827	$ 405,187	$ 242,823	$ 273,798	$ 1,771,025	$ 128,206	$ 5,390,944
Special mention	22,474	18,272	36,818	14,539	2,211	14,141	53,812	27,544	189,811
Substandard - accrual	-	10,533	125	5,276	1,233	1,409	19,032	19,786	57,394
Substandard - non-accrual	-	-	2,470	-	-	11	6,065	386	8,932
Doubtful	-	-	-	-	-	-	558	-	558
Loss	-	-	-	-	-	-	-	-	-
Total	$ 325,224	$ 1,445,133	$ 890,240	$ 425,002	$ 246,267	$ 289,359	$ 1,850,492	$ 175,922	$ 5,647,639

As of December 31, 2022									
	Amortized Cost Basis by Origination Year and Internal Risk Rating						Amortized Cost Basis		
	2022	2021	2020	2019	2018	2017 and Prior	Revolving Loans	Revolving Loans converted to Term Loans	Total
	(Dollars in thousands)								
Commercial and industrial									
Pass	$ 465,963	$ 281,166	$ 55,934	$ 50,445	$ 48,595	$ 20,648	$ -	$ 19,089	$ 941,840
Special mention	2,531	23,055	14,573	2,951	4,947	86	-	41	48,184
Substandard - accrual	290	677	1,647	1,330	740	299	-	21,166	26,149
Substandard - non-accrual	-	104	-	6	1,383	-	-	-	1,493
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	12	-	-	12
Total	$ 468,784	$ 305,002	$ 72,154	$ 54,732	$ 55,665	$ 21,045	$ -	$ 40,296	$ 1,017,678
Commercial and industrial lines of credit									
Pass	$ -	$ -	$ -	$ -	$ -	$ -	$ 890,109	$ -	$ 890,109
Special mention	-	-	-	-	-	-	49,861	-	49,861
Substandard - accrual	-	-	-	-	-	-	10,805	-	10,805
Substandard - non-accrual	-	-	-	-	-	-	6,479	-	6,479
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ 957,254	$ -	$ 957,254
Energy									
Pass	$ 7,585	$ 306	$ 228	$ -	$ -	$ -	$ 162,834	$ 171	$ 171,124
Special mention	-	-	-	-	-	-	-	-	-
Substandard - accrual	-	-	-	-	-	-	1,476	-	1,476
Substandard - non-accrual	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	618	-	618
Loss	-	-	-	-	-	-	-	-	-
Total	$ 7,585	$ 306	$ 228	$ -	$ -	$ -	$ 164,928	$ 171	$ 173,218

	As of December 31, 2022								
	Amortized Cost Basis by Origination Year and Internal Risk Rating						Amortized Cost Basis		
	2022	**2021**	**2020**	**2019**	**2018**	**2017 and Prior**	**Revolving Loans**	**Revolving Loans converted to Term Loans**	**Total**
	(Dollars in thousands)								
Commercial real estate									
Pass	$ 474,901	$ 276,403	$ 156,553	$ 119,643	$ 73,989	$ 84,460	$ 350,732	$ 108,837	$ 1,645,518
Special mention	23,223	6,603	566	1,330	6,558	4,339	2,429	12,285	57,333
Substandard - accrual	10,388	-	547	82	60	1,548	-	992	13,617
Substandard - non-accrual	-	2,479	-	-	-	-	-	-	2,479
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 508,512	$ 285,485	$ 157,666	$ 121,055	$ 80,607	$ 90,347	$ 353,161	$ 122,114	$ 1,718,947
Construction and land development									
Pass	$ 346,429	$ 266,557	$ 93,229	$ 19,866	$ 1,497	$ 9,053	$ 49,500	$ -	$ 786,131
Special mention	-	7,727	-	-	-	-	-	-	7,727
Substandard - accrual	157	310	463	-	-	-	-	-	930
Substandard - non-accrual	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 346,586	$ 274,594	$ 93,692	$ 19,866	$ 1,497	$ 9,053	$ 49,500	$ -	$ 794,788
Residential real estate									
Pass	$ 77,416	$ 84,158	$ 121,078	$ 45,265	$ 37,395	$ 34,852	$ 1,649	$ -	$ 401,813
Special mention	253	3,272	187	226	-	- -	-	-	3,938
Substandard - accrual	34	-	3,148	-	-	-	-	-	3,182
Substandard - non-accrual	-	-	-	-	-	-	-	191	191
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 77,703	$ 87,430	$ 124,413	$ 45,491	$ 37,395	$ 34,852	$ 1,649	$ 191	$ 409,124

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	As of December 31, 2022								
	Amortized Cost Basis by Origination Year and Internal Risk Rating						Amortized Cost Basis		
	2022	2021	2020	2019	2018	2017 and Prior	Revolving Loans	Revolving Loans converted to Term Loans	Total
	(Dollars in thousands)								
Multifamily real estate									
Pass	$ 85,785	$ 26,705	$ 6,915	$ 11,938	$ 2,491	$ 726	$ 86,879	$ 16,509	$ 237,948
Special mention	-	-	-	-	-	-	-	36	36
Substandard - accrual	-	-	-	-	-	-	-	-	-
Substandard - non-accrual	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 85,785	$ 26,705	$ 6,915	$ 11,938	$ 2,491	$ 726	$ 86,879	$ 16,545	$ 237,984
Consumer									
Pass	$ 7,917	$ 1,347	$ 2,611	$ 265	$ 129	$ 6	$ 51,416	$ -	$ 63,691
Special mention	-	-	-	-	8	-	-	-	8
Substandard - accrual	-	-	32	-	5	-	-	-	37
Substandard - non-accrual	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 7,917	$ 1,347	$ 2,643	$ 265	$ 142	$ 6	$ 51,416	$ -	$ 63,736
Total									
Pass	$ 1,465,996	$ 936,642	$ 436,548	$ 247,422	$ 164,096	$ 149,745	$ 1,593,119	$ 144,606	$ 5,138,174
Special mention	26,007	40,657	15,326	4,507	11,513	4,425	52,290	12,362	167,087
Substandard - accrual	10,869	987	5,837	1,412	805	1,847	12,281	22,158	56,196
Substandard - non-accrual	-	2,583	-	6	1,383	-	6,479	191	10,642
Doubtful	-	-	-	-	-	-	618	-	618
Loss	-	-	-	-	-	12	-	-	12
Total	$ 1,502,872	$ 980,869	$ 457,711	$ 253,347	$ 177,797	$ 156,029	$ 1,664,787	$ 179,317	$ 5,372,729

Loan Portfolio Aging Analysis

The following tables present the Company's loan portfolio aging analysis as of March 31, 2023 and December 31, 2022:

As of March 31, 2023									
	Amortized Cost Basis by Origination Year and Past Due Status						Amortized Cost Basis		
	2023	2022	2021	2020	2019	2018 and Prior	Revolving loans	Revolving loans converted to term loans	Total
	(Dollars in thousands)								
Commercial and industrial									
30-59 days	$ -	$ 70	$ 142	$ -	$ -	$ -	$ -	$ 1,915	$ 2,127
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	2	148	-	11	-	-	161
Total past due	-	70	144	148	-	11	-	1,915	2,288
Current	123,795	385,001	244,293	70,085	49,961	66,067	-	45,146	984,348
Total	$ 123,795	$ 385,071	$ 244,437	$ 70,233	$ 49,961	$ 66,078	$ -	$ 47,061	$ 986,636
Greater than 90 days and accruing	$ -	$ -	$ 2	$ 148	$ -	$ -	$ -	$ -	$ 150
Commercial and industrial lines of credit									
30-59 days	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,510	$ -	$ 2,510
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	6,679	-	6,679
Total past due	-	-	-	-	-	-	9,189	-	9,189
Current	-	-	-	-	-	-	1,038,091	-	1,038,091
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,047,280	$ -	$ 1,047,280
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ 613	$ -	$ 613
Energy									
30-59 days	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	558	-	558
Total past due	-	-	-	-	-	-	558	-	558
Current	-	7,481	206	192	-	-	185,262	160	193,301
Total	$ -	$ 7,481	$ 206	$ 192	$ -	$ -	$ 185,820	$ 160	$ 193,859
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	As of March 31, 2023								
	Amortized Cost Basis by Origination Year and Past Due Status						Amortized Cost Basis		
	2023	2022	2021	2020	2019	2018 and Prior	Revolving loans	Revolving loans converted to term loans	Total
	(Dollars in thousands)								
Commercial real estate									
30-59 days	$ -	$ 190	$ -	$ -	$ -	$ 214	$ -	$ -	$ 404
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	100	-	100
Total past due	-	190	-	-	-	214	100	-	504
Current	75,143	459,734	295,590	154,535	129,382	149,608	415,914	128,478	1,808,384
Total	$ 75,143	$ 459,924	$ 295,590	$ 154,535	$ 129,382	$ 149,822	$ 416,014	$ 128,478	$ 1,808,888
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ 100	$ -	$ 100
Construction and land development									
30-59 days	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	-	-	-
Total past due	-	-	-	-	-	-	-	-	-
Current	96,933	396,132	220,042	70,749	9,960	1,603	49,666	-	845,085
Total	$ 96,933	$ 396,132	$ 220,042	$ 70,749	$ 9,960	$ 1,603	$ 49,666	$ -	$ 845,085
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Residential real estate									
30-59 days	$ -	$ 8	$ -	$ -	$ -	$ -	$ -	$ -	$ 8
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	-	-	-
Total past due	-	8	-	-	-	-	-	-	8
Current	6,448	77,450	89,275	121,640	44,840	68,535	3,950	188	412,326
Total	$ 6,448	$ 77,458	$ 89,275	$ 121,640	$ 44,840	$ 68,535	$ 3,950	$ 188	$ 412,334
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	As of March 31, 2023								
	Amortized Cost Basis by Origination Year and Past Due Status						Amortized Cost Basis		
	2023	2022	2021	2020	2019	2018 and Prior	Revolving loans	Revolving loans converted to term loans	Total
	(Dollars in thousands)								
Multifamily real estate									
30-59 days	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	-	-	-
Total past due	-	-	-	-	-	-	-	-	-
Current	22,508	112,051	39,983	7,490	11,869	3,178	98,355	35	295,469
Total	$ 22,508	$ 112,051	$ 39,983	$ 7,490	$ 11,869	$ 3,178	$ 98,355	$ 35	$ 295,469
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consumer									
30-59 days	$ -	$ -	$ 5	$ -	$ -	$ -	$ -	$ -	$ 5
60-89 days	-	1	-	1	-	-	-	-	2
Greater than 90 days	-	-	-	-	-	5	-	-	5
Total past due	-	1	5	1	-	5	-	-	12
Current	397	7,015	702	162	255	138	49,407	-	58,076
Total	$ 397	$ 7,016	$ 707	$ 163	$ 255	$ 143	$ 49,407	$ -	$ 58,088
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ 5	$ -	$ -	$ 5
Total									
30-59 days	$ -	$ 268	$ 147	$ -	$ -	$ 214	$ 2,510	$ 1,915	$ 5,054
60-89 days	-	1	-	1	-	-	-	-	2
Greater than 90 days	-	-	2	148	-	16	7,337	-	7,503
Total past due	-	269	149	149	-	230	9,847	1,915	12,559
Current	325,224	1,444,864	890,091	424,853	246,267	289,129	1,840,645	174,007	5,635,080
Total	$ 325,224	$ 1,445,133	$ 890,240	$ 425,002	$ 246,267	$ 289,359	$ 1,850,492	$ 175,922	$ 5,647,639
Greater than 90 days and accruing	$ -	$ -	$ 2	$ 148	$ -	$ 5	$ 713	$ -	$ 868

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As of December 31, 2022									
	Amortized Cost Basis by Origination Year and Past Due Status						Amortized Cost Basis		
	2022	2021	2020	2019	2018	2017 and Prior	Revolving loans	Revolving loans converted to term loans	Total
	(Dollars in thousands)								
Commercial and industrial									
30-59 days	$ 20	$ 4,784	$ -	$ -	$ -	$ 1,049	$ -	$ -	$ 5,853
60-89 days	-	55	-	-	-	-	-	430	485
Greater than 90 days	-	143	7	6	1,383	12	-	-	1,551
Total past due	20	4,982	7	6	1,383	1,061	-	430	7,889
Current	468,764	300,020	72,147	54,726	54,282	19,984	-	39,866	1,009,789
Total	$ 468,784	$ 305,002	$ 72,154	$ 54,732	$ 55,665	$ 21,045	$ -	$ 40,296	$ 1,017,678
Greater than 90 days and accruing	$ -	$ 39	$ 7	$ -	$ -	$ -	$ -	$ -	$ 46
Commercial and industrial lines of credit									
30-59 days	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,814	$ -	$ 2,814
60-89 days	-	-	-	-	-	-	980	-	980
Greater than 90 days	-	-	-	-	-	-	7,063	-	7,063
Total past due	-	-	-	-	-	-	10,857	-	10,857
Current	-	-	-	-	-	-	946,397	-	946,397
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ 957,254	$ -	$ 957,254
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ 584	$ -	$ 584
Energy									
30-59 days	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	618	-	618
Total past due	-	-	-	-	-	-	618	-	618
Current	7,585	306	228	-	-	-	164,310	171	172,600
Total	$ 7,585	$ 306	$ 228	$ -	$ -	$ -	$ 164,928	$ 171	$ 173,218
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	As of December 31, 2022								
	Amortized Cost Basis by Origination Year and Past Due Status						Amortized Cost Basis		
	2022	2021	2020	2019	2018	2017 and Prior	Revolving loans	Revolving loans converted to term loans	Total
	(Dollars in thousands)								
Commercial real estate									
30-59 days	$ -	$ -	$ -	$ 1,180	$ -	$ -	$ -	$ -	$ 1,180
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	-	-	-
Total past due	-	-	-	1,180	-	-	-	-	1,180
Current	508,512	285,485	157,666	119,875	80,607	90,347	353,161	122,114	1,717,767
Total	$ 508,512	$ 285,485	$ 157,666	$ 121,055	$ 80,607	$ 90,347	$ 353,161	$ 122,114	$ 1,718,947
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Construction and land development									
30-59 days	$ 4,293	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,293
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	-	-	-
Total past due	4,293	-	-	-	-	-	-	-	4,293
Current	342,293	274,594	93,692	19,866	1,497	9,053	49,500	-	790,495
Total	$ 346,586	$ 274,594	$ 93,692	$ 19,866	$ 1,497	$ 9,053	$ 49,500	$ -	$ 794,788
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Residential real estate									
30-59 days	$ -	$ 3,867	$ -	$ 10	$ -	$ -	$ -	$ -	$ 3,877
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	120	-	-	-	-	-	-	120
Total past due	-	3,987	-	10	-	-	-	-	3,997
Current	77,703	83,443	124,413	45,481	37,395	34,852	1,649	191	405,127
Total	$ 77,703	$ 87,430	$ 124,413	$ 45,491	$ 37,395	$ 34,852	$ 1,649	$ 191	$ 409,124
Greater than 90 days and accruing	$ -	$ 120	$ -	$ -	$ -	$ -	$ -	$ -	$ 120

	As of December 31, 2022								
	Amortized Cost Basis by Origination Year and Past Due Status						Amortized Cost Basis		
	2022	2021	2020	2019	2018	2017 and Prior	Revolving loans	Revolving loans converted to term loans	Total
	(Dollars in thousands)								
Multifamily real estate									
30-59 days	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	-	-	-
Total past due	-	-	-	-	-	-	-	-	-
Current	85,785	26,705	6,915	11,938	2,491	726	86,879	16,545	237,984
Total	$ 85,785	$ 26,705	$ 6,915	$ 11,938	$ 2,491	$ 726	$ 86,879	$ 16,545	$ 237,984
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consumer									
30-59 days	$ -	$ -	$ -	$ -	$ -	$ -	$ 30	$ -	$ 30
60-89 days	-	-	2	-	5	-	-	-	7
Greater than 90 days	-	-	-	-	-	-	-	-	-
Total past due	-	-	2	-	5	-	30	-	37
Current	7,917	1,347	2,641	265	137	6	51,386	-	63,699
Total	$ 7,917	$ 1,347	$ 2,643	$ 265	$ 142	$ 6	$ 51,416	$ -	$ 63,736
Greater than 90 days and accruing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total									
30-59 days	$ 4,313	$ 8,651	$ -	$ 1,190	$ -	$ 1,049	$ 2,844	$ -	$ 18,047
60-89 days	-	55	2	-	5	-	980	430	1,472
Greater than 90 days	-	263	7	6	1,383	12	7,681	-	9,352
Total past due	4,313	8,969	9	1,196	1,388	1,061	11,505	430	28,871
Current	1,498,559	971,900	457,702	252,151	176,409	154,968	1,653,282	178,887	5,343,858
Total	$ 1,502,872	$ 980,869	$ 457,711	$ 253,347	$ 177,797	$ 156,029	$ 1,664,787	$ 179,317	$ 5,372,729
Greater than 90 days and accruing	$ -	$ 159	$ 7	$ -	$ -	$ -	$ 584	$ -	$ 750

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Non-accrual Loan Analysis

Non-accrual loans are loans for which the Company does not record interest income. The accrual of interest on loans is discontinued at the time the loan is 90 days past due unless the credit is well secured and in process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on non-accrual or charged off at an earlier date, if collection of principal or interest is considered doubtful. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. The following tables present the Company's non-accrual loans by loan segments at March 31, 2023 and December 31, 2022:

As of March 31, 2023

	Amortized Cost Basis by Origination Year and On Non-accrual						Amortized Cost Basis			
	2023	2022	2021	2020	2019	2018 and Prior	Revolving loans	Revolving loans converted to term loans	Total Non-accrual Loans	Non-accrual Loans with no related Allowance
	(Dollars in thousands)									
Commercial and industrial	$ -	$ -	$ -	$ -	$ -	$ 11	$ -	$ 198	$ 209	$ 209
Commercial and industrial lines of credit	-	-	-	-	-	-	6,065	-	6,065	6,065
Energy	-	-	-	-	-	-	558	-	558	558
Commercial real estate	-	-	2,470	-	-	-	-	-	2,470	2,470
Construction and land development	-	-	-	-	-	-	-	-	-	-
Residential real estate	-	-	-	-	-	-	-	188	188	188
Multifamily real estate	-	-	-	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ 2,470	$ -	$ -	$ 11	$ 6,623	$ 386	$ 9,490	$ 9,490

	As of December 31, 2022									
	Amortized Cost Basis by Origination Year and On Non-accrual						Amortized Cost Basis			
	2022	2021	2020	2019	2018	2017 and Prior	Revolving loans	Revolving loans converted to term loans	Total Non-accrual Loans	Non-accrual Loans with no related Allowance
	(Dollars in thousands)									
Commercial and industrial	$ -	$ 104	$ -	$ 6	$ 1,383	$ 12	$ -	$ -	$ 1,505	$ 1,505
Commercial and industrial lines of credit	-	-	-	-	-	-	6,479	-	6,479	6,479
Energy	-	-	-	-	-	-	618	-	618	618
Commercial real estate	-	2,479	-	-	-	-	-	-	2,479	2,479
Construction and land development	-	-	-	-	-	-	-	-	-	-
Residential real estate	-	-	-	-	-	-	-	191	191	191
Multifamily real estate	-	-	-	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ 2,583	$ -	$ 6	$ 1,383	$ 12	$ 7,097	$ 191	$ 11,272	$ 11,272

Interest income recognized on non-accrual loans was $0.5 million and $0.2 million for the three months ended March 31, 2023 and 2022, respectively.

Allowance for Credit Losses

The following table presents the activity in the allowance for credit losses and allowance for credit losses on off-balance sheet credit exposures by portfolio segment for the three months ended March 31, 2023:

	For the Three Months Ended March 31, 2023								
	Commercial and Industrial	Commercial and Industrial Lines of Credit	Energy	Commercial Real Estate	Construction and Land Development	Residential Real Estate	Multifamily Real Estate	Consumer	Total
	(Dollars in thousands)								
Allowance for Credit Losses:									
Beginning balance	$ 12,272	$ 14,531	$ 4,396	$ 19,504	$ 5,337	$ 3,110	$ 2,253	$ 372	$ 61,775
Charge-offs	(1,642)	-	-	-	-	-	-	-	(1,642)
Recoveries	-	-	-	-	-	-	-	1	1
Provision (release)	1,392	676	283	1,259	437	(49)	627	371	4,996
Ending balance	$ 12,022	$ 15,207	$ 4,679	$ 20,763	$ 5,774	$ 3,061	$ 2,880	$ 744	$ 65,130
Allowance for Credit Losses on Off-Balance Sheet Credit Exposures:									
Beginning balance	$ 245	$ 74	$ 787	$ 700	$ 6,830	$ 35	$ 14	$ 3	$ 8,688
Provision (release)	(71)	213	(246)	12	(506)	16	(5)	12	(575)
Ending balance	$ 174	$ 287	$ 541	$ 712	$ 6,324	$ 51	$ 9	$ 15	$ 8,113

The ACL increased $2.8 million during the quarter. Provision expense of $4.4 million was driven by loan growth partially offset by improvement in qualitative factors, in part due to continued improvement in credit quality. In addition, $1.6 million in charge-offs on two commercial and industrial loans offset the provision expense for the quarter. The reserve on unfunded commitments decreased $0.6 million due to higher line utilization in the quarter.

The following table presents the Company's charge-offs by year of origination for the three months ended March 31, 2023:

	For the Quarter Ended March 31, 2023								
	Gross Charge-offs by Origination Year						Gross Charge-offs		
	2023	2022	2021	2020	2019	2018 and Prior	Revolving loans	Revolving loans converted to term loans	Gross Charge-offs
	(Dollars in thousands)								
Commercial and industrial	$ -	$ -	$ 70	$ -	$ -	$ 1,347	$ -	$ 225	$ 1,642
Commercial and industrial lines of credit	-	-	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-	-	-
Commercial real estate	-	-	-	-	-	-	-	-	-
Construction and land development	-	-	-	-	-	-	-	-	-
Residential real estate	-	-	-	-	-	-	-	-	-
Multifamily real estate	-	-	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ 70	$ -	$ -	$ 1,347	$ -	$ 225	$ 1,642

Collateral Dependent Loans:

Collateral dependent loans are loans for which the repayment is expected to be provided substantially through the operation or sale of the collateral and the borrower is experiencing financial difficulty. The following table presents the amortized cost balance of loans considered collateral dependent by loan segment and collateral type as of March 31, 2023 and December 31, 2022:

	As of March 31, 2023		
Loan Segment and Collateral Description	**Amortized Cost of Collateral Dependent Loans**	**Related Allowance for Credit Losses**	**Amortized Cost of Collateral Dependent Loans with no related Allowance**
		(Dollars in thousands)	
Commercial and Industrial Lines of Credit			
All business assets	6,065	-	6,065
Energy			
Oil and natural gas properties	558	-	558
Consumer			
Vehicles & other personal assets	5	5	-
	$ 6,628	$ 5	$ 6,623

	As of December 31, 2022		
Loan Segment and Collateral Description	**Amortized Cost of Collateral Dependent Loans**	**Related Allowance for Credit Losses**	**Amortized Cost of Collateral Dependent Loans with no related Allowance**
		(Dollars in thousands)	
Commercial and Industrial			
All business assets	$ 1,489	$ -	$ 1,489
Commercial and Industrial Lines of Credit			
All business assets	6,492	-	6,492
Energy			
Oil and natural gas properties	618	-	618
Commercial Real Estate			
Commercial real estate properties	92	-	92
Consumer			
Vehicles & other personal assets	39	22	-
	$ 8,728	$ 22	$ 8,689

Troubled Debt Restructurings

TDRs are those extended to borrowers who are experiencing financial difficulty and who have been granted a concession, excluding loan modifications as a result of the COVID-19 pandemic. The modification of terms typically includes the extension of maturity, reduction or deferment of monthly payment, or reduction of the stated interest rate. Effective January 1, 2023, the Company adopted ASU 2022-02, which eliminates the accounting guidance for TDRs. The Company adopted this accounting standard on a prospective basis.

The outstanding balance of TDRs recognized prior to the adoption of ASU 2022-02 was $28.7 million and $30.5 million as of March 31, 2023 and December 31, 2022, respectively. Under the new guidance, there were no loans restructured that qualified as modifications for the three months ended March 31, 2023.

Allowance for Credit Losses on Off-Balance Sheet Credit Exposures

The Company estimates expected credit losses for off-balance sheet credit exposures unless the obligation is unconditionally cancellable by the Company. The ACL on off-balance sheet credit exposures is adjusted as a provision for credit loss expense. The estimate is calculated for each loan segment and includes consideration of the likelihood that funding will occur and an estimate of the expected credit losses on commitments expected to be funded over its estimated life. For each pool of contractual obligations expected to be funded, the Company uses the reserve rate established for the related loan pools. The $8 million and $9 million allowance for credit losses on off-balance sheet credit exposures at March 31, 2023 and December 31, 2022, respectively, are included in "interest payable and other liabilities" on the statements of financial condition.

The following categories of off-balance sheet credit exposures have been identified:

Loan commitments – include revolving lines of credit, non-revolving lines of credit, and loans approved that are not yet funded. Risks inherent to revolving lines of credit often are related to the susceptibility of an individual or business experiencing unpredictable cash flow or financial troubles, thus leading to payment default. The primary risk associated with non-revolving lines of credit is the diversion of funds for other expenditures.

Letters of credit – are primarily established to provide assurance to the beneficiary that the applicant will perform certain obligations arising out of a separate transaction between the beneficiary and applicant. If the obligation is not met, it gives the beneficiary the right to draw on the letter of credit.

Note 4: Leases

The Company's leases primarily include bank branches located in Kansas City, Missouri; Tulsa, Oklahoma; Dallas, Texas; Frisco, Texas; Phoenix, Arizona; Denver, Colorado and Colorado Springs, Colorado. The remaining lease terms on these branch leases range from less than one year to nineteen years with certain options to renew. Renewal terms can extend the lease term between five years and twenty years. The exercise of lease renewal options is at the Company's sole discretion. When it is reasonably certain that the Company will exercise its option to renew or extend the lease term, that option is included in the estimated value of the right of use ("ROU") asset and lease liability. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. As of March 31, 2023, the Company recognized one finance lease and the remaining Company leases are classified as operating leases.

The ROU asset is included in "other assets" on the consolidated statements of financial condition, and was $29.6 million and $30.5 million at March 31, 2023 and December 31, 2022, respectively. Certain adjustments to the ROU asset may be required for items such as initial direct costs paid or incentives received. The lease liability is located in "Interest payable and other liabilities" on the consolidated statements of financial condition and was $33 million and $34 million at March 31, 2023 and December 31, 2022, respectively.

As of March 31, 2023, the remaining weighted-average lease term is 11.4 years, and the weighted-average discount rate was 2.54% utilizing the Company's incremental Federal Home Loan Bank ("FHLB") borrowing rate for borrowings of a similar term at the date of lease commencement.

The following table presents components of operating lease expense in the accompanying consolidated statements of operations for the three-month period ended March 31, 2023:

	For the Three Months Ended March 31,	
	2023	**2022**
	(Dollars in thousands)	
Finance lease amortization of right-of-use asset	$ 70	$ -
Finance lease interest on lease liability	69	-
Operating lease expense	732	726
Variable lease expense	393	213
Short-term lease expense	5	5
Total lease expense	$ 1,269	$ 944

Future minimum commitments due under these lease agreements as of March 31, 2023 are as follows:

	Operating Leases		Finance Lease	
	(Dollars in thousands)			
Remainder of 2023	$	2,821	$	367
2024		3,289		490
2025		3,309		490
2026		3,350		490
2027		3,340		528
Thereafter		12,619		8,296
Total lease payments	$	28,728	$	10,661
Less imputed interest		3,350		3,095
Total	$	25,378	$	7,566

Supplemental cash flow information – Operating cash flows paid for operating lease amounts included in the measurement of lease liabilities were $0.9 million and $0.7 million for the three months ended March 31, 2023 and 2022, respectively. Operating cash flows paid for finance lease amounts included in the measurement of lease liabilities was $0.1 million for the three-month period ended March 31, 2023. During the three months ended March 31, 2023, the Company did not record any ROU assets that were exchanged for operating lease liabilities.

Note 5: Goodwill and Core Deposit Intangible

Goodwill is measured as the excess of the fair value of consideration paid over the fair value of net assets acquired. In accordance with GAAP, the Company performs annual tests to identify impairment of goodwill and more frequently if events or circumstances indicate a potential impairment may exist. No goodwill impairment was recorded during the three months ended March 31, 2023.

As a result of economic conditions resulting from bank failures during the first quarter of 2023, the Company conducted a goodwill impairment test as of March 31, 2023. A qualitative analysis was performed, and the Company does not believe it is more likely than not that a goodwill impairment exists.

The Company is amortizing the core deposit intangible ("CDI") from the Farmers & Stockmens ("Central") acquisition over its estimated useful life of approximately 10 years using the sum of the years' digits accelerated method. The Company recognized core deposit intangible amortization expense of $0.8 million for the three months ended March 31, 2023.

The gross carrying amount of goodwill and the gross carrying amount and accumulated amortization of the CDI at March 31, 2023 and December 31, 2022 were:

	Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount	
			(Dollars in thousands)			
March 31, 2023						
Goodwill	$	12,836	$	-	$	12,836
Core deposit intangible		17,479		2,056		15,423
Total goodwill and intangible assets	$	30,315	$	2,056	$	28,259
December 31, 2022						
Goodwill	$	12,836	$	-	$	12,836
Core deposit intangible		17,479		1,234		16,245
Total goodwill and intangible assets	$	30,315	$	1,234	$	29,081

The following table shows the estimated future amortization expense for the CDI as of March 31, 2023:

Years ending December 31,		Amount (Dollars in thousands)
For the nine months ending December 31, 2023	$	2,286
For the year ending December 31, 2024		2,762
For the year ending December 31, 2025		2,436
For the year ending December 31, 2026		2,109
For the year ending December 31, 2027		1,783

Note 6: Derivatives and Hedging

The Company is exposed to certain risks arising from both its business operations and economic conditions, including interest rate, liquidity, and credit risk. The Company uses derivative financial instruments as part of its risk management activities to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates.

Cash Flow Hedges of Interest Rate Risk

The Company uses interest rate derivatives to add stability to interest income and expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company uses interest rate swaps and collars as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate collars designated as cash flow hedges involve payments of variable-rate amounts if interest rates rise above the cap strike rate on the contract and the receipt of variable-rate amounts if interest rates fall below the floor strike rate on the contract. During 2023, such derivatives were used to hedge the variable cash flows associated with existing variable-rate loan assets. The five swaps that were entered into in 2021 were terminated during the third quarter of 2022, however, the amortization of the gains on these instruments will start in 2023 based on the original effective dates of these swaps. Derivatives designated and that qualify as cash flow hedges include one instrument with a notional amount of $ 250 million at March 31, 2023 and December 31, 2022.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in Accumulated Other Comprehensive Income (Loss) ("AOCI") and subsequently reclassified into interest income or expense in the same period(s) during which the hedged transaction affects earnings. Amounts reported in AOCI related to derivatives will be reclassified to interest income and expense as interest payments are received and made on the Company's variable-rate assets and liabilities. The derivative financial instruments did not impact the statements of operations for the three months ended March 31, 2023. The Company estimates that $0.2 million will be reclassified as a decrease to net interest income during the next twelve months.

The Company is hedging its exposure to the variability in future cash flows for forecasted transactions over a maximum period of 6.1 years.

Non-designated Hedges

Derivatives not designated as hedges are not speculative and result from a service provided to clients. The Company executes interest rate swaps with customers to facilitate their respective risk management strategies. Those interest rate swaps are simultaneously hedged by offsetting derivatives that the Company executes with a third-party, such that the Company minimizes its net risk exposure resulting from such transactions. Interest rate derivatives associated with this program do not meet the strict hedge accounting requirements and changes in the fair value of both the customer derivatives and the offsetting derivatives are recognized directly in earnings.

Swap fees earned upon origination and credit valuation adjustments that represent the risk of a counterparty's default are reported on the statements of operations as swap fee income, net. The effect of the Company's derivative financial instruments gain (loss) is reported on the statements of cash flows within "other assets" and "other liabilities".

These 50 and 49 swaps had an aggregate notional amount of $417 million and $421 million at March 31, 2023 and December 31, 2022, respectively.

Fair Values of Derivative Instruments on the Statements of Financial Condition

The table below presents the fair value of the Company's derivative financial instruments and their classification on the Statements of Financial Condition as of March 31, 2023 and December 31, 2022:

	Asset Derivatives			Liability Derivatives		
	Statement of Financial Condition Location	**March 31, 2023**	**December 31, 2022**	**Statement of Financial Condition Location**	**March 31, 2023**	**December 31, 2022**
			(Dollars in thousands)			
Interest rate products:						
Derivatives designated as hedging instruments	Other assets	$ -	$ -	Interest payable and other liabilities	$ 3,883	$ 5,403
Derivatives not designated as hedging instruments	Other assets	7,907	11,038	Interest payable and other liabilities	7,908	11,039
Total		$ 7,907	$ 11,038		$ 11,791	$ 16,442

The table below presents the effect of cash flow hedge accounting on Accumulated Other Comprehensive Income (Loss) for the three months ended March 31, 2023 and 2022.

		For the Three Months Ended March 31, 2023			For the Three Months Ended March 31, 2022		
	Location of Gain or (Loss) Recognized from Accumulated Other Comprehensive Income into Income	**Gain or (Loss) Recognized in OCI on Derivative**	**Gain or (Loss) Recognized in OCI Included Component**	**Gain or (Loss) Recognized in OCI Excluded Component**	**Gain or (Loss) Recognized in OCI on Derivative**	**Gain or (Loss) Recognized in OCI Included Component**	**Gain or (Loss) Recognized in OCI Excluded Component**
				(Dollars in thousands)			
Derivatives in Cash Flow Hedging Relationships:							
Interest Rate Products	Interest Expense	1,540	1,540	-	2,655	2,655	-
Total		$ 1,540	$ 1,540	$ -	$ 2,655	$ 2,655	$ -

As of March 31, 2023 and December 31, 2022, the Company had minimum collateral thresholds with certain of its derivative counterparties and has received collateral of $3.6 million and $4.9 million, respectively.

Note 7: Time Deposits and Borrowings

The scheduled maturities, excluding interest, of the Company's borrowings at March 31, 2023 were as follows:

	March 31, 2023						
	Within One Year	One to Two Years	Two to Three Years	Three to Four Years	Four to Five Years	After Five Years	Total
	(Dollars in thousands)						
Time deposits	$ 1,153,933	$ 215,690	$ 2,084	$ 1,356	$ 2,964	$ -	$ 1,376,027
FHLB borrowings	37,573	1,598	11,423	-	60,000	20,000	130,594
FHLB line of credit	183,437	-	-	-	-	-	183,437
Line of credit	7,500	-	-	-	-	-	7,500
SBA secured borrowing	-	-	-	-	-	9,396	9,396
Trust preferred securities[(1)]	-	-	-	-	-	1,074	1,074
	$ 1,382,443	$ 217,288	$ 13,507	$ 1,356	$ 62,964	$ 30,470	$ 1,708,028

[(1)] The contract value of the trust preferred securities is $ 2.6 million and is currently being accreted to the maturity date of 2035.

Note 8: Income Tax

An income tax expense reconciliation at the statutory rate to the Company's actual income tax expense is shown below:

	Three Months Ended March 31,	
	2023	2022
	(Dollars in thousands)	
Computed at the statutory rate (21%)	$ 4,227	$ 4,413
Increase (decrease) resulting from		
Tax-exempt income	(880)	(854)
Non-deductible expenses	93	82
State income taxes	632	696
Equity based compensation	(45)	(169)
Other adjustments	(6)	20
Actual tax expense	$ 4,021	$ 4,188

The tax effects of temporary differences related to deferred taxes located in "other assets" on the consolidated statements of financial condition are presented below:

	March 31, 2023	December 31, 2022
	(Dollars in thousands)	
Deferred tax assets		
Net unrealized loss on securities available-for-sale	$ 16,285	$ 20,295
Allowance for credit losses	17,372	16,710
Lease incentive	438	451
Loan fees	4,070	4,048
Accrued expenses	1,303	3,379
Deferred compensation	1,735	2,166
Other	1,433	1,469
Total deferred tax asset	42,636	48,518
Deferred tax liability		
FHLB stock basis	(394)	(436)
Premises and equipment	(1,934)	(2,042)
Other	(938)	(1,018)
Total deferred tax liability	(3,266)	(3,496)
Net deferred tax asset	$ 39,370	$ 45,022

Note 9: Change in Accumulated Other Comprehensive Income (Loss)

Amounts reclassified from AOCI and the affected line items in the consolidated statements of operations during the three months ended March 31, 2023 and 2022, were as follows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Affected Line Item in the Statements of Operations
	(Dollars in thousands)		
Unrealized gains (losses) on available-for-sale securities	$ 63	$ (26)	Gain (loss) on sale of available-for-sale securities
Less: tax expense (benefit) effect	15	(6)	Income tax expense (benefit)
Net reclassified amount	$ 48	$ (20)	

Note 10: Regulatory Matters

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company’s consolidated financial statements. Management believes that, as of March 31, 2023, the Company and the Bank met all capital adequacy requirements to which they are subject.

The capital rules require the Company to maintain a 2.5% capital conservation buffer with respect to Common Equity Tier I capital, Tier I capital to risk-weighted assets, and total capital to risk-weighted assets, which is included in the column “Required to be Considered Adequately Capitalized” within the table below. A financial institution with a conservation buffer of less than the required amount is subject to limitations on capital distributions, including dividend payments and stock repurchases, as well as certain discretionary bonus payments to executive officers.

The Company and the Bank opted to exclude AOCI from the regulatory capital calculations. As a result, changes in AOCI, net of tax, do not impact the Company’s or Bank’s regulatory capital ratios.

The Company's and the Bank's actual capital amounts and ratios as of March 31, 2023 and December 31, 2022 are presented in the following table:

	Actual		Required to be Considered Well Capitalized		Required to be Considered Adequately Capitalized[1]	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in thousands)			
March 31, 2023						
Total Capital to Risk-Weighted Assets						
Consolidated	$ 743,690	10.5 %	N/A	N/A	$ 741,502	10.5 %
Bank	745,374	10.6	$ 705,775	10.0 %	741,064	10.5
Tier I Capital to Risk-Weighted Assets						
Consolidated	670,447	9.5	N/A	N/A	600,264	8.5
Bank	672,131	9.5	564,620	8.0	599,909	8.5
Common Equity Tier 1 to Risk-Weighted Assets						
Consolidated	661,622	9.4	N/A	N/A	494,335	7.0
Bank	672,131	9.5	458,754	6.5	494,043	7.0
Tier I Capital to Average Assets						
Consolidated	670,447	9.9	N/A	N/A	270,441	4.0
Bank	$ 672,131	9.9 %	$ 338,128	5.0 %	$ 270,502	4.0 %
December 31, 2022						
Total Capital to Risk-Weighted Assets						
Consolidated	$ 715,416	10.5 %	N/A	N/A	$ 714,162	10.5 %
Bank	714,300	10.5	$ 679,793	10.0 %	713,783	10.5
Tier I Capital to Risk-Weighted Assets						
Consolidated	644,953	9.5	N/A	N/A	578,131	8.5
Bank	643,837	9.5	543,835	8.0	577,824	8.5
Common Equity Tier 1 to Risk-Weighted Assets						
Consolidated	643,892	9.5	N/A	N/A	476,108	7.0
Bank	643,837	9.5	441,866	6.5	475,855	7.0
Tier I Capital to Average Assets						
Consolidated	644,953	10.3	N/A	N/A	249,270	4.0
Bank	$ 643,837	10.3 %	$ 311,623	5.0 %	$ 249,299	4.0 %

[1] Includes capital conservation buffer of 2.5%

Note 11: Stock-Based Compensation

The Company issues stock-based compensation in the form of non-vested restricted stock, restricted stock units and stock appreciation rights under the 2018 Omnibus Equity Incentive Plan (as amended, the "Omnibus Plan"). The Omnibus Plan will expire on the tenth anniversary of its effective date. In addition, the Company has an Employee Stock Purchase Plan that was reinstated during the third quarter of 2020. The aggregate number of shares authorized for future issuance under the Omnibus Plan is 1,218,970 shares as of March 31, 2023.

The table below summarizes the stock-based compensation for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	(Dollars in thousands)	
Stock appreciation rights	$ 99	$ 99
Performance-based stock awards	236	211
Restricted stock units and awards	879	778
Employee stock purchase plan	24	27
Total stock-based compensation	$ 1,238	$ 1,115

Performance-Based Restricted Stock Units

The Company awards performance-based restricted stock units ("PBRSUs") to key officers of the Company. The performance-based shares typically cliff-vest at the end of three years based on attainment of certain performance metrics developed by the Compensation Committee. The ultimate number of shares issuable under each performance award is the product of the award target and the award payout percentage given the level of achievement. The award payout percentages by level of achievement range between 0% of target and 150% of target.

During the three-month period ended March 31, 2023, the Company granted 128,005 PBRSUs. The performance metrics include three-year cumulative earnings per share and relative total shareholder return.

The following table summarizes the status of and changes in the PBRSUs:

	Performance-Based Restricted Stock Unit Awards	
	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested, January 1, 2023	134,286	$ 14.52
Granted	128,005	14.13
Vested	(20,736)	13.55
Forfeited	(5,335)	14.49
Unvested, March 31, 2023	236,220	$ 14.40

Unrecognized stock-based compensation related to the performance awards issued through March 31, 2023 was $2.7 million and is expected to be recognized over 2.5 years.

Restricted Stock Units and Restricted Stock Awards

The Company issues time-based restricted stock units ("RSUs") and restricted stock awards ("RSAs") to provide incentives to key officers, employees, and non-employee directors. Awards are typically granted annually as determined by the Compensation Committee. The service-based RSUs typically vest in equal amounts over three years. The service-based RSAs typically cliff-vest after one year.

The following table summarizes the status of and changes in the RSUs and RSAs:

	Restricted Stock Units and Awards	
	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested, January 1, 2023	416,980	$ 14.13
Granted	264,197	13.96
Vested	(141,857)	14.05
Forfeited	(11,650)	14.28
Unvested, March 31, 2023	527,670	$ 14.06

Unrecognized stock-based compensation related to the RSUs and RSAs issued through March 31, 2023 was $6.3 million and is expected to be recognized over 2.4 years.

Note 12: Stock Warrants

The Company had 80,000 outstanding, fully vested warrants to purchase common stock at a strike price of $5.00 per share as of March 31, 2023 and December 31, 2022. The 80,000 warrants expire on April 26, 2023. During the three-month period ended March 31, 2023, no warrants were exercised or issued.

Note 13: Earnings Per Common Share

The following table presents the computation of basic and diluted earnings per common share:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(Dollars in thousands except per share data)	
Earnings per Common Share		
Net income available to common stockholders	$ 16,108	$ 16,828
Weighted average common shares	48,635,910	50,251,297
Earnings per common share	$ 0.33	$ 0.33
Diluted Earnings per Common Share		
Net income available to common stockholders	$ 16,108	$ 16,828
Weighted average common shares	48,635,910	50,251,297
Effect of dilutive common shares	407,711	659,193
Weighted average dilutive common shares	49,043,621	50,910,490
Diluted earnings per common share	$ 0.33	$ 0.33
Stock-based awards not included because to do so would be antidilutive	916,080	285,672

During March 2023, the Company offered and sold shares of its Series A Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share, for an aggregate purchase price of $7.8 million. No dividends related to the preferred stock were declared or paid during the three months ended March 31, 2023.

Note 14: Disclosures about Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities.

Recurring Measurements

The following list presents the assets and liabilities recognized in the accompanying consolidated statements of financial condition measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2023 and December 31, 2022:

	Fair Value Description	Valuation Hierarchy Level	Where Fair Value Balance Can Be Found
Available-for-Sale Securities and CRA Equity Security	Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows.	Level 2	Note 2: Securities
Derivatives	Fair value of the interest rate swaps is obtained from independent pricing services based on quoted market prices for similar derivative contracts.	Level 2	Note 6: Derivatives and Hedging

Non-recurring Measurements

The following tables present assets measured at fair value on a non-recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2023 and December 31, 2022:

		March 31, 2023 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
		(Dollars in thousands)		
Collateral-dependent loans	$ 6,628	$ -	$ -	$ 6,628
Foreclosed assets held-for-sale	$ 880	$ -	$ -	$ 880

		December 31, 2022 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
		(Dollars in thousands)		
Collateral-dependent impaired loans	$ 8,728	$ -	$ -	$ 8,728
Foreclosed assets held-for-sale	$ 1,745	$ -	$ -	$ 1,745

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a non-recurring basis and recognized in the accompanying consolidated statements of financial condition.

Collateral-Dependent Loans, Net of ACL

The estimated fair value of collateral-dependent loans is based on the appraised fair value of the collateral, less estimated cost to sell. If the fair value of the collateral is below the loan's amortized cost, the ACL is netted against the loan balance. Collateral-dependent loans are classified within Level 3 of the fair value hierarchy.

The Company considers the appraisal or evaluation as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. Appraisals of the collateral underlying collateral dependent loans are obtained when the loan is determined to be collateral dependent and subsequently as deemed necessary by the Office of the Chief Credit Officer.

Appraisals are reviewed for accuracy and consistency by management. Appraisers are selected from the list of approved appraisers maintained by management. The appraised values are reduced by discounts to consider lack of marketability and estimated cost to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral. These discounts and estimates are developed by the Office of the Chief Credit Officer by comparison to historical results.

Foreclosed Assets Held-for-Sale

The fair value of foreclosed assets-held-for-sale is based on the appraised fair value of the collateral, less estimated cost to sell.

Unobservable (Level 3) Inputs

The following tables present quantitative information about unobservable inputs used in non-recurring Level 3 fair value measurements at March 31, 2023 and December 31, 2022:

	March 31, 2023			
	Fair Value	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)**
	(Dollars in thousands)			
Collateral dependent loans	$ 6,628	Market comparable properties	Marketability discount	4% - 6% (6)%
Foreclosed assets held-for-sale	$ 880	Market comparable properties	Marketability discount	10% (10)%

	December 31, 2022			
	Fair Value	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)**
	(Dollars in thousands)			
Collateral-dependent impaired loans	$ 8,728	Market comparable properties	Marketability discount	- % - 100 % (13)%
Foreclosed assets held-for-sale	$ 1,745	Market comparable properties	Marketability discount	10% (10)%

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The following tables present the estimated fair values of the Company's financial instruments at March 31, 2023 and December 31, 2022:

	March 31, 2023			
	Carrying Amount	Fair Value Measurements		
		Level 1	Level 2	Level 3
	(Dollars in thousands)			
Financial Assets				
Cash and cash equivalents	$ 262,971	$ 262,971	$ -	$ -
Available-for-sale securities	751,251	-	751,251	-
Loans, net of allowance for credit losses	5,582,509	-	-	5,587,995
Restricted equity securities	16,700	-	-	16,700
Interest receivable	30,385	-	30,385	-
Equity securities	3,242	-	-	3,242
Derivative assets	7,907	-	7,907	-
Financial Liabilities				
Deposits	$ 5,837,314	$ 969,701	$ -	$ 4,879,677
Federal Home Loan Bank line of credit	183,437	-	183,437	-
Federal Home Loan Bank advances	130,594	-	125,909	-
Other borrowings	17,970	-	18,382	-
Interest payable	9,571	-	9,571	-
Derivative liabilities	11,791	-	11,791	-

	December 31, 2022			
	Carrying Amount	Fair Value Measurements		
		Level 1	Level 2	Level 3
	(Dollars in thousands)			
Financial Assets				
Cash and cash equivalents	$ 300,138	$ 300,138	$ -	$ -
Available-for-sale securities	769,641	-	686,901	-
Loans, net of allowance for loan losses	5,310,954	-	-	5,307,607
Restricted equity securities	12,536	-	-	12,536
Interest receivable	29,507	-	29,507	-
Equity securities	2,870	-	-	2,870
Derivative assets	11,038	-	11,038	-
Financial Liabilities				
Deposits	$ 5,651,308	$ 1,400,260	$ -	$ 4,142,673
Federal funds purchased and repurchase agreements	74,968	-	74,968	-
Federal Home Loan Bank advances	143,143	-	135,086	-
Other borrowings	35,457	-	36,529	-
Interest payable	5,713	-	5,713	-
Derivative liabilities	16,442	-	16,442	-

Note 15: Commitments and Credit Risk

Commitments

The Company had the following commitments at March 31, 2023 and December 31, 2022:

	March 31, 2023	December 31, 2022
	(Dollars in thousands)	
Commitments to originate loans	$ 202,975	$ 134,961
Standby letters of credit	65,124	66,889
Lines of credit	2,528,595	2,705,730
Future lease commitments	1,888	1,888
Commitments related to investment fund	3,032	3,403
	$ 2,801,614	$ 2,912,871

Note 16: Subsequent Events

On April 21, 2023, the Company announced its entry into a definitive agreement under which the Company will acquire Canyon Bancorporation, Inc. and its wholly owned subsidiary, Canyon Community Bank, N.A. (collectively, “Canyon”) in a stock and cash transaction. The business combination transaction is expected to result in the mergers of Canyon Bancorporation, Inc. with and into CrossFirst Bankshares, Inc. and Canyon Community Bank, N.A. with and into CrossFirst Bank. Canyon has a branch in Tucson, Arizona. The transaction is currently expected to close in the second half of 2023, subject to approval by bank regulatory authorities, as well as the satisfaction or waiver of customary closing conditions.

On April 21, 2023, the Company’s remaining 80,000 outstanding, fully vested warrants were exercised. See “Note 12: Stock Warrants” for additional information about these warrants.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes as of and for the three months ended March 31, 2023, and with our 2022 Form 10-K, which includes our audited consolidated financial statements and related notes as of and for the years ended December 31, 2022, 2021 and 2020. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions that may cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed in the section entitled “Cautionary Note Regarding Forward-Looking Statements” located elsewhere in this quarterly report and in Item 1A “Risk Factors” in our 2022 Form 10-K and should be read herewith.

First Quarter 2023 Highlights

During the first quarter ended March 31, 2023, we accomplished the following:

- Completed the core systems conversion for Central
- Loans grew $275 million for the quarter with our newer markets and verticals contributing meaningfully as we realize scale in those areas
- Credit quality improved with non-performing assets decreasing $2.0 million and the non-performing assets to total assets ratio decreasing to 0.16% at quarter end
- Recorded $4.4 million of provision expense during the quarter driven by loan growth and net charge-offs of $1.6 million, or 0.12% of average loans
- Deposits increased $186 million due to a $405 million increase in wholesale deposits. Non-interest-bearing accounts were lower as elevated deposits at year-end were deployed early in the quarter in addition to clients migrating into savings and money market accounts
- Net interest margin – fully tax equivalent (“FTE”) of 3.65% widened four basis points for the quarter entirely due to the benefit of non-interest-bearing deposits
- Book value per common share increased to $13.28 at March 31, 2023 compared to $12.56 at December 31, 2022. Tangible book value per common share(1) as of March 31, 2023 increased to $12.54 compared to $11.96 at December 31, 2022
- Issued $7.8 million of Series A Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share (the Series A Preferred Stock”), further bolstering our capital position
- Received regulatory approval to expand into the Fort Worth, Texas market

(1) Represents a non-GAAP financial measure. See “Non-GAAP Financial Measures” below in Management’s Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of these measures.

Banking Industry Events

The banking industry has faced significant upheaval since the collapse of several banks in March 2023 related to their liquidity and their significant concentration in certain industries, including exposure to the technology sector and cryptocurrency. We do not have significant industry concentration or any significant exposure to the technology or crypto sectors. Competition for deposits was exacerbated by renewed focus on deposits in excess of FDIC insurance limits following the failures, in addition to increased focus on liquidity and interest rate management risks at all banks. These challenges, combined with uncertainties around continued cost pressures from inflation, potential FDIC special assessments and potential for higher loan loss provisioning all led to a highly volatile market for banks. During the quarter, we focused on the following strategies and data:

- Mobilized our business continuity team and aspects of our contingency funding plan in response to the headline and publicity risk created by the bank failures
- Conducted frequent executive team meetings (including daily during certain periods) during March to monitor our response which was focused on client outreach and increasing liquidity
- Expanded liquidity available by $220 million at the Federal Reserve Bank by pledging additional loans

- Conducted proactive client outreach by bankers to communicate the strength, stability and trust clients have come to expect from CrossFirst Bank
- Improved liquidity in our securities portfolio - as of March 31, 2023, $244 million of securities can be pledged and $222 million of securities could be sold with a net gain, based on current market conditions
- Our total on-balance sheet and off-balance sheet liquidity was $2.3 billion as of March 31, 2023, or 33% of total assets
- Expanded our partnership with IntraFi as we served clients who were interested in the program; our IntraFi Cash Service (“ICS”) partnership dates back to 2013
- Estimated uninsured deposits after excluding pass-thru insured accounts was 35% of total deposits

Mergers and Acquisitions Update

On April 21, 2023, the Company announced its entry into a definitive agreement under which the Company will acquire Canyon Bancorporation, Inc. and its wholly owned subsidiary, Canyon Community Bank, N.A. (collectively, “Canyon”) in a stock and cash transaction. The business combination transaction is expected to result in the mergers of Canyon Bancorporation, Inc. with and into CrossFirst Bankshares, Inc. and Canyon Community Bank, N.A. with and into CrossFirst Bank. Canyon has a branch in Tucson, Arizona. In accordance with the agreement, the Company has agreed to pay up to 50% of the merger consideration in the form of Company common stock based on the election of the target stockholders and subject to certain conditions. The Company's common stock will be valued at a per share price of $14.11 for purposes of calculating the merger consideration. The Company expects to issue up to approximately 621,000 shares of its common stock at closing assuming: (i) aggregate merger consideration of $17.5 million; and (ii) that the Company issues 50% of such merger consideration in the form of the Company's common stock. The aggregate transaction value was estimated at approximately $15.1 million based on the Company’s stock price on April 20, 2023. The transaction is currently expected to close in the second half of 2023, subject to approval by bank regulatory authorities, as well as the satisfaction or waiver of customary closing conditions.

Update to Customer Concentrations

As of March 31, 2023, the Company’s top 25 customer relationships represented approximately 23% or $1.4 billion of total deposits, $0.5 billion of which are ICS deposits. The Company believes it has sufficient funding sources, including on-balance sheet liquid assets and wholesale deposit options, so that an immediate reduction in these deposit balances would not be expected to have a material, detrimental effect on the Company’s financial position or operations. Deposits at March 31, 2023 are 70% commercial, 17% consumer, and 13% wholesale, which is consistent with our strategy. We operate largely in the Midwest and in strong markets, with a diverse deposit composition by state which follows our branch footprint. We also have diversity in depositors by industry with no industry concentrations above 5% outside of trusts and banking institutions.

Our loan portfolio remains diversified with 45% of loans in commercial and industrial and owner-occupied real estate and 44% of loans in commercial real estate. We have diversification within each portfolio with the top 25 commercial and industrial clients representing 27% of total commercial and industrial exposure or 10% of total loan exposure and the top 25 commercial real estate transactions representing 23% of commercial real estate exposure or 10% of total loan exposure. There also remains diversity within our loan portfolios with the highest commercial real estate property type accounting for 17% of total commercial real estate exposure, and the largest industry segment in commercial and industrial being manufacturing at 10% of commercial and industrial exposure. Our commercial real estate loan portfolio also has geographic diversity with concentrations in high-quality markets including Dallas, Kansas City, Phoenix, and Denver.

Performance Measures

	As of or for the Quarter Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	(Dollars in thousands, except per share data)				
Return on average assets (1)	0.97 %	0.77 %	1.19 %	1.12 %	1.23 %
Adjusted return on average assets (1)(2)	1.04 %	1.15 %	1.19 %	1.20 %	1.23 %
Return on average equity (1)	10.53 %	8.04 %	11.18 %	10.15 %	10.44 %
Adjusted return on average equity (1)(2)	11.30 %	12.03 %	11.22 %	10.82 %	10.44 %
Earnings per common share – basic	$ 0.33	$ 0.25	$ 0.35	$ 0.31	$ 0.33
Earnings per common share – diluted	$ 0.33	$ 0.24	$ 0.35	$ 0.31	$ 0.33
Adjusted earnings per common share – diluted (2)	$ 0.35	$ 0.36	$ 0.35	$ 0.33	$ 0.33
Efficiency ratio (3)	60.81 %	62.40 %	53.20 %	57.36 %	57.57%
Adjusted efficiency ratio - FTE (2)(3)(4)	56.42 %	55.01 %	52.25 %	53.95 %	56.66%
Ratio of equity to assets	9.36 %	9.22 %	9.93 %	10.65 %	11.29 %

(1) Interim periods annualized
(2) Represents a non-GAAP financial measure. See "Non-GAAP Financial Measures" below in Management's Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of these measures.
(3) We calculate efficiency ratio as non-interest expense divided by the sum of net interest income and non-interest income.
(4) Tax exempt income (tax-free municipal securities) is calculated on a tax equivalent basis. The incremental tax rate used is 21.0%.

Results of Operations

Net Interest Income

Net interest income is presented on a fully tax equivalent basis. We believe reporting on an FTE basis provides for improved comparability between the various earning assets. Changes in interest income and interest expense result from changes in average balances (volume) of interest earning assets and interest-bearing liabilities, as well as changes in average interest rates.

The following tables present, for the periods indicated, average statement of financial condition information, interest income, interest expense and the corresponding average yield and rates paid:

	Three Months Ended					
	March 31, 2023			March 31, 2022		
	Average Balance	Interest Income / Expense	Average Yield / Rate[4]	Average Balance	Interest Income / Expense	Average Yield / Rate[4]
	(Dollars in thousands)					
Interest-earning assets:						
Securities - taxable	$ 268,705	$ 2,111	3.14 %	$ 220,802	$ 1,188	2.15 %
Securities - tax-exempt - FTE[1]	542,268	4,591	3.39	533,674	4,467	3.35
Federal funds sold	1,757	5	1.15	-	-	-
Interest-bearing deposits in other banks	195,289	2,009	4.17	309,948	152	0.20
Gross loans, net of unearned income[2][3]	5,539,954	89,618	6.56	4,332,831	42,728	4.00
Total interest-earning assets - FTE[1]	6,547,973	$ 98,334	6.08 %	5,397,255	$ 48,535	3.64 %
Allowance for credit losses	(63,235)			(57,922)		
Other non-interest-earning assets	228,063			224,405		
Total assets	$ 6,712,801			$ 5,563,738		
Interest-bearing liabilities						
Transaction deposits	$ 542,366	$ 3,500	2.62 %	$ 585,990	$ 222	0.15 %
Savings and money market deposits	2,881,726	23,569	3.32	2,302,552	1,847	0.33
Time deposits	1,100,444	9,656	3.56	587,452	1,442	1.00
Total interest-bearing deposits	4,524,536	36,725	3.29	3,475,994	3,511	0.41
FHLB and short-term borrowings	272,754	2,535	3.77	231,156	1,109	1.95
Trust preferred securities, net of fair value adjustments	1,062	56	21.39	1,012	25	10.25
Non-interest-bearing deposits	1,194,788	-	-	1,157,387	-	-
Cost of funds	5,993,140	$ 39,316	2.66 %	4,865,549	$ 4,645	0.39 %
Other liabilities	99,451			44,442		
Stockholders' equity	620,210			653,747		
Total liabilities and stockholders' equity	$ 6,712,801			$ 5,563,738		
Net interest income - FTE[1]		$ 59,018			$ 43,890	
Net interest spread - FTE[1]			3.42 %			3.25 %
Net interest margin - FTE[1]			3.65 %			3.29 %

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

(2) Loans, net of unearned income include non-accrual loans of $10 million and $33 million as of March 31, 2023 and 2022, respectively.

(3) Loan interest income includes loan fees of $4 million and $4 million for the three months ended March 31, 2023 and 2022, respectively.

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

Net interest income - Net interest income increased $15.1 million for the three-month period ended March 31, 2023 compared to the same period in 2022 driven by increases in average earning assets from strong loan growth and an increase in loan yields, partially offset by a higher cost of funds due to the rising rate environment. Compared to the first quarter of 2022, FTE net interest income increased $15.1 million and net interest margin - FTE increased 36 basis points. The higher income and margin were primarily due to increases in average earning assets from strong loan growth and an increase in loan yields, partially offset by a higher cost of funds due to the rising rate environment.

Average earning assets totaled $6.5 billion for the three-month period ended March 31, 2023 resulting in an increase of $1.2 billion or 21% compared to the same period in 2022, inclusive of the impact of the Central acquisition. The increase was driven by higher average loan and investment portfolio balances, partially offset by lower average cash balances for the three-month period ended March 31, 2023 compared to the corresponding period in 2022.

The FTE yield on earning assets increased 2.44% from the first quarter of 2022 to the first quarter of 2023 due to new loan production as well as repricing of variable rate loans. The cost of funds increased 2.27% over the same period due to pricing pressure on deposits as well as client migration into higher cost deposit products compared to the prior year.

The Company currently anticipates net interest margin to narrow from the current quarter to be in the range of 3.40% to 3.55% for the full-year 2023 based on changes in our funding mix. This may be partially offset with a benefit of one to three basis points from any additional rate increases due to our largely variable loan portfolio.

Non-Interest Income

The components of non-interest income were as follows for the periods shown:

	Three Months Ended March 31,			
			Change	
	2023	2022	$	%
	(Dollars in thousands)			
Service charges and fees on customer accounts	$ 1,829	$ 1,408	$ 421	30 %
ATM and credit card interchange income	1,264	2,664	(1,400)	(53)
Realized gains (losses) on available-for-sale securities	63	(26)	89	N/M
Gain on sale of loans	187	-	187	-
Gains (losses), net on equity securities	10	(103)	113	(110)
Income from bank-owned life insurance	411	388	23	6
Swap fees and credit valuation adjustments, net	90	118	(28)	(24)
Other non-interest income	567	493	74	15
Total non-interest income	$ 4,421	$ 4,942	$ (521)	(11)%
Non-interest income to average assets (annualized)	*0.27%*	*0.36%*		

The changes in non-interest income were driven primarily by the following:

Service charges and fees on customer accounts - The increase for the three-month period ended March 31, 2023 compared to the corresponding period in 2022 was driven primarily by increases in account analysis fees due to client fee increases enacted in 2022.

ATM and credit card interchange income - The decrease in ATM and credit card interchange income was driven primarily by a decrease in credit card fees due to one large customer with pandemic-related activity that did not occur in the current year.

Gain on sale of loans – The increase for the three months ended March 31, 2023 compared to the same period for 2022 was due to the expansion of our mortgage business acquired through the 2022 acquisition of Central.

Non-Interest Expense

The components of non-interest expense were as follows for the periods indicated:

	Three Months Ended March 31,			
			Change	
	2023	2022	$	%
	(Dollars in thousands)			
Salary and employee benefits	$ 22,622	$ 17,941	$ 4,681	26 %
Occupancy	2,974	2,493	481	19
Professional fees	2,618	805	1,813	225
Deposit insurance premiums	1,531	737	794	108
Data processing	1,242	812	430	53
Advertising	752	692	60	9
Software and communication	1,651	1,270	381	30
Foreclosed assets, net	149	(53)	202	N/M
Other non-interest expense	3,731	2,950	781	26
Core deposit intangible amortization	822	19	803	4,226
Total non-interest expense	$ 38,092	$ 27,666	$ 10,426	38 %
Non-interest income to average assets (annualized)	*2.30%*	*2.02%*		

Non-interest expense increased $10.4 million for the three-month period ended March 31, 2023 compared to the same period in 2022 and included $1.5 million of transaction costs and $0.8 million of core deposit intangible amortization related to the Central acquisition. The changes in non-interest expense were driven primarily by the following:

Salary and Employee Benefits - Salary and employee benefit costs increased due to merit increases, hiring in new markets and verticals, and the addition of employees as part of the Central acquisition.

Occupancy – The increase in occupancy costs was driven by the addition of a second location in Dallas, Texas during 2022 and new properties in Colorado and New Mexico as part of the acquisition of Central.

Professional Fees – The increase in professional fees was primarily due to increases in consulting costs related to the acquisition of Central and digital banking conversion, increased recruiting costs, and timing of legal fees.

Deposit Insurance Premiums – The increase in deposit insurance premiums was due to an increase in the assessment rate and increases in assets.

Data Processing – The increase in data processing costs was driven primarily by increased costs associated with the Company's digital banking conversion.

Other Non-interest Expense - Other non-interest expense increased primarily due to increased post-pandemic travel expenses and transaction fraud-related losses.

Core Deposit Intangible Amortization – Core deposit intangible amortization increased due to a full quarter of expense related to the Central acquisition.

We currently anticipate non-interest expense to be in a range of $35-$36 million per quarter for the remainder of 2023. The efficiency ratio was 60.81% and the adjusted efficiency ratio – FTE [(1)] was 56.42% for the three months ended March 31, 2023.

(1) Represents a non-GAAP financial measure. See "Non-GAAP Financial Measures" below in Management’s Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of these measures.

Income Taxes

	For the Quarter Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	(Dollars in thousands)				
Income tax expense	$ 4,021	$ 3,348	$ 4,410	$ 4,027	$ 4,188
Income before income taxes	20,129	15,294	21,690	19,572	21,016
Effective tax rate	20 %	22 %	20 %	21 %	20 %

Our income tax expense differs from the amount that would be calculated using the federal statutory tax rate, primarily from investments in tax advantaged assets, including bank-owned life insurance and tax-exempt municipal securities; state tax credits; and permanent tax differences from equity-based compensation. Refer to “Note 8: Income Tax” within the notes to consolidated financial statements – unaudited for a reconciliation of the statutory rate to the Company’s actual income tax expense.

During the three-month periods ended March 31, 2023 and 2022, the Company’s effective tax rate benefited primarily from permanent tax differences related to tax-exempt interest. We currently anticipate the Company’s effective tax rate to remain within the 20% to 22% range in the near term.

Non-GAAP Financial Measures

In addition to disclosing financial measures determined in accordance with U.S. generally accepted accounting principles (GAAP), the Company discloses certain non-GAAP financial measures including “tangible common stockholders’ equity,” “tangible book value per common share,” “adjusted efficiency ratio – FTE,” “adjusted net income,” “adjusted earnings per common share – diluted,” “adjusted return on average assets,” and “adjusted return on average equity.” 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 to investors 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.

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.

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

	Quarter Ended				
	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
	(Dollars in thousands, except per share data)				
Adjusted net income:					
Net income (GAAP)	$ 16,108	$ 11,946	$ 17,280	$ 15,545	$ 16,828
Add: Acquisition costs	1,477	3,570	81	239	-
Add: Acquisition - Day 1 CECL provision	-	4,400	-	-	-
Add: Employee separation	-	-	-	1,063	-
Less: Tax effect[1]	(310)	(2,045)	(17)	(273)	-
Adjusted net income	**$ 17,275**	**$ 17,871**	**$ 17,344**	**$ 16,574**	**$ 16,828**
Diluted weighted average common shares outstanding	**49,043,621**	**49,165,578**	**49,725,207**	**50,203,725**	**50,910,490**
Earnings per common share – diluted (GAAP)	**$ 0.33**	**$ 0.24**	**$ 0.35**	**$ 0.31**	**$ 0.33**
Adjusted earnings per common share – diluted	**$ 0.35**	**$ 0.36**	**$ 0.35**	**$ 0.33**	**$ 0.33**

[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				
	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
	(Dollars in thousands)				
Adjusted return on average assets:					
Net income (GAAP)	$ 16,108	$ 11,946	$ 17,280	$ 15,545	$ 16,828
Adjusted net income	17,275	17,871	17,344	16,574	16,828
Average assets	$ 6,712,801	$ 6,159,783	$ 5,764,347	$ 5,545,657	$ 5,563,738
Return on average assets (GAAP)	**0.97 %**	**0.77 %**	**1.19 %**	**1.12 %**	**1.23 %**
Adjusted return on average assets	**1.04 %**	**1.15 %**	**1.19 %**	**1.20 %**	**1.23 %**

	Quarter Ended				
	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
	(Dollars in thousands)				
Adjusted return on average equity:					
Net income (GAAP)	$ 16,108	$ 11,946	$ 17,280	$ 15,545	$ 16,828
Adjusted net income	17,275	17,871	17,344	16,574	16,828
Average equity	$ 620,210	$ 589,587	$ 613,206	$ 614,541	$ 653,747
Return on average equity (GAAP)	**10.53 %**	**8.04 %**	**11.18 %**	**10.15 %**	**10.44 %**
Adjusted return on average equity	**11.30 %**	**12.03 %**	**11.22 %**	**10.82 %**	**10.44 %**

	Quarter Ended				
	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
	(Dollars in thousands, except per share data)				
Tangible common stockholders' equity:					
Total stockholders' equity (GAAP)	$ 645,491	$ 608,599	$ 580,547	$ 608,016	$ 623,199
Less: goodwill and other intangible assets	28,259	29,081	71	91	110
Less: preferred stock	7,750	-	-	-	-
Tangible common stockholders' equity	**$ 609,482**	**$ 579,518**	**$ 580,476**	**$ 607,925**	**$ 623,089**
Tangible book value per common share:					
Tangible common stockholders' equity	$ 609,482	$ 579,518	$ 580,476	$ 607,925	$ 623,089
Common shares outstanding at end of period	48,600,618	48,448,215	48,787,696	49,535,949	49,728,253
Book value per common share (GAAP)	**$ 13.28**	**$ 12.56**	**$ 11.90**	**$ 12.27**	**$ 12.53**
Tangible book value per common share	**$ 12.54**	**$ 11.96**	**$ 11.90**	**$ 12.27**	**$ 12.53**

	Quarter Ended				
	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
	(Dollars in thousands)				
Adjusted Efficiency Ratio - FTE[1]					
Non-interest expense	$ 38,092	$ 36,423	$ 28,451	$ 29,203	$ 27,666
Less: Acquisition costs	(1,477)	(3,570)	(81)	(239)	-
Less: Core deposit intangible amortization	(822)	(291)	-	-	-
Less: Employee separation	-	-	-	(1,063)	-
Adjusted Non-interest expense (numerator)	$ 35,793	$ 32,562	$ 28,370	$ 27,901	$ 27,666
Net interest income	58,221	54,015	49,695	46,709	43,115
Tax equivalent interest income[1]	797	818	820	808	775
Non-interest income	4,421	4,359	3,780	4,201	4,942
Total tax-equivalent income (denominator)	$ 63,439	$ 59,192	$ 54,295	$ 51,718	$ 48,832
Efficiency Ratio (GAAP)	**60.81 %**	**62.40 %**	**53.20 %**	**57.36 %**	**57.57 %**
Adjusted Efficiency Ratio - FTE[1]	**56.42 %**	**55.01 %**	**52.25 %**	**53.95 %**	**56.66 %**

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

Analysis of Financial Condition

Investment portfolio

The objective of the investment portfolio is to optimize earnings, manage credit and interest rate risk, ensure adequate liquidity, and meet pledging and regulatory capital requirements. The securities portfolio is also maintained to serve as a contingent, on-balance sheet source of liquidity. As of March 31, 2023, available-for-sale investments totaled $751 million, an increase of $64 million from December 31, 2022.

The increase in the securities portfolio was driven by the purchase of $81 million in SBA securities and $12 million in tax-exempt municipal securities and a $15 million reduction in the unrealized loss on available-for-sale securities. The increase was partially offset by the sale of $37 million in tax-exempt municipal securities at a modest gain as we intentionally improved the liquidity of the portfolio during the quarter. For additional information, see “Note 2: Securities” in the notes to consolidated financial statements – unaudited.

Loan Portfolio

Refer to "Note 3: Loans and Allowance for Credit Losses" within the notes to consolidated financial statements – unaudited for additional information regarding the Company's loan portfolio. As of March 31, 2023, gross loans, net of unearned fees increased $275 million or 5% from December 31, 2022. The following table presents the balance and associated percentage change of each segment within our portfolio as of the dates indicated:

	As of March 31, 2023	As of December 31, 2022	December 31, 2022 vs. March 31, 2023 % Change
	(Dollars in thousands)		
Commercial and industrial	$ 986,636	$ 1,017,678	(3.1) %
Commercial and industrial lines of credit	1,047,280	957,254	9.4
Energy	193,859	173,218	11.9
Commercial real estate	1,808,888	1,718,947	5.2
Construction and land development	845,085	794,788	6.3
Residential real estate	412,334	409,124	0.8
Multifamily real estate	295,469	237,984	24.2
Consumer	58,088	63,736	(8.9)
Total	$ 5,647,639	$ 5,372,729	5.1 %

The following table shows the contractual maturities of our gross loans and sensitivity to interest rate changes:

	As of March 31, 2023								
	Due in One Year or Less		Due in One Year through Five Years		Due in Five Year through Fifteen Years		Due after Fifteen Years		
	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Total
	(Dollars in thousands)								
Commercial and industrial	$ 50,578	$ 113,038	$ 327,978	$ 358,192	$ 52,576	$ 64,189	$ 19,589	$ 496	$ 986,636
Commercial and industrial lines of credit	74,724	395,100	29,926	512,736	17,668	17,126	-	-	1,047,280
Energy	-	30,660	775	162,424	-	-	-	-	193,859
Commercial real estate	78,596	218,319	502,179	480,495	185,242	276,256	6,462	61,339	1,808,888
Construction and land development	27,932	105,116	72,762	541,254	28,483	15,881	4,747	48,910	845,085
Residential real estate	7,510	2,999	21,965	5,301	65,518	5,530	371	303,140	412,334
Multifamily real estate	4,340	43,640	108,450	123,038	4,808	10,410	-	783	295,469
Consumer	5,783	10,210	5,171	13,749	343	20,944	-	1,888	58,088
Total	$ 249,463	$ 919,082	$ 1,069,206	$ 2,197,189	$ 354,638	$ 410,336	$ 31,169	$ 416,556	$ 5,647,639

Provision and Allowance for Credit Losses

The ACL at March 31, 2023 represents our best estimate of the expected credit losses in the Company's loan portfolio and off-balance sheet commitments, measured over the contractual life of the underlying instrument.

	For the Quarter Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	(Dollars in thousands)				
Provision for credit losses - loans	$ 4,996	$ 4,700	$ 1,923	$ 1,690	$ (316)
Provision for credit losses - off-balance sheet	(575)	1,957	1,411	445	(309)
Allowance for credit losses - loans	65,130	61,775	55,864	55,817	55,231
Allowance for credit losses - off-balance sheet	8,113	8,688	6,731	5,320	4,875
Net charge-offs	$ 1,641	$ (296)	$ 1,876	$ 1,104	$ 1,081

The ACL increased $2.8 million during the quarter. Provision expense of $4.4 million was driven by loan growth partially offset by improvement in qualitative factors, in part due to continued improvement in credit quality. In addition, $1.6 million in charge-offs on two commercial and industrial loans offset the provision expense for the quarter. The reserve on unfunded commitments decreased $0.6 million due to higher line utilization in the quarter.

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The table below presents the allocation of the allowance for credit losses as of the dates indicated. The allocation in one portfolio segment does not preclude its availability to absorb losses in other segments.

	March 31, 2023					December 31, 2022				
	ACL Amount					ACL Amount				
	Loans	Off-Balance Sheet	Total	Percent of ACL to Total ACL	Percent of Loans to Total Loans	Loans	Off-Balance Sheet	Total	Percent of ACL to Total ACL	Percent of Loans to Total Loans
	(Dollars in thousands)									
Commercial and industrial	$ 12,022	$ 174	$ 12,196	17 %	17 %	$ 12,272	$ 245	$ 12,517	18 %	19 %
Commercial and industrial lines of credit	15,207	287	15,494	19	19	14,531	74	14,605	21	18
Energy	4,679	541	5,220	3	3	4,396	787	5,183	7	3
Commercial real estate	20,763	712	21,475	33	33	19,504	700	20,204	29	32
Construction and land development	5,774	6,324	12,098	15	15	5,337	6,830	12,167	17	15
Residential real estate	3,061	51	3,112	7	7	3,110	35	3,145	4	8
Multifamily real estate	2,880	9	2,889	5	5	2,253	14	2,267	3	4
Consumer	744	15	759	1	1	372	3	375	1	1
Total	$ 65,130	$ 8,113	$ 73,243	100 %	100 %	$ 61,775	$ 8,688	$ 70,463	100 %	100 %

Refer to "Note 3: Loans and Allowance for Credit Losses" within the notes to consolidated financial statements – unaudited for a summary of the changes in the ACL.

Charge-offs and Recoveries

Net charge-offs were $1.6 million for the three-month period ended March 31, 2023 primarily related to a charge-off of a collateral-dependent commercial and industrial loan. The below table provides the ratio of net charge-offs (recoveries) to average loans outstanding based on our loan categories for the periods indicated:

	For the Quarter Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Commercial and industrial	0.51 %	(0.02) %	- %	0.28 %	(0.27) %
Commercial and industrial lines of credit	-	(0.01)	1.10	(0.56)	0.76
Energy	-	(0.46)	1.19	4.77	(1.02)
Commercial real estate	-	-	(0.21)	(0.45)	0.34
Construction and land development	-	-	-	-	-
Residential real estate	-	-	-	0.21	-
Multifamily real estate	-	-	-	-	-
Consumer	-	(0.03)	(0.05)	-	0.05
Total net charge-offs to average loans	0.12 %	(0.02) %	0.16 %	0.10 %	0.10 %

Non-performing Assets and Other Asset Quality Metrics

Non-performing assets include: (i) non-performing loans, which includes non-accrual loans, loans past due 90 days or more and still accruing interest, and loans modified prior to January 1, 2023 under TDRs that are not performing in accordance with their modified terms; (ii) foreclosed assets held for sale; (iii) repossessed assets; and (iv) impaired debt securities.

Credit quality metrics generally improved during the first quarter of 2023. Non-performing assets decreased to $11.2 million at March 31, 2023 primarily due to a $1.8 million decrease from the charge-off of one commercial and industrial loan, as well as paydowns. The non-performing assets to total assets ratio decreased from 0.64% at March 31, 2022 to 0.16% at March 31, 2023. In addition, classified loans decreased $0.7 million during the first quarter of 2023. Net charge-offs were $1.6 million for the first quarter of 2023 compared to net recoveries of ($0.3) million in the prior quarter and net charge-offs of $1.1 million in the prior year first quarter.

The Company continues to monitor the U.S. economic indicators, including the inflation rate, commodity prices, interest rates, and potential supply chain disruptions and the impact they may have on the Company's markets, clients, and prospects. The Company is monitoring the impact of a rising interest rate environment on the commercial real estate market and enterprise and leverage loans that is currently partially mitigated by low debt-to-equity ratios. As of March 31, 2023, the Company did not identify any systemic issues within its loan portfolio that would significantly affect the credit quality of the loan portfolio.

The table below summarizes our non-performing assets and related ratios as of the dates indicated:

	For the Quarter Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Asset quality			*(Dollars in thousands)*		
Non-accrual loans	$ 9,490	$ 11,272	$ 16,923	$ 27,698	$ 33,071
Loans past due 90 days or more and still accruing	868	750	303	2,163	1,534
Total non-performing loans	10,358	12,022	17,226	29,861	34,605
Foreclosed assets held for sale	855	1,130	973	973	973
Total non-performing assets	$ 11,213	$ 13,152	$ 18,199	$ 30,834	$ 35,578
Loans 30-89 days past due	$ 5,056	$ 19,519	$ 21,383	$ 16,635	$ 15,950
Asset quality metrics (%)					
Non-performing loans to total loans	0.18 %	0.22 %	0.37 %	0.66 %	0.79 %
Non-performing assets to total assets	0.16	0.20	0.31	0.54	0.64
ACL to total loans	1.15	1.15	1.19	1.23	1.27
ACL + RUC to total loans[(1)]	1.30	1.31	1.34	1.35	1.38
ACL to non-performing loans	629	514	324	187	160
Classified loans / (total capital + ACL)	9.4	10.1	11.3	12.1	10.8
Classified loans / (total capital + ACL + RUC)[(1)]	9.3 %	10.0 %	11.2 %	12.0 %	10.7 %

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

Deposits and Other Borrowings

The following table sets forth the maturity of time deposits as of March 31, 2023:

	As of March 31, 2023				
	Three Months or Less	Three to Six Months	Six to Twelve Months	After Twelve Months	Total
			(Dollars in thousands)		
Time deposits in excess of FDIC insurance limit	$ 34,077	$ 22,585	$ 198,742	$ 119,578	$ 374,982
Time deposits below FDIC insurance limit	291,514	254,286	352,729	102,516	1,001,045
Total	$ 325,591	$ 276,871	$ 551,471	$ 222,094	$ 1,376,027

At March 31, 2023, our deposits totaled $5.8 billion, an increase of $186 million or 3% from December 31, 2022. The increase included $430 million in time deposits and $186 million in money market, NOW and savings deposits, partially offset by a decrease of $430 million in non-interest-bearing deposits. The increase in time deposits was the result of a

$405 million net increase in wholesale funding to support current and expected loan growth and to partially supplement the decrease in client deposits. The increase in money market, NOW, and savings deposits was driven primarily by increases in money market deposits.

Other borrowings include FHLB advances, a line of credit, SBA loan secured borrowings, and our trust preferred security. At March 31, 2023, other borrowings totaled $332 million, a $78 million, or 31% increase from December 31, 2022. During the three-month period ended March 31, 2023, $6.0 million of FHLB advances matured and were converted into a drawdown on the FHLB line of credit and $6.5 million of net FHLB advances were paid off. The Company utilized an additional $102.5 million of net draws on the FHLB line of credit and the conversion of $6.0 million of FHLB advances to the FHLB line of credit to support loan growth and changes in deposits, resulting in a balance of $183.4 million outstanding on the FHLB line of credit as of March 31, 2023.

As of March 31, 2023, the Company had approximately $2.4 billion of uninsured deposits, which is an estimated amount based on the same methodologies and assumptions used for the Bank's regulatory requirements. Excluding pass-thru accounts where clients have deposit insurance at the correspondent financial institution, our uninsured deposits are $2.0 billion, or 35% of total deposits as of March 31, 2023. The average client account balance as of March 31, 2023 is less than $250 thousand for both individual accounts and business accounts in total after excluding pass-through and ICS deposits. We have geographic and industry diversity within our deposit base as the majority of our deposits are located in our footprint states of Kansas, Oklahoma, Texas, Missouri, and Colorado. The Company believes that its current capital ratios and liquidity are sufficient to mitigate the risks of uninsured deposits.

Liquidity and Capital Resources

Contractual Obligations and Off-Balance Sheet Arrangements

The Company is subject to contractual obligations made in the ordinary course of business. The obligations include deposit liabilities, other borrowed funds, and operating leases. Refer to “Note 7: Time Deposits and Other Borrowings” and “Note 4: Leases” within the notes to consolidated financial statements – unaudited for a listing of the Company’s significant contractual cash obligations and contractual obligations to third parties on lease obligations, respectively.

As a financial services provider, the Company is a party to various financial instruments with off-balance sheet risks, such as commitments to extend credit. Off-balance sheet arrangements represent the Company’s future cash requirements. However, a portion of these commitments may expire without being drawn upon. Refer to “Note 15: Commitments and Credit Risk” within the notes to consolidated financial statements – unaudited for a listing of the Company’s off-balance sheet arrangements.

The Company’s short-term and long-term contractual obligations, including off-balance sheet obligations, may be satisfied through the Company’s on-balance sheet and off-balance sheet liquidity discussed below.

Liquidity

The Company’s liquidity strategy is to maintain adequate, but not excessive, liquidity to meet the daily cash flow needs of clients while attempting to achieve adequate earnings for stockholders. The liquidity position is monitored continuously by management. The Company's short-term and long-term liquidity requirements are primarily met through cash flow from operations, redeployment of prepaying and maturing balances in our loan portfolio and security portfolio, increases in client deposits and wholesale deposits. Liquidity resources can be derived from two sources: (i) on-balance sheet liquidity resources, which represent funds currently on the statement of financial condition and (ii) off-balance sheet liquidity resources, which represent funds available from third-party sources. The Company’s on-balance sheet and off-balance sheet liquidity resources consisted of the following as of the dates indicated:

	March 31, 2023	December 31, 2022
	(Dollars in thousands)	
Total on-balance sheet liquidity	$ 1,014,222	$ 986,482
Total off-balance sheet liquidity	1,264,618	770,165
Total liquidity	$ 2,278,840	$ 1,756,647
On-balance sheet liquidity as a percent of assets	15 %	15 %
Total liquidity as a percent of assets	33 %	27 %

For the three months ended March 31, 2023, the Company’s cash and cash equivalents declined $37 million from December 31, 2022 to $263 million, representing 4% of total assets. During the three-month period ended March 31, 2023, the Company increased the AFS securities portfolio on an amortized cost basis by $49 million, net of paydowns, maturities, and amortization. As of March 31, 2023, the Company had $244 million in securities that could be pledged and $222 million that could be sold at a net gain based on market conditions at the time. In addition, the Company increased funded loans by $276 million, net of payoffs and charge-offs during the three-month period ended March 31, 2023 that reduced cash and cash equivalents.

The Company’s time deposits increased by $430 million primarily from wholesale funding, while savings and money market deposits increased by $186 million. Non-interest-bearing deposits decreased $430 million as elevated year-end balances were deployed by clients in the quarter in addition to clients migrating into savings and money market accounts. Other borrowings decreased $17 million during the three-month period ended March 31, 2023, largely related to a reduction in Federal Funds purchased.

The Company did not purchase any common stock during the first three months of 2023. As of March 31, 2023, $16 million remains available for repurchase under our share repurchase program. The amount and timing of such future share repurchases will be dependent on a number of factors, including the price of our common stock, overall capital levels and cash flow needs. There is no assurance that we will repurchase up to the full amount remaining under our program.

During March 2023, the Company offered and sold Series A Preferred Stock for an aggregate purchase price of $7.8 million. No dividends related to the preferred stock were declared or paid during the three months ended March 31, 2023.

The Company believes that its current on and off-balance sheet liquidity will be sufficient to meet anticipated cash requirements for the next 12 months and thereafter. The Company believes that it has several on and off-balance sheet options to address any resulting reductions in cash and cash equivalents in order to maintain appropriate liquidity.

Capital Requirements

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. The regulatory capital requirements involve quantitative measures of the Company's assets, liabilities, select off-balance sheet items and equity. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Refer to "Note 10: Regulatory Matters" in the notes to consolidated financial statements – unaudited for additional information. Management believes that as of March 31, 2023, the Company and the Bank met all capital adequacy requirements to which they are subject.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with GAAP and with general practices within the financial services industry. Application of these principles requires management to make complex and subjective estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases estimates on historical experience and on various other assumptions that it believes to be reasonable under current circumstances. These assumptions form the basis for management judgments about the carrying values of assets and liabilities that are not readily available from independent, objective sources. The Company evaluates estimates on an ongoing basis. Use of alternative assumptions may have resulted in significantly different estimates. Actual results may differ from these estimates.

A discussion of these policies can be found in the section captioned "Critical Accounting Policies and Estimates" in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the 2022 Form 10-K. There have been no changes in the Company's application of critical accounting policies and estimates since December 31, 2022.

Recent Accounting Pronouncements

Refer to "Note 1: Nature of Operations and Summary of Significant Accounting Policies" included in the notes to consolidated financial statements – unaudited included elsewhere in this Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

A primary component of market risk is interest rate volatility. Interest rate risk management is a key element of the Company's statement of financial condition management. Interest rate risk is the risk that net interest margins will erode over time due to changing market conditions. Many factors can cause margins to erode: (i) lower loan demand; (ii) increased competition for funds; (iii) weak pricing policies; (iv) statement of financial condition mismatches; and (v) changing liquidity demands. The objective is to maximize income while minimizing interest rate risk. The Company manages its sensitivity position using its interest rate risk policy. The management of interest rate risk is a three-step process and involves: (i) measuring the interest rate risk position; (ii) policy constraints; and (iii) strategic review and implementation.

Our exposure to interest rate risk is managed by the Asset/Liability Committee ("ALCO"). The ALCO uses a combination of three systems to measure the statement of financial condition's interest rate risk position. The three systems in combination are expected to provide a better overall result than a single system alone. The three systems include: (i) gap reports; (ii) earnings simulation; and (iii) economic value of equity. The ALCO's primary tools to change the interest rate risk position are: (i) investment portfolio duration; (ii) deposit and borrowing mix; and (iii) on-balance sheet derivatives.

The ALCO evaluates interest rate risk using a rate shock method and rate ramp method. In a rate shock analysis, rates change immediately, and the change is sustained over the time horizon. In a rate ramp analysis, rate changes occur gradually over time. Management reviews and utilizes both methods in managing interest rate risk, however, both methods represent a risk indicator, not a forecast. The following tables summarize the simulated changes in net interest income and fair value of equity over a 12-month horizon using a rate shock and rate ramp method as of the dates indicated:

Hypothetical Change in Interest Rate - Rate Shock

	March 31, 2023		March 31, 2022	
Change in Interest Rate (Basis Points)	**Percent change in net interest income**	**Percent change in fair value of equity**	**Percent change in net interest income**	**Percent change in fair value of equity**
+300	2.0 %	(18.4) %	6.5 %	(8.1) %
+200	1.3	(12.3)	3.9	(4.6)
+100	0.6	(5.8)	1.6	(2.0)
Base	- %	- %	- %	- %
-100	(0.7)	5.7	NA[1]	NA[1]
-200	(1.7)	11.7	NA[1]	NA[1]
-300	(5.3)	17.6	NA[1]	NA[1]

[1] The Company excluded the down rate environment from its analysis due to the low interest rate environment.

Hypothetical Change in Interest Rate - Rate Ramp

	March 31, 2023	March 31, 2022
Change in Interest Rate (Basis Points)	**Percent change in net interest income**	**Percent change in net interest income**
+300	(0.1)%	2.8 %
+200	(0.1)	1.6
+100	-	0.6
Base	- %	- %
-100	0.1	NA[1]
-200	0.1	NA[1]
-300	(0.6)	NA[1]

[1] The Company excluded the down rate environment from its analysis due to the low interest rate environment.

The Company’s position is slightly asset sensitive as of March 31, 2023 which decreased compared to both March 31, 2022 and December 31, 2022 due to the drastic change in market rates from the prior year. Compared to December 31, 2022, the Company’s position is slightly less asset sensitive due to the reduction in demand deposits. The aggregate beta assumption utilized as of March 31, 2023 was approximately 60% which is slightly higher than our previous assumption due to continued competitive and pricing pressure on deposits. Other key assumptions updated this quarter include updated deposit decay rates, new business spreads and updating market yield curves. Other assumptions included in the model that are periodically updated include loan prepayments and call provisions within investment and debt holdings. The Company is monitoring interest rate sensitivity closely as $4.2 billion or 62% of earning assets mature or reprice within the twelve-month period following March 31, 2023, including $3.1 billion that repriced in the first month. $4.9 billion of interest-bearing liabilities mature or reprice over the same twelve-month period. As of March 31, 2023 and December 31, 2022, the investment portfolio duration was approximately 5.2 years. The Company is reviewing additional options to manage the statement of financial condition sensitivity based on the interest rate environment and composition of assets and liabilities in the next twelve months and beyond.

The models the Company uses include assumptions regarding interest rates while balances remain unchanged. These assumptions are inherently uncertain and, as a result, the model cannot precisely estimate net interest income or precisely predict the impact of higher or lower interest rates on net interest income. Actual results will differ from simulated results due to timing, magnitude, and frequency of interest rate changes as well as changes in market conditions, customer behavior and management strategies, among other factors.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (“Exchange Act”)) as of March 31, 2023. Based on that evaluation, the Company’s Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of March 31, 2023.

Changes in Internal Control over Financial Reporting

Our internal control over financial reporting continues to be updated as necessary to accommodate modifications to our business processes and accounting procedures. There has been no change in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the first quarter of 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the normal course of business, we are named or threatened to be named as a defendant in various lawsuits. Management, following consultation with legal counsel, does not expect the ultimate disposition of any or a combination of these matters to have a material adverse effect on our business, financial condition, results of operations, cash flows or growth prospects. However, given the nature, scope, and complexity of the extensive legal and regulatory landscape applicable to our business (including laws and regulations governing consumer protection, fair lending, fair labor, privacy, information security and anti-money laundering and anti-terrorism laws), we, like all banking organizations, are subject to heightened legal and regulatory compliance and litigation risk.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our 2022 Form 10-K, which could materially affect our business, financial condition, or results of operations in future periods. There were no material changes from the risk factors disclosed in the 2022 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Sales of Unregistered Securities.

On March 29, 2023, the Company entered into a Securities Purchase Agreement with certain investors qualified as "accredited investors," as such term is defined in Rule 501(a) of Regulation D ("Regulation D") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to which the Company offered and sold 7,750 shares of Series A Preferred Stock, for an aggregate purchase price of $7,750,000. The offer and sale of the Series A Preferred Stock by the Company was made in reliance upon the exemptions from registration available under Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D.

Pursuant to the Certificate of Designations for the Series A Preferred Stock filed March 29, 2023, holders of the Series A Preferred Stock will be entitled to receive, only when, as and if declared by the Company’s Board of Directors or a duly authorized committee thereof, non-cumulative cash dividends on the liquidation preference of $1,000 per share of Series A Preferred Stock at a rate of 8.00% per annum, payable quarterly in arrears. Such dividends are not mandatory or cumulative and are payable only to the extent declared by the Company’s Board of Directors or a duly authorized committee thereof. The Series A Preferred Stock is perpetual and has no maturity date and is not subject to any mandatory redemption, sinking fund, or other similar provisions. The holders of the Series A Preferred Stock will not have any right to require the redemption or repurchase of their shares of Series A Preferred Stock. The Company may, at its option and subject to required regulatory approval, redeem the Series A Preferred Stock (i) in whole or in part, from time to time, on March 29, 2028, or on any dividend payment date on or after March 29, 2028, or (ii) in whole but not in part at any time within 90 days following a “regulatory capital treatment event” (as defined in the Certificate of Designations) in each case at a redemption price equal to $1,000 per share, plus the per share amount of any declared and unpaid dividends, without accumulation of any undeclared dividends.

The Company intends to use the net proceeds from the sale of the Series A Preferred Stock for general corporate purposes, including providing capital to support strategic growth and for making contributions to the capital of CrossFirst Bank, to support its lending, investing and other banking activities.

(b) Not applicable.

(c) Share Repurchase Program

On May 10, 2022, the Company announced that its Board of Directors approved a share repurchase program under which the Company may repurchase up to $30 million of its common stock. No shares were repurchased during the three months ended March 31, 2023. As of March 31, 2023, $16 million remains available for repurchase under this share repurchase program. Repurchases under the program may be made in the open market or privately negotiated transactions in compliance with SEC Rule 10b-18, subject to market conditions, applicable legal requirements, and other relevant factors. The program does not obligate the Company to acquire any amount of common stock and may be suspended at any time at the Company's discretion. No time limit has been set for completion of the program.

ITEM 5. OTHER INFORMATION

Effective May 1, 2023, the Company refined its organizational structure to support future growth, new business lines, recent acquisitions, and to effectively utilize the skills and expertise on our team as we optimize for the future. In connection with the reorganization:

- W. Randall Rapp will continue to serve as President of the Bank with overarching responsibility for all markets and credit administration.
- Steve Peterson will continue to serve as Chief Banking Officer, with responsibility for sales management, commercial and industrial (C&I) strategy, and our business lines.
- Amy Fauss will continue to serve as Chief Human Resources Officer and will also assume the role of Chief Administrative Officer with overarching responsibility for human resources, services and support, and technology.
- Jenny Payne will continue to serve as the Chief Risk Officer and will report to the Chief Executive Officer of the Bank and the Company.

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ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
3.1	Articles of Incorporation of CrossFirst Bankshares, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 as filed with the SEC on July 18, 2019)
3.2	Amendment to Articles of Incorporation of CrossFirst Bankshares, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1 as filed with the SEC on July 18, 2019)
3.3	Bylaws of CrossFirst Bankshares, Inc. (incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form S-1 as filed with the SEC on July 18, 2019)
3.4	Certificate of Designations of Series A Non-Cumulative Perpetual Preferred Stock of CrossFirst Bankshares, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K as filed with the SEC on March 31, 2023)
10.1†	Omnibus Plan – Form of Time-Based RSU Award Agreement (02.23) (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K as filed with the SEC on March 3, 2023)
10.2†*	Omnibus Plan – Form of Performance-Based RSU Award Agreement
10.3†	Omnibus Plan – Director Restricted Stock Award (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K as filed with the SEC on March 3, 2023)
10.4†	Omnibus Plan – SAR Award Agreement (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K as filed with the SEC on March 3, 2023)
10.5†*	Form Annual Incentive Plan Award (Executive Officers)
10.6	Form of Securities Purchase Agreement by and among CrossFirst Bankshares, Inc. and the Purchasers named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the SEC on March 31, 2023)
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formation in Inline XBRL and contained in Exhibit 101)

* Filed Herewith

** Furnished Herewith

† Indicates a management contract or compensatory plan arrangement

SIGNATURE

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

CrossFirst Bankshares, Inc.

Date: May 5, 2023

/s/ Benjamin R. Clouse
Benjamin R. Clouse
Chief Financial Officer
(Duly authorized officer and principal financial officer)

CROSSFIRST BANKSHARES, INC.
2018 OMNIBUS EQUITY INCENTIVE PLAN

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

Date of Grant: ________________________

Number of Restricted Stock Units Granted: ________________________

Vesting Date: ________________________

This Performance-Based Restricted Stock Unit Award Agreement (this "Performance RSU Award Agreement"), is entered into on_____, by and between CrossFirst Bankshares, Inc., a Kansas Corporation (the "Company") and ________________________ (the "Grantee").

RECITALS:

A. Effective October 25, 2018, the Company adopted the CrossFirst Bankshares, Inc. 2018 Omnibus Equity Incentive Plan (the "Plan") pursuant to which the Company may, from time to time, grant Restricted Stock Units to eligible Service Providers of the Company and its Affiliates.

B. The Grantee is a Service Provider of the Company or one of its Affiliates and the Company desires to grant to the Grantee RSUs relating to the Company's Shares on the terms and conditions reflected in this Performance RSU Award Agreement, the Plan, and as otherwise established by the Committee.

AGREEMENT:

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

Section 1. **Incorporation of the Plan.** All provisions of this Performance RSU Award Agreement and the rights of the Grantee hereunder are subject in all respects to the provisions of the Plan, the terms of which are incorporated herein by reference, and the powers of the Committee therein provided. Capitalized terms used in this Performance RSU Award Agreement but not defined herein have the meanings set forth in Plan.

Section 2. **Grant of Performance RSUs.** As of the Date of Grant identified above, the Company hereby grants to the Grantee and credits to a separate account maintained on the books of the Company ("Account") that number of Restricted Stock Units identified above opposite the heading "Number of Restricted Stock Units Granted" (the "Performance RSUs"). On any date each Performance RSU shall represent a right to receive a percentage (which may be less than 100%, 100%, or more than 100%) of a Share, if the applicable terms and conditions are satisfied. The Grantee's interest in the Account shall make the Grantee only a general, unsecured creditor of the Company. Unless otherwise provided for in the Plan, the Performance RSUs may not be sold, transferred, gifted, bequeathed, pledged, assigned, or otherwise alienated or hypothecated, voluntarily or involuntarily. The rights of the Grantee with respect to the Performance RSUs shall remain forfeitable at all times prior to the date on which such rights are vested (the date on which the Grantee's rights with respect to the Performance RSUs become nonforfeitable is the "Vesting Date" set forth above). Notwithstanding that all the Performance RSUs are a single Award subject to the terms and conditions of this Performance RSU Award Agreement, that portion of the Performance RSUs which vest based on the Company's Relative TSR during the Performance Period and that portion of the Performance RSUs which vest based on the Company's achievement of actual adjusted earnings per share during the Performance Period may be accounted for on the books of the Company as two separate awards of Restricted Stock Units, or reflected in the records of the Company's equity plan administrator as two separate awards of Restricted Stock Units.

Section 3. **Vesting and Settlement of Performance RSUs.** The Performance RSUs may be settled by delivering to the Grantee or his or her Beneficiary, as applicable, either, as determined by the Company in its sole discretion, (a) an amount of cash equal to the Fair Market Value of a Share as of the Vesting Date multiplied by the number of the Performance RSUs that become vested on the Vesting Date, or (b) a number of Shares equal to the whole number of the Performance RSUs that become vested on the Vesting Date. The date on which the Company pays cash or issues Shares to the Grantee in connection with vesting of a Performance RSU is the settlement date.

Except as specifically provided elsewhere under the Plan or in this RSU Award Agreement, on the Vesting Date the restrictions on the Performance RSUs subject to this Performance RSU Award Agreement will lapse and the Performance RSUs will become vested based on the following performance vesting terms and conditions:

[Insert applicable vesting terms and conditions referencing, if applicable, information contained in Exhibits A and B]

Notwithstanding the foregoing, (a) the Committee may, in its sole discretion, accelerate the Vesting Date for any or all of the Performance RSUs, if in its judgment the performance of the Grantee has warranted such acceleration and/or such acceleration is in the best interests of the Company, provided that, except with respect to the Performance RSUs granted to a nonemployee Director, the Vesting Date may not be accelerated with respect to the Performance RSUs held by the Grantee for less than a year from the Date of Grant; (b) if the Grantee's position as a Service Provider with the Company or any of its Affiliates is terminated by reason of the Grantee's death or Disability, the Vesting Date for all of the Performance RSUs automatically will be accelerated to the date of the Grantee's termination as a Service Provider and such Performance RSUs will vest at the "at Target level of performance" established by the Committee; and (c) if the Grantee resigns his or her position as a Service Provider with the Company or any of its Affiliates due to "Retirement" after the first anniversary of the Date of Grant, the Grantee will not forfeit any of the Performance RSUs and instead shall vest in a pro rata portion of the Performance RSUs to which the Grantee would have been entitled had the Grantee not resigned on account of Retirement and such pro rata portion of the Performance RSUs shall be settled promptly following the Vesting Date and after the Compensation Committee's certification of the Company's level of performance during the Performance Period. For purposes of this Performance RSU Award Agreement, the pro rata portion of the Performance RSUs to which the Grantee is entitled to if the Grantee retires during the Performance Period after the first anniversary of the Grant Date shall be determined by multiplying the number of the Performance RSUs that would have vested had the Grantee remained a Service Provider for the entire Performance Period by a fraction, the numerator of which is the total number of days during the Performance Period for which the Grantee was a Service Provider and the denominator of which is the total number of days in the Performance Period. Furthermore, for purposes of this Performance RSU Award Agreement, "Retirement" means the Grantee resigning his or her position as a Service Provider (other than a resignation in connection with the Grantee's employment being terminated by the Company for Cause) after (i) attaining age 55, (ii) providing 10 years of service to the Company or its Affiliates (for purposes of this Performance RSU Award Agreement, a "year of service" is a consecutive 365 day period during which the Grantee served as a Service Provider), and (iii) six months have elapsed from the date the Grantee provided the General Counsel and Corporate Secretary of the Company, or his or her designee(s), with advance written notice of the Grantee's intent to resign due to Retirement.

Payment of the cash and/or Shares following the Vesting Date shall be made by the Company to the Grantee as soon as administratively practicable thereafter, but no later than the 60th day following the Vesting Date.

Section 4. **Cancellation of Performance RSUs.** Unless otherwise provided in this Section 4 or in the Plan, if, prior to the Vesting Date, the Grantee's position as a Service Provider to the Company or any of its Affiliates is terminated for any reason (other than the Grantee's death, Disability, or Retirement) or no reason, the Grantee shall thereupon immediately forfeit all Performance RSUs and all such Performance RSUs shall be cancelled. For purposes of this Performance RSU Award Agreement, the transfer of employment between the Company and any of its Affiliates (or between Affiliates) shall not constitute a termination of the Grantee's position as a Service Provider.

Section 5. **Dividends and Voting.** Upon the Performance RSU's settlement date, the Grantee shall be entitled to receive Dividend Equivalents for each Share that ultimately is eligible to be delivered (before any applicable tax withholding) based on the number of Performance RSUs that ultimately become vested and based on any dividends paid by the Company on Shares, whether payable in Stock, in cash or in kind, or other distributions, for any dividend record date that occurs (i) after the Date of Grant hereunder and (ii) prior to the settlement date of Shares following the Vesting Date. All Dividend Equivalents will be paid, if at all, at the same time following the Vesting Date that the Performance RSUs are settled and shall be subject to the same rights, restrictions on transfer and conditions applicable to the underlying Performance RSUs. In the event of cancellation of any or all of the Performance RSUs, the Grantee will forfeit all Dividend Equivalent rights relating to the underlying cancelled Performance RSUs. The Grantee will have no voting rights with respect to any of the Performance RSUs.

Section 6. **Tax Withholding.** The Grantee shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan, or from any other compensation otherwise due to the Grantee, the amount of any federal, state, and local withholding obligations of the Company with respect to the Performance RSUs. The Company will not deliver Shares to the Grantee under this Performance RSU Award Agreement unless the Grantee has remitted (or in appropriate cases agrees to remit) or otherwise provided for the satisfaction of any withholding obligation. Unless specifically denied by the Committee, the Grantee may elect to satisfy any such withholding obligations by one or a combination of the following methods:

(a) payment of an amount in cash equal to the amount to be withheld;

(b) payment by tendering previously acquired Shares (either actually or by attestation) valued at the Share's then Fair Market Value and equal to the amount to be withheld; or

(c) requesting that the Company withhold from the Shares otherwise issuable to the Grantee Shares having a Fair Market Value equal to or less than the amount to be withheld.

To the extent the Committee permits withholding through either the payment of previously acquired Shares or withholding from Shares otherwise issuable to the Grantee, any such withholding shall be in accordance with any rules or established procedures for election by Participants, including any rules or restrictions relating to the period of time any previously acquired Shares have been held or owned, including any elections, the irrevocability of any election, or any special rules relating to a Grantee who is an officer of the Company within the meaning of Section 16 of the 1934 Act.

Section 7. **No Right to Continue as a Service Provider.** Neither the Plan nor this Performance RSU Award Agreement confers upon the Grantee any right to be retained in any position as an Employee, Consultant, or Director of the Company. Further, nothing in the Plan or this Performance RSU Award Agreement shall be construed to limit the discretion of the Company to terminate the Grantee as a Service Provider at any time, with or without Cause.

Section 8. **Restrictive Covenants.** In consideration for the granting of the Performance RSUs and in addition to any other restrictive agreements that the Grantee may have entered into with the Company or an Affiliate, the Grantee accepts and agrees to be bound (except in cases in which the following covenants conflict with the terms of any employment agreement between the Company or an Affiliate and the Grantee; in such cases the terms of such an employment agreement shall control) in accordance with the provisions set forth in Exhibit C.

Section 9. **Compliance with Law.** The issuance and transfer of Shares shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's Shares may be listed. No Shares shall be issued with respect to the Performance RSUs unless and until any then applicable requirements of state or federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Grantee understands that the Company is under no obligation to register the Shares with the Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

Section 10. **Notices.** Any notice required to be delivered to the Company under this Performance RSU Award Agreement shall be in writing and addressed to the General Counsel and Corporate Secretary of the Company at the Company's principal corporate office. Any notice required to be delivered to the Grantee under this Performance RSU Award Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or such other method approved by the Company) from time to time.

Section 11. **Governing Law.** This Performance RSU Award Agreement will be construed and interpreted in accordance with the laws of the State of Kansas without regard to conflict of law principles.

Section 12. **Adjustments.** If any change is made to the outstanding Stock or capital structure of the Company, if required, the Performance RSUs shall be adjusted or terminated in any manner as contemplated by the Plan.

Section 13. **Amendment.** This Performance RSU Award Agreement may be amended in a manner that is materially adverse to the Grantee only by a writing executed by the parties hereto which specifically states that it is amending this Performance RSU Award Agreement.

Section 14. **Clawback Policy.** The Performance RSUs will be subject to certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank”) and any other compensation clawback policy that the Committee has adopted or is required to adopt pursuant to the listing standards of any national securities exchange on which the Company's securities are listed or as is otherwise required by Dodd Frank or any other applicable law, including without limitation the CrossFirst Bankshares, Inc. Incentive Compensation Clawback Policy. Grantee acknowledges that the Performance RSUs may be clawed back by the Company in accordance with any policies and procedures adopted by the Committee in order to comply with Dodd Frank or as set forth in this Performance RSU Award Agreement.

Section 15. **Interpretation.** Any dispute regarding the interpretation of this Performance RSU Award Agreement shall be submitted by the Grantee or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Grantee and the Company.

Section 16. **Titles.** Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Performance RSU Award Agreement.

Section 17. **<u>Section 409A Compliance</u>.** It is the intent of the Company that all payments made under this Performance RSU Award Agreement will be exempt from Section 409A of the Code and the Treasury regulations and guidance issued thereunder ("Section 409A") pursuant to the "short-term deferral" exemption. Notwithstanding any provision of the Plan or this Performance RSU Award Agreement to the contrary, (i) this Performance RSU Award Agreement shall not be amended in any manner that would cause any amounts payable hereunder that are not subject to Section 409A to become subject thereto (unless they also are in compliance therewith), and the provisions of any purported amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to this Performance RSU Award Agreement and (ii) the Company, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify this Performance RSU Award Agreement to reflect the intention that the Plan qualifies for exemption from or complies with Section 409A in a manner that as closely as practicable achieves the original intent of this Performance RSU Award Agreement and with the least reduction, if any, in overall benefit to a Grantee to comply with Section 409A on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A. Neither the Company nor the Committee makes any representation that this Performance RSU Award Agreement shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to this Performance RSU Award Agreement.

Section 18. **<u>Successors and Assigns</u>.** The Company may assign any of its rights under this Performance RSU Award Agreement. This Performance RSU Award Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Performance RSU Award Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and the person(s) to whom the Performance RSUs may be transferred by will or the laws of descent or distribution.

Section 19. **<u>Severability</u>.** The invalidity or unenforceability of any provision of the Plan or this Performance RSU Award Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Performance RSU Award Agreement, and each provision of the Plan and this Performance RSU Award Agreement shall be severable and enforceable to the extent permitted by law.

Section 20. **<u>No Impact on Other Benefits</u>.** The value of the Performance RSUs is not part of the Grantee's normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

Section 21. **<u>Counterparts</u>.** This Performance RSU Award Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Performance RSU Award Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

Section 22. **<u>Acceptance</u>.** The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Performance RSUs subject to all of the terms and conditions of the Plan and this Performance RSU Award Agreement.

Section 23. **<u>Entire Agreement and Binding Effect</u>.** This Performance RSU Award Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof. Except as expressly stated herein to the contrary, this Performance RSU Award Agreement will be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

[Signature Page Follows]

The parties to this Performance RSU Award Agreement have executed this Performance RSU Award Agreement as of the date provided in the preamble to this agreement.

CROSSFIRST BANKSHARES, INC.

By: ______________________

Name:____________________

Title:_____________________

[GRANTEE NAME]

By: ______________________

Name:____________________

Exhibit A

[Insert applicable Performance Goal information, as applicable]

Exhibit B

[Insert applicable Performance Goal information, as applicable]

Exhibit C

Restrictive Covenants for Grantee Employed in Arizona, Georgia, Kansas, Missouri, Texas or New Mexico

1. NONCOMPETITION. For a period of one year following the date of Grantee's termination as a Service Provider ("Termination Date"), Grantee will not contribute his or her knowledge, directly or indirectly, in whole or in part, as an employee, officer, owner, manager, advisor, consultant, agent, partner, director, shareholder, volunteer, intern or in any other similar capacity to an entity engaged in the same or similar business as the Company or one of its Affiliates within the state, region or metropolitan statistical area (as appropriate) for which Grantee had responsibility for, or conducted business on behalf of, the Company or one of its Affiliates during the two years prior to the Termination Date.

2. NONSOLICITATION OF EMPLOYEES. For a period of one year following the Termination Date, Grantee will not directly or indirectly, solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Company or one of its Affiliates.

3. NONSOLICITATION OF COMPANY CUSTOMERS. For a period of one year following the Termination Date, Grantee will not directly or indirectly, solicit, contact (including, but not limited to, e-mail, regular mail, express mail, telephone, fax, and instant message), attempt to contact or meet with the current, former or prospective customers of the Company or one of its Affiliates with whom Grantee had material contact during Grantee's employment, for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company or one of its Affiliates.

4. NO DETRIMENTAL COMMUNICATIONS. Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or information about the Company or one of its Affiliates, any product or service provided by the Company or one of its Affiliates, or prospects for the future of the Company or one of its Affiliates. Notwithstanding the foregoing, this provision does not in any way limit, restrict or impede Grantee's ability to provide truthful testimony or information in response to a subpoena, court or arbitral order, or as otherwise required by law.

5. CONF IDENTIALITY. Grantee acknowledges that it is the policy of the Company to maintain as confidential all information about the Company's and its Affiliates' business, proprietary, and technical information that is not known to others, including without limitation, customer lists, information relating to the Company's or one of its Affiliates' customers, their businesses, operations, employees and customers, unique concepts, lending practices, sales presentations, marketing programs, marketing strategies, business practices, pricing information, employment handbooks, training materials/manuals, cost information, customer leads, documents identifying past, present and future customers, hiring and training methods, investment policies, financial and other confidential, proprietary and/or trade secret information concerning the Company's and its Affiliates' operations and growth plans ("Confidential Information"). Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company or one of its Affiliates, and that disclosure of Confidential Information would cause damage to the Company or one of its Affiliates. Grantee shall not at any time disclose or authorize the disclosure of Confidential Information that (a) is disclosed to or known by Grantee as result of as a consequence of or through the Grantee's performance of services for the Company or one of its Affiliates, (b) is not publicly or generally known outside the Company or one of its Affiliates and (c) relates in any manner to the Company's or one of its Affiliates' business. This Section 5 shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between Grantee and the Company or one of its Affiliates.

    a) On or before the Termination Date, Grantee shall return to the Company, all records, lists, compositions, documents and other items which contain, disclose and/or embody any Confidential Information (including, without limitation, all copies, reproductions, summaries and notes of the contents thereof, expressly including all electronically-stored data, wherever stored), regardless of the person causing the same to be in such form, and Grantee will certify that the provisions of this paragraph have been complied with.

b) Notwithstanding the above or any provision of this Exhibit C or any other agreement executed by the Grantee to the contrary, there shall be no restriction on the Grantee's ability to (i) report violations of any law or regulation, (ii) provide truthful testimony or information pursuant to subpoena, court order, or similar legal process, (iii) provide truthful information to government or regulatory agencies, or (iv) otherwise engage in whistleblower activity protected by the Securities Exchange Act of 1934, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any rules or regulations issued thereunder, including, without limitation, Rule 21F-17. In addition, 18 U.S.C. §1833(b) provides, in part: "(1) An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. …. (2) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order." Nothing in this Exhibit C, any other agreement executed by the Grantee is intended to conflict with the statutory protection in 18 U.S.C. §1833(b).

6. BREACH OF COVENANTS. In the event of a breach of any of the covenants contained in this Exhibit C: (a) any unvested portion of the Performance RSUs shall be forfeited effective as of the date of such breach, unless sooner terminated by operation of another term of condition of the Performance RSU Award Agreement or the Plan; and (b) the Grantee hereby consents and agrees that the Company or one of its Affiliates shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

7. SEVERABILITY. If any of the provisions of this Exhibit C shall otherwise contravene or be invalid under the laws of any state, country or other jurisdiction where this Exhibit C is applicable but for such contravention or invalidity, such contravention or invalidity shall not invalidate all of the provisions of this Exhibit C but rather it shall be construed, insofar as the laws of that state or other jurisdiction are concerned, as not containing the provision or provisions contravening or invalid under the laws of that state or jurisdiction, or a court of competent jurisdiction may reform any such invalid provision, and the rights and obligations created hereby shall be construed and enforced accordingly.

Restrictive Covenants for Grantee Employed in Oklahoma

1. NONSOLICITATION OF EMPLOYEES. For a period of one year following the date of Grantee's termination as a Service Provider ("Termination Date"), Grantee will not directly solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Company or one of its Affiliates during the two years prior to the Termination Date.

2. NONSOLICITATION OF COMPANY CUSTOMERS. For a period of one year following the Termination Date, Grantee will not directly solicit, interfere with, or attempt to interfere with any of the Company's or one of its Affiliates' established customer relationships that existed at Grantee's Termination Date for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company or one of its Affiliates.

3. NO DETRIMENTAL COMMUNICATIONS. Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or information about the Company or one of its Affiliates, any product or service provided by the Company or one of its Affiliates, or prospects for the future of the Company or one of its Affiliates. Notwithstanding the foregoing, this provision does not in any way limit, restrict or impede Grantee's ability to provide truthful testimony or information in response to a subpoena, court or arbitral order, or as otherwise required by law.

4. CONFIDENTIALITY. Grantee acknowledges that it is the policy of the Company to maintain as confidential all information about the Company's and its Affiliates' business, proprietary, and technical information that is not known to others, including without limitation, customer lists, information relating to the Company's or one of its Affiliates' customers, their businesses, operations, employees and customers, unique concepts, lending practices, sales presentations, marketing programs, marketing strategies, business practices, pricing information, employment handbooks, training materials/manuals, cost information, customer leads, documents identifying past, present and future customers, hiring and training methods, investment policies, financial and other confidential, proprietary and/or trade secret information concerning the Company's and its Affiliates' operations and growth plans ("Confidential Information"). Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company or one of its Affiliates, and that disclosure of Confidential Information would cause damage to the Company or one of its Affiliates. Grantee shall not at any time disclose or authorize the disclosure of Confidential Information that (a) is disclosed to or known by Grantee as result of as a consequence of or through the Grantee's performance of services for the Company or one of its Affiliates, (b) is not publicly or generally known outside the Company or one of its Affiliates and (c) relates in any manner to the Company's or one of its Affiliates business. This Section 4 shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between Grantee and the Company or one of its Affiliates.

a) On or before the Termination Date, Grantee shall return to the Company, all records, lists, compositions, documents and other items which contain, disclose and/or embody any Confidential Information (including, without limitation, all copies, reproductions, summaries and notes of the contents thereof, expressly including all electronically-stored data, wherever stored), regardless of the person causing the same to be in such form, and Grantee will certify that the provisions of this paragraph have been complied with.

b) Notwithstanding the above or any provision of this Exhibit C or any other agreement executed by the Grantee to the contrary, there shall be no restriction on the Grantee's ability to (i) report violations of any law or regulation, (ii) provide truthful testimony or information pursuant to subpoena, court order, or similar legal process, (iii) provide truthful information to government or regulatory agencies, or (iv) otherwise engage in whistleblower activity protected by the Securities Exchange Act of 1934, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any rules or regulations issued thereunder, including, without limitation, Rule 21F-17. In addition, 18 U.S.C. §1833(b) provides, in part: "(1) An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. …. (2) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order." Nothing in this Exhibit C, any other agreement executed by the Grantee is intended to conflict with the statutory protection in 18 U.S.C. §1833(b).

5. BREACH OF COVENANTS. In the event of a breach of any of the covenants contained in this Exhibit C: (a) any unvested portion of the Performance RSUs shall be forfeited effective as of the date of such breach, unless sooner terminated by operation of another term of condition of the Performance RSU Award Agreement or the Plan; and (b) the Grantee hereby consents and agrees that the Company or one of its Affiliates shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

6. SEVERABILITY. If any of the provisions of this Exhibit C shall otherwise contravene or be invalid under the laws of any state, country or other jurisdiction where this Exhibit C is applicable but for such contravention or invalidity, such contravention or invalidity shall not invalidate all of the provisions of this Exhibit C but rather it shall be construed, insofar as the laws of that state or other jurisdiction are concerned, as not containing the provision or provisions contravening or invalid under the laws of that state or jurisdiction, and the rights and obligations created hereby shall be construed and enforced accordingly.

Restrictive Covenants for Grantee Employed in Colorado

1. The provisions in paragraphs 2 and 4 are for the protection of the Company's or one of its Affiliates' trade secrets. The provisions in paragraphs 2 apply only to a Grantee whose annualized cash compensation is equivalent to or greater than the threshold amount for highly compensated workers established by the Division of Labor Standards and Statistics in the Colorado Department of Labor and Employment. The provisions in paragraphs 2 and 4 apply only to a Grantee whose annualized cash compensation is equivalent to or greater than 60% of the threshold amount for highly compensated workers established by the Division of Labor Standards and Statistics in the Colorado Department of Labor and Employment.

2. NONCOMPETITION. For a period of one year following the date of Grantee's termination as a Service Provider ("Termination Date"), Grantee will not contribute his or her knowledge, directly or indirectly, in whole or in part, as an employee, officer, owner, manager, advisor, consultant, agent, partner, director, shareholder, volunteer, intern or in any other similar capacity to an entity engaged in the same or similar business as the Company or one of its Affiliates within the state, region or metropolitan statistical area (as appropriate) for which Grantee had responsibility for, or conducted business on behalf of, the Company or one of its Affiliates during the two years prior to the Termination Date.

3. NONSOLICITATION OF EMPLOYEES. For a period of one year following the Termination Date, Grantee will not directly solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Company or one of its Affiliates.

4. NONSOLICITATION OF COMPANY CUSTOMERS. For a period of one year following the Termination Date, Grantee will not directly or indirectly, solicit, contact (including, but not limited to, e-mail, regular mail, express mail, telephone, fax, and instant message), attempt to contact or meet with the current, former or prospective customers of the Company or one of its Affiliates with whom Grantee had material contact during Grantee's employment, for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company or one of its Affiliates.

5. NO DETRIMENTAL COMMUNICATIONS. Grantee agrees not to disclose or cause to be disclosed at any time any untrue, negative, adverse or derogatory comments or information about the Company or one of its Affiliates, any product or service provided by the Company or one of its Affiliates, or prospects for the future of the Company or one of its Affiliates. Notwithstanding the foregoing, this provision does not in any way limit, restrict or impede Grantee's ability to provide truthful testimony or information in response to a subpoena, court or arbitral order, or as otherwise required by law.

6. CONFIDENTIALITY. Grantee acknowledges that it is the policy of the Company to maintain as confidential all information about the Company's or one of its Affiliates' business, proprietary, and technical information that is not known to others, including without limitation, customer lists and information relating to the Company's or one of its Affiliates' customers, their businesses, operations, employees and customers, unique concepts, lending practices, sales presentations, marketing programs, marketing strategies, business practices, pricing information, employment handbooks, training materials/manuals, cost information, customer leads, documents identifying past, present and future customers, hiring and training methods, investment policies, financial and other confidential, proprietary and/or trade secret information concerning the Company's or one of its Affiliates' operations and growth plans ("Confidential Information"). Grantee recognizes that the Confidential Information is the sole and exclusive property of the Company or one of its Affiliates, and that disclosure of Confidential Information would cause damage to the Company or one of its Affiliates. Grantee shall not at any time disclose or authorize the disclosure of Confidential Information that (a) is disclosed to or known by Grantee as result of as a consequence of or through the Grantee's performance of services for the Company or one of its Affiliates, (b) is not publicly or generally known outside the Company or one of its Affiliates and (c) relates in any manner to the Company's or one of its Affiliates' business. This Section 6 shall apply in addition to, and not in derogation of any other confidentiality agreements that may exist, now or in the future, between Grantee and the Company or one of its Affiliates.

   a) On or before the Termination Date, Grantee shall return to the Company, all records, lists, compositions, documents and other items which contain, disclose and/or embody any Confidential Information (including, without limitation, all copies, reproductions, summaries and notes of the contents thereof, expressly including all electronically-stored data, wherever stored), regardless of the person causing the same to be in such form, and Grantee will certify that the provisions of this paragraph have been complied with.

b) Notwithstanding the above or any provision of this Exhibit C or any other agreement executed by Grantee to the contrary, there shall be no restriction on the Grantee's ability to (i) report violations of any law or regulation, (ii) provide truthful testimony or information pursuant to subpoena, court order, or similar legal process, (iii) provide truthful information to government or regulatory agencies, or (iv) otherwise engage in whistleblower activity protected by the Securities Exchange Act of 1934, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any rules or regulations issued thereunder, including, without limitation, Rule 21F-17. In addition, 18 U.S.C. §1833(b) provides, in part: "(1) An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. …. (2) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order." Nothing in this Exhibit C, any other agreement executed by the Grantee is intended to conflict with the statutory protection in 18 U.S.C. §1833(b).

7. BREACH OF COVENANTS. In the event of a breach of any of the covenants contained in this Exhibit C: (a) any unvested portion of the Performance RSUs shall be forfeited effective as of the date of such breach, unless sooner terminated by operation of another term of condition of the Performance RSU Award Agreement or the Plan; and (b) the Grantee hereby consents and agrees that the Company or one of its Affiliates shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

SEVERABILITY. If any of the provisions of this Exhibit C shall otherwise contravene or be invalid under the laws of any state, country or other jurisdiction where this Exhibit C is applicable but for such contravention or invalidity, such contravention or invalidity shall not invalidate all of the provisions of this Exhibit C but rather it shall be construed, insofar as the laws of that state or other jurisdiction are concerned, as not containing the provision or provisions contravening or invalid under the laws of that state or jurisdiction, or a court of competent jurisdiction may reform any such invalid provision, and the rights and obligations created hereby shall be construed and enforced accordingly.

CROSSFIRST BANK®

Annual Incentive Plan (AIP) Worksheet
Pursuant to the CrossFirst Bankshares, Inc. Annual Incentive Plan (Amended and Restated February 26, 2020)

Employee Name:

Employee Title:

Employee Department:

Base Salary: $ __________

Target Incentive: __% of Base Salary

Target AIP Opportunity: $ _________

Stretch Incentive: ___% of Base Salary

Stretch Opportunity: $ __________

Total Maximum AIP Opportunity:

Your AIP payout for the period will be based on attainment of the following performance metrics. The applicable targets for each performance metric and each applicable payout percentage are listed below. Your AIP payout percentage will be interpolated on a straight-line basis for performance between the listed achievement levels and rounded to the nearest tenth of a percentage.

Performance Metric	AIP Plan Weighting	Threshold (50% payout)	Target (100% payout)
Bank Performance	70%		
Individual Performance	30%		
Total Weighting	100%		

1 Funding of the total AIP pool for CrossFirst Bankshares, Inc. (the Company) is based on the attainment of Adjusted PPCM of the Company. If the Company achieves Adjusted PPCM at Target, 100% of the pool for all employees assigned to the Company eligible for AIP during the performance period may be funded. If the attainment of Adjusted PPCM for the Company is less than Target, the total AIP pool for the Company will be funded at an amount less than Target using linear interpolation.

Employee

Manager

Payment Terms, Schedule and Criteria

This award issued under the CrossFirst Bankshares, Inc. Annual Incentive Plan (as amended and restated February 26,2020) (as amended, modified, supplemented or restated, the "Plan") is subject to the following terms and conditions.

Terms. Payment based on attainment of each performance metric will be calculated annually based on approved full-year targets for the performance period from January 1 through December 31 of the year noted on page one of this award (the "Incentive Period"). If you are in an eligible role under the Plan for less than a full calendar year, your Target AIP Opportunity will be pro rated for that year. Corrections to prior period payments may be made and applied to current period payments earned to ensure accurate incentive payments.

Timing. Payment of earned AIP incentive payout will be made not more than sixty (60) days after the end of the applicable performance period, subject to satisfaction of the eligibility criteria below.

Eligibility Criteria. You must be in good standing on the date that your incentive payment is paid to receive an AIP incentive payment for the performance period.

Termination of Eligibility. Your eligibility under the Plan will be terminated immediately in the event of termination of employment with CrossFirst Bankshares, Inc. or any of its subsidiaries ("CrossFirst"), for any reason (voluntarily or involuntarily), or transfer to a non-AIP eligible role. Payments are earned only for the completed Incentive Period (i.e., if employment with CrossFirst is terminated or if participation in the Plan is otherwise terminated at any time before the completion of an Incentive Period, no incentive is considered earned or will be paid for that period). You will earn and be entitled to payment for the incentive only if you are employed in your AIP-eligible role on the last day of the applicable incentive period.

Discretionary Adjustments. At the discretion of the Compensation Committee or management, your AIP payout for the Incentive Period may be decreased or increased based on consideration of your individual performance or other factors deemed relevant. Additionally, the Compensation Committee or management may partially or fully reduce your AIP payout if you are not in good standing on the incentive payment date.

Tax Withholding. All payments under this AIP award will be subject to applicable federal, state, and local payroll and withholding taxes, for which CrossFirst will collect and withhold.

No Employment Right. Nothing in this award shall interfere with or limit in any way the right of CrossFirst to terminate your employment at any time, with or without cause.

Incentive Payment Recovery; Clawback. This award, and any right to receive and retain any incentive payout hereunder, is subject to rescission, forfeiture, cancellation or recoupment, in whole or in part, if and to the extent so provided under the Plan or the CrossFirst Bankshares, Inc. Clawback Policy, as in effect from time to time, or any other applicable clawback, adjustment or similar policy in effect on or established after the date of this award (the "Clawback Policy"). By accepting this award of AIP, you agree that you are obligated to provide all assistance necessary to CrossFirst to recover or recoup any of the incentive payout under this award which is subject to recovery or recoupment pursuant to the Clawback Policy. Such assistance shall include completing any documentation necessary to recover or recoup any portion of the incentive payout received pursuant to this AIP award from any accounts you maintain. CrossFirst may deduct the amounts owed from any pending or future compensation or expense reimbursements owed to you by CrossFirst. To the extent such amounts are not setoff, you will remain liable for any remaining balance.

Modifications to this Award. The Plan Administrator (as defined in the Plan) reserves the right, in its sole discretion, to interpret and modify this award agreement: (a) during the performance period to coincide with changing corporate objectives, and (b) during or after the performance period to: (i) avoid windfall payments unintentionally derived from the plan design that may result from the highly variable nature of many loans, deposits or market conditions and/or (ii) adjust payments or terminate this AIP award when your performance has been documented by management to be unacceptable. Such modifications will occur only under the authority of the Plan Administrator(s), in its sole discretion. Any component of this award may be adjusted to ensure that you receive adequate, yet reasonable, compensation.

Certification of Principal Executive Officer
Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael J. Maddox, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CrossFirst Bankshares, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2023

/s/ Michael J. Maddox
Michael J. Maddox
President and Chief Executive Officer
(Principal Executive Officer)

Certification of Principal Financial Officer
Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Benjamin R. Clouse, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CrossFirst Bankshares, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2023

/s/ Benjamin R. Clouse
Benjamin R. Clouse
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER UNDER 18 U.S.C. § 1350 FURNISHED PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14(b)

In connection with the Quarterly Report of CrossFirst Bankshares, Inc. (the "Company") on Form 10-Q for the period ended on March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in his respective capacities indicated below, hereby certifies, pursuant to 18 U.S.C. § 1350, as enacted by Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge and belief, (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2023

/s/ Michael J. Maddox
Michael J. Maddox
President and Chief Executive Officer (Principal Executive Officer)

/s/ Benjamin R. Clouse
Benjamin R. Clouse
Chief Financial Officer (Principal Financial Officer)