#### UNITED STATES

#### SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

#### FORM 8-K

#### CURRENT REPORT

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

July 17, 2023

Date of Report (date of earliest event reported)

#### CROSSFIRST BANKSHARES, INC.

(Exact name of registrant as specified in its charter)

Kansas

001-39028

26-3212879

(State or other jurisdiction of incorporation or organization)

(Commission File Number)

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

#### 11440 Tomahawk Creek Parkway Leawood Kansas

(Address of Principal Executive Offices)

66211

(Zip Code)

#### (913) 901-4516

Registrant's telephone number, including area code

N/A

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

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

any of the following provisions (see General monaceastrial section).													
☐ Written communications pursuant to Rule	☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)												
□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)													
Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))													
☐ Pre-commencement communications pur	suant to Rule 13e-4(c) under th	e Exchange Act (17 CFR 240.13e-4(c))											
Securities registered pursuant to Section 12(b	) of the Act:												
Title of each class	Title of each class Trading Symbol(s) Name of each exchange on which registered												
Common Stock, par value \$0.01 per share CFB The Nasdag Stock Market LLC													

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

Emerging growth company ⊠

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.  $\Box$ 

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

On July 17, 2023, CrossFirst Bankshares, Inc. (the "Company") announced that it had released its financial results for its second quarter of 2023. A copy of the full text of the related press release, which is posted on the Investor Section of investors.crossfirstbankshares.com under Financials – Quarterly Reports, is furnished as Exhibit 99.1 hereto and incorporated by reference into this Item 2.02. The Company does not intend for information contained in its website to be part of this report.

The Company intends to hold a conference call to review second quarter 2023 financial results. The investor presentation, which will accompany the call, is furnished as Exhibit 99.2 hereto and incorporated herein by reference.

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

#### Item 9.01. Financial Statements and Exhibits.

#### (d) Exhibits

99.1 <u>Press Release Issued July 17, 2023</u>

99.2 <u>Investor Presentation</u>

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

#### SIGNATURE

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

Date: July 17, 2023 CROSSFIRST BANKSHARES, INC.

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



#### CrossFirst Bankshares, Inc. Reports Second Quarter 2023 Results

LEAWOOD, Kan., July 17, 2023 (GLOBE NEWSWIRE) -- CrossFirst Bankshares, Inc. (Nasdaq: CFB), the bank holding company for CrossFirst Bank, today reported second quarter net income of \$16.0 million, or \$0.33 per diluted common share, and adjusted net income of \$17.3 million, or \$0.35 per diluted common share on an adjusted basis.

#### Second Quarter 2023 Key Financial Performance Metrics

Net Income	ROAA <sup>(1)</sup>	Net Interest Margin – Fully Tax Equivalent ("FTE") <sup>(1)</sup>	Diluted EPS	ROE <sup>(1)</sup>
\$16.0 million	0.93%	3.27%	\$0.33	9.94%

#### Adjusted Second Quarter 2023 Key Financial Performance Metrics(2)

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Adjusted Net Income	Adjusted ROAA(1)	Net Interest Margin - FTE <sup>(1)</sup>	Adjusted Diluted EPS	Adjusted ROE(1)
\$17.3 million	1.00%	3.27%	<b>\$0.35</b>	10.74%

#### **CEO Commentary:**

"We delivered consistent, strong earnings, grew our capital, right-sized our cost structure and maintained our deposit base in a challenging environment," said CrossFirst's CEO and President, Mike Maddox. Mr. Maddox continued, "We remain focused on serving our clients, maintaining credit quality and executing on our strategic initiatives."

#### 2023 Second Quarter Highlights:

- Received regulatory approval for the previously-announced acquisition of Canyon Bancorporation, Inc. and its wholly owned subsidiary, Canyon Community Bank, N.A., which is expected to add low-cost liquidity and deepens our Arizona franchise; the Company expects to close the transaction in the third quarter of 2023
- Loans grew \$149 million, or 2.6%, for the quarter and grew 7.9% year-to date; loan growth was well diversified across
  commercial and industrial, energy and commercial real estate owner-occupied
- Credit metrics remain strong with annualized net charge-offs of just 0.04% of average total loans and a non-performing assets to total assets ratio of 0.19%
- Non-interest-bearing deposits stabilized, decreasing 4% from the prior quarter, while total deposits increased 4.5% due to an
  increase in wholesale funding sources at quarter-end
- Identified meaningful non-interest expense savings for the remainder of 2023, advancing our efficiency improvement goal
- Book value per share grew to \$13.39 while tangible book value per common share<sup>(2)</sup> grew to \$12.67
- (1) Ratios are annualized.
- (2) With the exception of Net Interest Margin FTE, represents a non-GAAP financial measure. See "Table 5. Non-GAAP Financial Measures" for a reconciliation of these measures.



			Q	uarter-to-Date	Year-to-Date					
(Dollars in millions except per share data)	June	30, 2023	Ma	arch 31, 2023	Ju	ne 30, 2022	Ju	ne 30, 2023	Ju	ine 30, 2022
Operating revenue <sup>(1)</sup>	\$	60.3	\$	62.6	\$	50.9	\$	123.0	\$	99.0
Net income	\$	16.0	\$	16.1	\$	15.5	\$	32.2	\$	32.4
Diluted earnings per common share	\$	0.33	\$	0.33	\$	0.31	\$	0.65	\$	0.64
Return on average assets		0.93%		0.97%		1.12%		0.95%		1.18%
Adjusted return on average assets(2)		1.00%		1.04%		1.20%		1.02%		1.21%
Return on average equity		9.94%		10.53%		10.15%		10.23%		10.30%
Adjusted return on average equity(2)		10.74%		11.30%		10.82%		11.01%		10.62%
Net interest margin		3.23%		3.60%		3.46%		3.41%		3.35%
Net interest margin -FTE(3)		3.27%		3.65%		3.52%		3.46%		3.41%
Efficiency ratio		62.02%		60.81%		57.36%		61.41%		57.46%
Adjusted efficiency ratio - FTE(2)(3)		57.27%		56.42%		53.95%		56.84%		55.26%

Net interest income plus non-interest income.

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

Tax exempt income is calculated on a tax-equivalent basis. Tax-free municipal securities are exempt from federal income taxes. The incremental federal

#### Income from Operations

Net income totaled \$16.0 million, or \$0.33 per diluted common share, for the second quarter of 2023, compared to \$16.1 million, or \$0.33 per diluted common share, during the first quarter of 2023 and \$15.5 million, or \$0.31 per diluted common share, during the second quarter of 2022. On a linked quarter basis, net income was lower due to a decrease in net interest income partially offset by lower provision expense, lower non-interest expenses and higher non-interest income. Compared to the same period in the prior year, the quarter's results were impacted by higher net interest income and non-interest income that were partially offset by higher provision expense and non-interest expense.

The second quarter included severance charges of \$1.3 million and acquisition-related charges of \$0.3 million, resulting in adjusted net income of \$17.3 million, or \$0.35 per diluted common share on an adjusted basis, compared to adjusted net income of \$17.3 million, or \$0.35 per diluted common share, on an adjusted basis for the first quarter of 2023.

#### Net Interest Income

Fully tax equivalent net interest income totaled \$55.3 million for the quarter, compared to \$59.0 million for the first quarter of 2023, as the benefit from higher average earning assets, higher loan yields and one additional day were more than offset by higher cost of funds. Net interest margin – FTE narrowed 38 basis points compared to the prior quarter to 3.27%.

Average earning assets increased \$217 million compared to the prior quarter primarily due to higher average loan balances and average investment balances. The increase in average loans and investments more than offset the lower average cash balances. The yield on earning assets widened 31 basis points entirely due to stronger loan yields from the repricing of variable rate loans as well as higher pricing on new loans. The cost of interest-bearing liabilities increased 68 basis points due to continued pricing pressure on interest-bearing deposits and due to the decrease in non-interest-bearing deposits experienced late in the first quarter of 2023, which negatively impacted the second quarter 2023 net interest margin.

Compared to the second quarter of 2022, net interest income - FTE increased \$7.8 million while net interest margin - FTE decreased 25 basis points. The higher income is due to 25% growth in average earning assets while the net interest margin – FTE decreased as higher loan yields were more than offset by a higher cost of funds due to the rising rate environment. The increase in average earning assets was entirely driven by higher average loan and investment balances, partially offset by lower average cash balances. The yield on earning assets increased 2.41% due to new loan production as well as repricing of variable rate loans. The cost of funds increased 2.91% 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.

#### Non-Interest Income

Non-interest income increased \$1.4 million compared to the first quarter of 2023 and increased by \$1.6 million compared to the same quarter in 2022. The increase in non-interest income compared to both prior periods was due to increases in service charges and fees and gains on sales of loans. Additionally, ATM and credit card interchange income decreased compared to the prior year due to one large customer with pandemic-related activity that was not recurring.

#### Non-Interest Expense

Non-interest expense decreased \$0.7 million from the first quarter of 2023 and increased \$8.2 million from the second quarter of 2022. The second quarter of 2023 included \$0.3 million of acquisition-related expenses, most of which were included in professional fees, and \$1.3 million of employee separation costs included in salaries and employee benefits. The first quarter of 2023 included \$1.5 million of acquisition-related expenses with \$1.1 million included in professional fees, \$0.2 million in salaries and employee benefits, \$0.1 million in advertising, and \$0.1 million in other non-interest expense. The second quarter of 2022 included \$0.2 million of acquisition-related expenses, most of which were included in professional fees, and \$1.0 million of employee separation costs included in other non-interest expense. Excluding these acquisition-related expenses and employee separation costs, non-interest expense decreased \$0.8 million compared to the first quarter of 2023 and increased \$7.9 million compared to the second quarter of 2022. Compared to the prior quarter, data processing and professional fees were \$1.0 million lower due to completion of projects in the first quarter. Additionally, other noninterest expenses decreased \$0.3 million primarily due to a decrease in discretionary expenses. Partially offsetting these decreases was an increase in deposit insurance premiums primarily due to growth in assets and a higher assessment rate. Compared to the second quarter of 2022, salaries and employee benefits costs were higher due to the addition of employees as part of the Colorado and New Mexico acquisition, as well as merit increases. Occupancy costs increased due to the addition of a second location in Dallas, Texas and new properties in Colorado and New Mexico. Additionally, deposit insurance premiums increased as previously noted. Software and communication expenses increased due to technology for additional employees and clients as well as new technology implementation. Core deposit intangible amortization expense also increased compared to the prior year as a result of the previously mentioned acquisition.

The Company's effective tax rate for the second quarter of 2023 was 20.8%, as compared to 20.0% in the first quarter of 2023 and 20.6% for the second quarter of 2022.

#### Statement of Financial Condition Performance & Analysis

During the second quarter of 2023, total assets increased by \$0.2 billion, or 3%, compared to the end of the prior quarter and increased \$1.4 billion, or 25%, compared to June 30, 2022. Total assets increased on a linked quarter basis primarily due to a \$0.1 billion increase in loans. The year-over-year increase was primarily due to an increase in loans of \$1.3 billion, including \$0.4 billion in acquired loans. Deposits increased \$0.3 billion compared to March 31, 2023, and increased \$1.4 billion from June 30, 2022, including \$0.6 billion in acquired deposits.

#### Loan Results

During the second quarter of 2023, loans increased \$149 million, or 11% annualized, compared to March 31, 2023, and increased \$1.3 billion, or 28%, compared to June 30, 2022, including the impact of acquired loans which added 9%. The linked quarter increase in loans was a result of growth primarily in the commercial and industrial, energy and commercial real estate – owner-occupied portfolios. The loan increase compared to June 30, 2022 was primarily due to growth in the commercial and industrial, commercial real estate – owner-occupied and commercial real estate – non-owner-occupied portfolios and included the impact of acquired loans.

	6/30/23	 3/31/23	 12/31/22		9/30/22		6/30/22	% of Total	G	QoQ rowth (\$)	QoQ Grow (%)	th	YoY Growth (\$)	YoY Growth (%)
Period-end loans (gross)					(Dolla	irs in	millions)							
Commercial and industrial	\$ 2,058	\$ 2,034	\$ 1,975	\$	1,689	\$	1,600	36 %	\$	24	1	%	\$ 458	29 %
Energy	233	194	173		179		233	4		39	20			0
Commercial real estate - owner-occupied	543	478	437		362		373	9		65	14		170	46
Commercial real estate - non-owner-occupied	2,480	2,472	2,315		1,988		1,897	42		8	0		583	31
Residential real estate	440	440	439		421		395	8		-	0		45	11
Consumer	43	30	34		39		30	1		13	43		13	43
Total	\$ 5,797	\$ 5,648	\$ 5,373	\$	4,678	\$	4,528	100 %	\$	149	3	%	\$ 1,269	28 9

#### **Deposit & Other Borrowing Results**

During the second quarter of 2023, deposits increased 5%, compared to March 31, 2023, and increased 29%, compared to June 30, 2022. The deposit increase compared to March 31, 2023 was due to increases in time deposits, partially offset by decreases in all other deposit categories. Approximately one-third of the time deposit increase was from new client money and shifts from other deposit categories with the balance representing an increase in wholesale funding. The deposit increase compared to June 30, 2022 was due to increases in transaction deposits, savings and money market deposits and time deposits, including acquired deposits, partially offset by decreases in non-interest-bearing deposits.

	6/30/23	 3/31/23	 12/31/22	 9/30/22		6/30/22	QoQ rowth (\$)	QoQ Growth (%)	YoY Growth (\$)	YoY Growth (%)
				(Dollars i	in mil	lions)				
Period-end deposits										
Non-interest-bearing deposits	\$ 928	\$ 970	\$ 1,400	\$ 1,114	\$	1,163	\$ (42)	(4) %	\$ (235)	(20) %
Transaction deposits	604	665	544	519		497	(61)	(9)	107	22
Savings and money market deposits	2,730	2,826	2,761	2,605		2,351	(96)	(3)	379	16
Time deposits	1,838	1,376	946	750		733	462	34	1,105	151
Total	\$ 6,100	\$ 5,837	\$ 5,651	\$ 4,988	\$	4,744	\$ 263	5 %	\$ 1,356	29 %

#### **Asset Quality and Provision for Credit Losses**

The Company recorded \$2.6 million of provision expense, compared to \$4.4 million in the prior quarter and \$2.1 million in the prior year second quarter. The current quarter's provision expense was primarily driven by loan growth and net charge-offs of \$0.6 million.

Non-performing assets increased \$2.1 million to \$13.3 million at June 30, 2023 primarily due to an increase in non-accrual loans, partially offset by the sale of one other real estate owned property. The non-performing assets to total assets ratio decreased from 0.54% at June 30, 2022 to 0.19% at June 30, 2023. Annualized net charge-offs were 0.04% for the quarter compared to 0.12% in the prior quarter and 0.10% in the prior year second quarter.

The allowance for credit losses was \$67.6 million or 1.17% of outstanding loans at June 30, 2023. The combined allowance for credit losses and accrual for off-balance sheet credit risk from unfunded commitments ("RUC") was \$75.3 million or 1.30% of outstanding loans which was consistent with the linked quarter and lower than the prior year second quarter, owing primarily to the reduction in specific reserves on non-performing loans.

The following table provides information regarding asset quality.

Asset quality (Dollars in millions)	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22
Non-accrual loans	\$ 12.9	\$ 9.5	\$ 11.3	\$ 16.9	\$ 27.7
Other real estate owned	-	0.9	1.1	1.0	1.0
Loans 90+ days past due and still accruing	0.4	8.0	0.8	0.3	2.2
Non-performing assets	\$ 13.3	\$ 11.2	\$ 13.2	\$ 18.2	\$ 30.8
Loans 30 - 89 days past due	13.3	5.1	19.6	21.4	16.6
Net charge-offs (recoveries)	0.6	1.6	(0.3)	1.9	1.1
Asset quality metrics (%)	6/30/23	3/31/23	 12/31/22	 9/30/22	 6/30/22
Nonperforming assets to total assets	0.19 %	0.16 %	0.20 %	0.31 %	0.54 %
Allowance for credit losses to total loans	1.17	1.15	1.15	1.19	1.23
THOWance for creat 1035c5 to total loans					1.35
Allowance for credit losses + RUC to total loans <sup>(2)</sup>	1.30	1.30	1.31	1.34	1.33
	1.30 508	1.30 629	1.31 514	1.34 324	187
Allowance for credit losses + RUC to total loans <sup>(2)</sup>					
Allowance for credit losses + RUC to total loans <sup>(2)</sup> Allowance for credit losses to non-performing loans	508	629	514	324	187
Allowance for credit losses + RUC to total loans <sup>(2)</sup> Allowance for credit losses to non-performing loans Net charge-offs (recoveries) to average loans <sup>(1)</sup>	508 0.04	629 0.12	514 (0.02)	324 0.16	187 0.10

<sup>(1)</sup> Interim periods annualized.

 $<sup>^{(2)}</sup>$  Includes the accrual for off-balance sheet credit risk from unfunded commitments

# CROSSFIRST BANKSHARES, INC. **Capital Position** At June 30, 2023, stockholders' equity totaled \$651 million, or \$13.39 per common share, compared to \$645 million, or \$13.28 per common share, at March 31, 2023. The increase was due to net income partially offset by an increase in accumulated other comprehensive loss from the unrealized loss on available-for-sale securities, net of tax. Tangible book value per common share was \$12.67 at June 30, 2023, an increase of \$0.13 from March 31, 2023. The ratio of common equity Tier 1 capital to risk-weighted assets was approximately 9.5%, and the ratio of total capital to risk-weighted assets was approximately 10.7% at June 30, 2023. 5

#### Conference Call and Webcast

Management will host a conference call to review second quarter financial results on Tuesday, July 18, 2023, at 10 a.m. CT/11 a.m. ET. The conference call and webcast may also include discussion of Company developments, forward-looking statements and other material information about business and financial matters. To access the event by telephone, please dial (844) 481-2831 at least fifteen minutes prior to the start of the call and request access to the CrossFirst Bankshares call. International callers should dial +1 (412) 317-1851 and request access as directed above. The call will also be broadcast live over the internet and can be accessed via the following link: https://edge.media-server.com/mmc/p/2trnbcdr. Please visit the site at least 15 minutes prior to the call to allow time for registration. For those unable to join the presentation, a replay of the call will be available two hours after the conclusion of the live call. To access the replay, dial (877) 344-7529 and enter the replay access code 8140702. International callers should dial +1 (412) 317-0088 and enter the same access code. A replay of the webcast will also be available for 90 days on the Company's website https://investors.crossfirstbankshares.com/.

#### **Cautionary Notice about Forward-Looking Statements**

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

Accordingly, the Company cautions you that any such forward-looking statements are not a guarantee of future performance and that actual results may prove to be materially different from the results expressed or implied by the forward-looking statements due to a number of factors. Such factors include, without limitation, 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 commercialbased 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, acts of war or terrorism or other external events; and changes in laws, rules, regulations, interpretations or policies relating to financial institutions. These and other factors that could cause results to differ materially from those described in the forward-looking statements, as well as a discussion of the risks and uncertainties that may affect our business, can be found in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and in other filings we make with the Securities and Exchange Commission, These forward-looking statements are made as of the date of this communication, and we disclaim any obligation to update any forward-looking statement or to publicly announce the results of any revisions to any of the forward-looking statements included herein, except as required by law.

#### About CrossFirst Bankshares, Inc.

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

INVESTOR CONTACT
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https://investors.crossfirstbankshares.com

TABLE 1. CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)

	Jı	une 30, 2023	N	March 31, 2023	December 31, 2022			
Access			(Do	ollars in thousands)				
Assets  Cash and cash equivalents	\$	342,497	\$	262,971	\$	300,138		
Available-for-sale securities - taxable	-	297.097	-	280,408	•	198.808		
Available-for-sale securities - tax-exempt		446.803		470,843		488,093		
Loans, net of unearned fees		5,796,599		5,647,639		5,372,729		
Allowance for credit losses on loans		67,567		65,130		61.775		
Loans, net of the allowance for credit losses on loans	_	5,729,032	_	5,582,509		5,310,954		
Premises and equipment, net		68,539		67,311		65,984		
Restricted equity securities		13,060		16,700		12,536		
Interest receivable		33,303		30,385		29,507		
Foreclosed assets held for sale		-		855		1,130		
Goodwill and other intangible assets, net		27.457		28.259		29,081		
Bank-owned life insurance		69,929		69,511		69,101		
Other		92,461		84,978		95,754		
Total assets	\$	7,120,178	\$	6,894,730	\$	6,601,086		
Liabilities and stockholders' equity		7,120,170	_	0,034,730	_	0,001,000		
Deposits								
Non-interest-bearing	\$	928.098	\$	969,701	\$	1,400,260		
Savings, NOW and money market	-	3,333,514	-	3,491,586	-	3,305,481		
Time		1,838,455		1,376,027		945,567		
Total deposits		6,100,067		5,837,314		5,651,308		
Federal Home Loan Bank advances		262,708		314,031		218,111		
Other borrowings		14,320		17,970		35,457		
Interest payable and other liabilities		91,600		79,924		87,611		
Total liabilities	_	6,468,695		6,249,239		5,992,487		
Stockholders' equity								
Preferred Stock, \$0.01 par value: Authorized - 15,000 shares, issued - 7,750 at June 30, 2023 and March 31, 2023 and no shares at December 31, 2022		-		-		_		
Common Stock, \$0.01 par value: Authorized - 200,000,000 shares, issued - 53,241,885, 53,189,016 and 53,036,613 shares at June 30, 2023, March 31, 2023 and December 31, 2022, respectively		532		532		530		
Treasury stock, at cost: 4,588,398 shares held at June 30, 2023, March 31, 2023 and December 31, 2022		(64,127)		(64,127)		(64,127)		
Additional paid-in capital		539,793		539,023		530,658		
Retained earnings		238,147		222,203		206,095		
Accumulated other comprehensive loss		(62,862)		(52,140)		(64,557)		
Total stockholders' equity		651,483		645,491		608,599		
Total liabilities and stockholders' equity	\$	7,120,178	\$	6,894,730	\$	6,601,086		

TABLE 2. CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

		Th	iree l	Months En	ded		Six Months Ended					
		June 30, 2023	N	/Iarch 31 2023		June 30, 2022		June 30, 2023	J	June 30, 2022		
				(Dollars in t	house	ınds except p	er sh	are data)				
Interest Income												
Loans, including fees	\$	98,982	\$	89,618	\$	47,327	\$	188,600	\$	90,055		
Available-for-sale securities - taxable		2,622		1,849		1,086		4,471		2,130		
Available-for-sale securities - tax-exempt		3,571		3,794		3,845		7,365		7,537		
Deposits with financial institutions		1,609		2,014		369		3,623		521		
Dividends on bank stocks		364		262		213		626		357		
Total interest income		107,148		97,537		52,840		204,685		100,600		
Interest Expense												
Deposits		48,663		36,725		4,732		85,388		8,243		
Fed funds purchased and repurchase agreements		-		46		74		46		74		
Federal Home Loan Bank Advances		3,734		2,391		1,294		6,125		2,403		
Other borrowings		212		154		31		366		56		
Total interest expense		52,609		39,316		6,131		91,925		10,776		
Net Interest Income		54,539		58,221		46,709		112,760		89,824		
Provision for Credit Losses		2,640		4,421		2,135		7,061		1,510		
Net Interest Income after Provision for Credit Losses		51,899		53,800		44,574		105,699		88,314		
Non-Interest Income		,				,-		,				
Service charges and fees on customer accounts		2,110		1,829		1,546		3,939		2,954		
ATM and credit card interchange income		1,213		1,264		1,521		2,477		4,185		
Realized gains (losses) on available-for-sale securities		-		63		(12)		63		(38		
Gain on sale of loans		1,205		187		-		1,392		-		
Gains (losses) on equity securities, net		6		10		(71)		16		(174		
Income from bank-owned life insurance		418		411		407		829		795		
Swap fees and credit valuation adjustments, net		84		90		12		174		130		
Other non-interest income		743		567		798		1,310		1,291		
Total non-interest income	_	5,779		4,421		4,201		10,200	_	9,143		
Non-Interest Expense		0,		-,		-,				-,		
Salaries and employee benefits		24,061		22,622		17,095		46,683		35,036		
Occupancy		3,054		2,974		2,622		6,028		5,115		
Professional fees		970		2,618		1,068		3,588		1,873		
Deposit insurance premiums		1.881		1,531		713		3,412		1,450		
Data processing		1,057		1,242		1,160		2,299		1,972		
Advertising		649		752		757		1,401		1,449		
Software and communication		1,655		1,651		1.198		3,306		2,468		
Foreclosed assets, net		(21)		149		15		128		(38)		
Other non-interest expense		3,304		3,731		4,555		7,035		7,505		
Core deposit intangible amortization		802		822		20		1,624		39		
Total non-interest expense	_	37,412	_	38,092	_		_	75,504	_	56,869		
Net Income Before Taxes	_	20,266		20,129		19,572	_	40,395		40,588		
Income tax expense		4,219		4,021		4,027		8,240		8,215		
Net Income	\$	16,047	\$	16,108	\$	15,545	\$	32,155	\$	32,373		
Basic Earnings Per Common Share	\$	0.33	\$	0.33	\$	0.31	\$	0.66	\$	0.65		
Diluted Earnings Per Common Share	\$	0.33	\$	0.33	\$	0.31	\$	0.65	\$	0.64		
Diracca Larmings I Ci Common Share	Ψ	0.55	Ψ	0.55	Ψ	0.31	Ψ	0.05	Ψ	0.0-		

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

# Six Months Ended June 30,

Julie 50,											
			2023					2022			
		I	ncome /	Average Yield / Rate <sup>(3)</sup>		Average Balance	I	ncome /	Average Yield / Rate <sup>(3)</sup>		
				(Dollars in th	nou	sands)					
\$	302,763	\$	5,097	3.37%	\$	220,783	\$	2,487	2.26%		
	527,047		8,912	3.38		543,873		9,120	3.35		
	873		6	1.39		-		-	-		
	170,287		3,617	4.28		253,771		521	0.41		
	5,658,698		188,600	6.72		4,385,664		90,055	4.14		
	6,659,668	\$	206,232	6.24%		5,404,091	\$	102,183	3.81%		
	(64,664)					(57,324)					
	226,983					207,881					
\$	6,821,987				\$	5,554,648					
					_						
\$	570,661	\$	7,839	2.77%	\$	546,982	\$	596	0.22%		
	2,794,201		50,496	3.64		2,318,415		4,716	0.41		
	1,357,688		27,053	4.02		573,503		2,931	1.03		
	4,722,550		85,388	3.65		3,438,900		8,243	0.48		
	311,471		6,423	4.16		280,883		2,477	1.78		
	1,070		114	21.49		1,018		56	11.11		
	1,057,268		-	-		1,153,499		-	-		
	6,092,359	\$	91,925	3.04%		4,874,300	\$	10,776	0.44%		
	95,702					46,312					
\$	6,821,987				\$	5,554,648					
		\$	114,307				\$	91,407			
				3.20%					3.37%		
				3.46%					3.41%		
	\$	527,047 873 170,287 5,658,698 6,659,668 (64,664) 226,983 \$ 6,821,987  \$ 570,661 2,794,201 1,357,688 4,722,550 311,471 1,070 1,057,268 6,092,359 95,702 633,926	\$ 302,763 \$ 527,047 873 170,287 5,658,698 6,659,668 \$ (64,664) 226,983 \$ 6,821,987 \$ 570,661 \$ 2,794,201 1,357,688 4,722,550 311,471 1,070 1,057,268 6,092,359 \$ 95,702 633,926 \$ 6,821,987	\$ 302,763 \$ 5,097	Section   Sect	Second Part	Time	Title	Name		

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

<sup>(2)</sup> Average gross loan balances include non-accrual loans.

<sup>(3)</sup> Actual unrounded values are used to calculate the reported yield or rate disclosed. Accordingly, recalculations using the amounts in thousands as disclosed in this release may not produce the same amounts.

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

June 30, 2023 March 31, 2023 June 30, 2022 Interest Income / Expense Interest Income Expense Interest Income / Expense (Dollars in thousands) Interest-earning assets: 336,446 \$ 3.55% \$ 268,705 \$ 3.14% \$ 220,763 \$ Securities - taxable 2,986 2,111 1,299 2.35% Securities - tax-exempt -  $\mbox{FTE}^{(1)}$ 511,993 4,321 3.38 542,268 4,591 3.39 553,960 4,653 3.36 Federal funds sold 1,757 1.15 Interest-bearing deposits in other banks 145,559 1,609 4.43 195,289 2,009 198,210 0.75 4.17 98,982 5,539,954 Gross loans, net of unearned income(2) 5,776,137 6.87 89,618 6.56 4,437,917 47,327 4.28 Total interest-earning assets - FTE(1) 6,770,135 \$ 107,898 6.39% 6,547,973 \$ 98,334 6.08% 5,410,850 \$ 53,648 3.98% Allowance for loan losses (66,078) (63,235) (56,732) Other non-interest-earning assets 225,915 228,063 191,539 Total assets \$ 6,929,972 \$ 6,712,801 \$ 5,545,657 Interest-bearing liabilities Transaction deposits 598,646 \$ 4,339 2.91% \$ 542,366 \$ 3,500 2.62% \$ 508,403 \$ 374 0.29% 2,707,637 26,927 2,881,726 23,569 3.32 2,334,103 2,869 Savings and money market deposits 3.99 0.49 Time deposits 1.612.105 17.397 4.33 1.100.444 9.656 3.56 559,708 1.489 1.07 Total interest-bearing deposits 4,918,388 48,663 3.97 4,524,536 36,725 3.29 3,402,214 4,732 0.56 FHLB and short-term borrowings 349,763 3,888 4.46 272,754 2,535 3.77 330,064 1,368 1.66 Trust preferred securities, net of fair value adjustments 58 21.60 56 21.39 1.024 29 11.94 1,077 1.062 921,259 1,194,788 1,149,654 Non-interest-bearing deposits Cost of funds 6,190,487 \$ 52,609 3.41% 5,993,140 \$ 39,316 2.66% 4,882,956 6,129 0.50% Other liabilities 91,994 99,451 48,160 Stockholders' equity 647,491 620,210 614,541 Total liabilities and stockholders' equity \$ 6,929,972 \$ 5.545.657 \$ 6.712.801 55,289 59,018 47,519 Net interest income - FTE(1) \$ \$ \$ Net interest spread - FTE(1) 2 98% 3 42% 3 48% Net interest margin - FTE(1) 3.27% 3.65% 3.52%

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

<sup>(2)</sup> Average loan balances include non-accrual loans.

<sup>(3)</sup> Actual unrounded values are used to calculate the reported yield or rate disclosed. Accordingly, recalculations using the amounts in thousands as disclosed in this release may not produce the same amounts.

#### TABLE 5. NON-GAAP FINANCIAL MEASURES

#### **Non-GAAP Financial Measures**

In addition to disclosing financial measures determined in accordance with U.S. generally accepted accounting principles (GAAP), the Company discloses non-GAAP financial measures in this release including "tangible common stockholders' equity," "tangible book value per common share," "adjusted efficiency ratio – fully tax equivalent (FTE)," "adjusted net income," "adjusted diluted earnings per common share," "adjusted return on average assets (ROAA)," and "adjusted return on equity (ROE)." We consider the use of select non-GAAP financial measures and ratios to be useful for financial and operational decision making and useful in evaluating period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain expenditures or gains that we believe are not indicative of our primary business operating results. We believe that management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, analyzing and comparing past, present and future periods.

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 impact of the components adjusted for in the non-GAAP financial measure so that both measures and the individual components may be

providing the equivalent GAAP measures whenever we present the non-GAAP financial measures and by including a reconciliation of the considered when analyzing our performance.

A reconciliation of non-GAAP financial measures to the comparable GAAP financial measures follows. 11

				Six Months Ended										
	6/3	30/2023	3	/31/2023	1	12/31/2022		9/30/2022	6	/30/2022	6/	30/2023	6/	30/2022
						(Dollars i	n thou	sands, except p	er shar	e data)				
Adjusted net income:														
Net income	\$	16,047	\$	16,108	\$	11,946	\$	17,280	\$	15,545	\$	32,155	\$	32,373
Add: Acquisition costs		338		1,477		3,570		81		239		1,815		239
Add: Acquisition - Day 1 CECL provision		-		-		4,400		-		-		-		-
Add: Employee separation		1,300		-		-		-		1,063		1,300		1,063
Less: Tax effect(1)		(344)		(310)		(2,045)		(17)		(273)		(654)		(273)
Adjusted net income	\$	17,341	\$	17,275	\$	17,871	\$	17,344	\$	16,574	\$	34,616	\$	33,402
Preferred stock dividends	\$	103	\$	-	\$	-	\$	-	\$	-	\$	103	\$	-
Diluted weighted average common shares outstanding	4	8,943,325	4	49,043,621		49,165,578		49,725,207	5	50,203,725	4	8,994,807	5	0,561,868
Diluted earnings per common share	\$	0.33	\$	0.33	\$	0.24	\$	0.35	\$	0.31	\$	0.65	\$	0.64
Adjusted diluted earnings per common share	\$	0.35	\$	0.35	\$	0.36	\$	0.35	\$	0.33	\$	0.70	\$	0.66

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

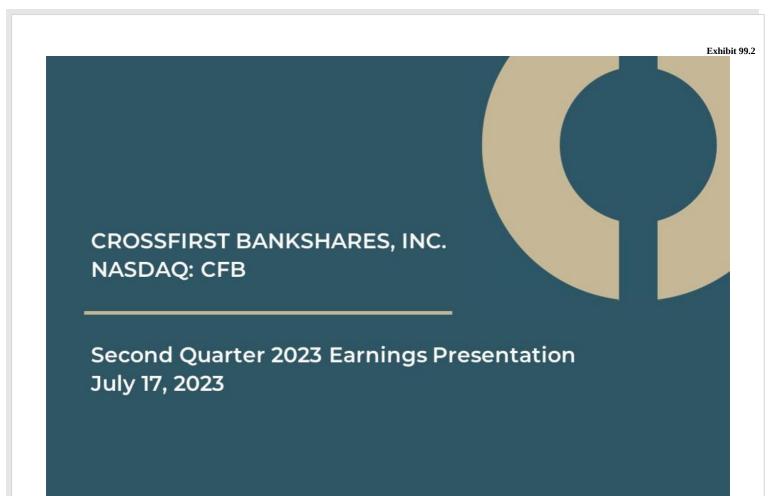
	Quarter Ended											Six Months Ended								
	6/30/20	23	3/31/2023				12/31/2022 9/		9/30/2022		6/30/2022		6/30/2023		6/30/2023	3		6/30/2022		
								(	Dolla	ars in thous	ands	;)								
Adjusted return on average assets:																				
Net income	\$ 16,0	147	:	\$ 16,108		\$	11,946		\$	17,280		\$	15,545		\$	32,155		\$	32,373	
Adjusted net income	17,3	41		17,275			17,871			17,344			16,574			34,616			33,402	
Average assets	\$ 6,929,9	72	:	\$ 6,712,801		\$	6,159,783		\$	5,764,347		\$	5,545,657		\$	6,821,987		\$	5,554,648	
Return on average assets	0	.93 '	%	0.97	%		0.77	%		1.19	%		1.12	%		0.95	%		1.18	%
Adjusted return on average assets	1	.00	%	1.04	%		1.15	%		1.19	%		1.20	%		1.02	%		1.21	%

	Quarter Ended												Six Months Ended				
	 6/30/2023	2023 3/31/2023				12/31/2022	/31/2022 9		9/30/2022		6/30/2022		6/30/2023	30/2023		6/30/2022	
						(Dollars in thousands)											
Adjusted return on average equity:																	
Net income	\$ 16,047		\$	16,108		\$	11,946	\$	17,280		\$	15,545		32,155		\$	32,373
Adjusted net income	17,341			17,275			17,871		17,344			16,574		34,616			33,402
Average equity	\$ 647,491		\$	620,210		\$	589,587	\$	613,206		\$	614,541		633,926		\$	634,036
Return on average equity	9.94	%		10.53	%		8.04 %	ó	11.18	%		10.15 %	6	10.23	%		10.30 %
Adjusted return on average equity	10.74	%		11.30	%		12.03 %	ó	11.22	%		10.82 %	6	11.01	%		10.62 %

	Quarter Ended									
	6/30/2023			/31/2023	/2023 12/31/2022			/30/2022	6	/30/2022
				(Dollars i	n thous	ands, except p	er shar	e data)		
Tangible common stockholders' equity:										
Total stockholders' equity	\$	651,483	\$	645,491	\$	608,599	\$	580,547	\$	608,016
Less: goodwill and other intangible assets		27,457		28,259		29,081		71		91
Less: preferred stock		7,750		7,750				-		-
Tangible common stockholders' equity	\$	616,276	\$	609,482	\$	579,518	\$	580,476	\$	607,925
Tangible book value per common share:										
Tangible common stockholders' equity	\$	616,276	\$	609,482	\$	579,518	\$	580,476	\$	607,925
Common shares outstanding at end of period	4	48,653,487		48,600,618		48,448,215	4	18,787,696	4	19,535,949
Book value per common share	\$	13.39	\$	13.28	\$	12.56	\$	11.90	\$	12.27
Tangible book value per common share	\$	12.67	\$	12.54	\$	11.96	\$	11.90	\$	12.27

	Quarter Ended												Six Months Ended					
	•	5/30/2023	3/31/2023		1	12/31/2022		9/30/2022		6/30/2022			6/30/2023		3		6/30/2022	
							(I	Dollars in tho	ısand	s)								
Adjusted Efficiency Ratio - Fully Tax Equivalent (FTE)(1)																		
Non-interest expense	\$	37,412	\$	38,092	\$	36,423		\$ 28,45	1	\$	29,203		\$	75,504		\$	56,869	
Less: Acquisition costs		(338)		(1,477)		(3,570)		8)	1)		(239)			(1,815)			(239)	
Less: Core deposit intangible amortization		(802)		(822)		(291)				(1,624)			24)					
Less: Employee separation		(1,300)		-		-			- (1,063)				(1,300)			(1,063)		
Adjusted Non-interest expense (numerator)	\$	34,972	\$	35,793	\$	32,562		\$ 28,37	0	\$	27,901		\$	70,765		\$	55,567	
Net interest income		54,539		58,221		54,015		49,69	5		46,709			112,760			89,824	
Tax equivalent interest income <sup>(1)</sup>		750		797		818		82	0		808			1,547			1,583	
Non-interest income		5,779		4,421		4,359		3,78	0		4,201			10,200			9,143	
Total tax-equivalent income (denominator)	\$	61,068	\$	63,439	\$	\$ 59,192 \$ 54,295		\$	51,718		\$	124,507		\$	100,550			
Efficiency Ratio		62.02 %		60.81 %		62.40 %	%	53.2	0 %		57.36	%		61.41	%		57.46	%
Adjusted Efficiency Ratio - Fully Tax Equivalent $(FTE)^{(1)}$		57.27 %		56.42 %		55.01 %	%	52.2	5 %		53.95	%		56.84	%		55.26	%

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



### LEGAL DISCLAIMER



FORWARD-LOOKING STATEMENTS. The financial results in this presentation reflect preliminary, unaudited results, which are not final until the Company's Quarterly Report on Form 10-Q is filed. This presentation and oral statements made relating to this presentation contain forward-looking statements. These forward-looking statements reflect our current views and include, but are not limited to, statements regarding our business plans, expansion targets and opportunities, the expected completion and timing of our acquisition of Caryon Bancorporation, Inc. and its wholly owned subsidiary, Caryon Community Bank, National Association (collectively, "Caryon,"), and future financial performance. These statements are often, but not always, made through the use of words or phrases such as "positioning," "growth," "approximately," "believe," "plan," "future," "opportunity," "anticipate," "target," "expectations," "expect," "will," "strategy," "goal, "focused," "foresee" or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not a guarantee of future performance and are subject to risk, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results any prove to be materially different from the results expressed or implied by the forward-looking statements are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but not limited to, the following: a decline in gene

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

\* CrossFirst acquired Farmers & Stockmens Bank (referred to herein as "Central") on November 22, 2022.

#### ABOUT NON-GAAP FINANCIAL MEASURES



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

We consider the use of select non-GAAP financial measures and ratios to be useful for financial and operational decision making and useful in evaluating period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain expenditures or gains that we believe are not indicative of our primary business operating results. We believe that management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, analyzing and comparing past, present and future periods.

These non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP and should not be relied on 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 measures to 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 is provided at the end of this presentation.

# SECOND QUARTER 2023 HIGHLIGHTS



Financial
Performance

Net Income \$16.0 Million

Adjusted<sup>(2)</sup>

Adjusted<sup>(2)</sup> Net Income Diluted EPS \$17.3 Million \$0.35

Diluted EPS

\$0.33

9.94% Adjusted(1)(2)

ROE

10.74%

ROE(1)

Adjusted(1)(2) ROAA 1.00%

ROAA(1)

0.93%

#### **Profitability**

- Received regulatory approval for previously announced acquisition of Canyon Bancorporation, Inc., which is expected to add low-cost liquidity and deepen our Arizona franchise
- ✓ Fully tax equivalent NIM<sup>(3)</sup> narrowed 38 basis points to 3.27%, as continued pricing pressure on deposits & deposit mix changes outweighed the increases from loans
- ✓ Identified meaningful non-interest expense savings for the remainder of 2023, advancing our efficiency improvement goal

#### **Balance** Sheet

- ✓ Loans grew \$149 million, or 2.6% for the quarter and 7.9% year-to-date
- ✓ Non-interest-bearing deposits stabilized, decreasing 4% from Q1 2023
- √ Book value per share grew to \$13.39, while tangible book value per common share<sup>(2)</sup> grew to \$12.67

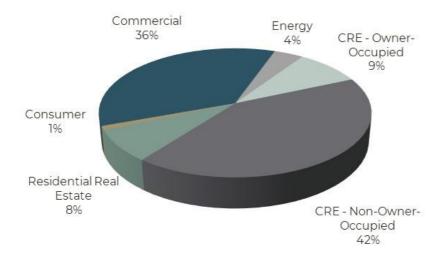
#### Credit Quality

- ✓ Credit metrics remain strong with annualized NCOs / average loans of 0.04% and NPAs / assets of 0.19%, which is a decline of 35 basis points from June 30, 2022
- ✓ Provisioned \$2.6 million during the quarter, largely to support loan growth
- Ratios are annualized
  Represents a non-GAAP financial measure, see non-GAAP reconciliation slides at the end of this presentation for more details. The incremental Federal income tax rate used in calculating tax exempt income on a tax equivalent basis is 21.0%.

# **DIVERSE LOAN PORTFOLIO**



#### Loan Mix by Type (\$5.8bn)



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

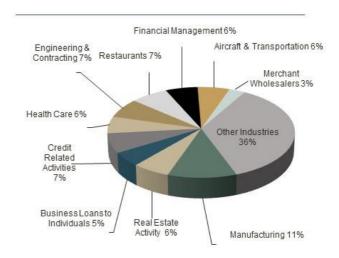
# **DIVERSE LOAN PORTFOLIO**



#### CRE - Non-Owner-Occupied Loan Portfolio by Segment

# Retail 16% Office 13% Industrial 17% Other 25% Hotel 9%

#### Commercial Loan Breakdown by Type

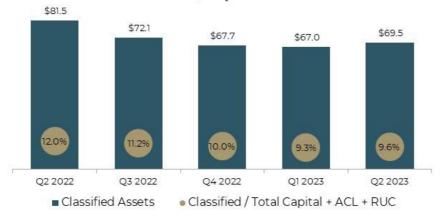


Note: Data as of June 30, 2023.

# **ASSET QUALITY PERFORMANCE**

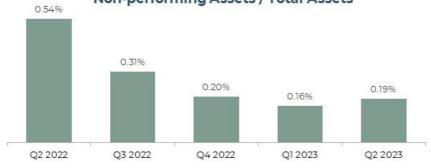


#### Classified Loans / Capital + ACL + RUC(1)



 Classified Loans and the ratio of Classified Loans to Total Capital + ACL + RUC increased slightly but remain consistent with prior quarters

#### Non-performing Assets / Total Assets



 NPAs increased primarily due to an increase in non-accrual loans, partially offset by the sale of one OREO property

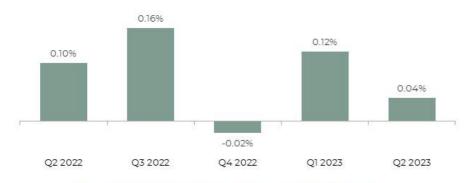
Note: Dollar amounts are in millions [1] RUC includes the accrual for off-balance sheet credit risk for unfunded commitments.

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# **ASSET QUALITY PERFORMANCE**



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



- Net charge-offs were \$0.6 million for Q2 2023, compared to \$1.6 million in Q1 2023 and \$1.1 million in Q2 2022
- Net charge-offs were 0.07% annualized on a trailing 12-month basis
- ACL + RUC / Total Loans of 1.30% was consistent with linked quarter and lower than the same period a year ago, primarily due to lower specific reserves on non-performing loans
- Allowance for credit losses to nonperforming loans at the end of Q2 2023 was 508%

#### Allowance for Credit Losses + RUC(2) / Total Loans



Note: Dollar amounts are in millions
[1] Ratio is annualized for interim periods.
[2] RUC includes the accrual for off-balance sheet credit risk for unfunded commitments.

# **DEPOSIT TRENDS**



#### Total Deposits and % DDA



- Total deposits increased 4.5% due to an increase in wholesale funding sources at quarter-end
- Approximately one-third of the time deposit increase was from new client money & shifts from other deposit categories with the balance representing an increase in wholesale funding
- Non-interest-bearing deposits stabilized, decreasing 4% from QI 2023
- Cost of deposits increased 76bps this quarter, due to market rate increases and deposit mix changes
- Non-interest-bearing deposits were 15% of total deposits this quarter
- Top 25 deposit relationships represent 20% of total deposits

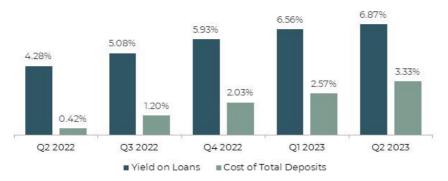
Note: Dollars are in millions and amounts shown are as of the end of the period

Deposits

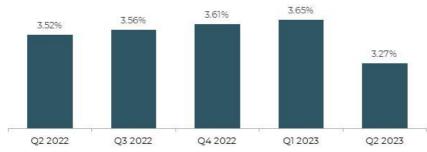
# **NET INTEREST MARGIN**



#### **Yield on Loans & Cost of Deposits**



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



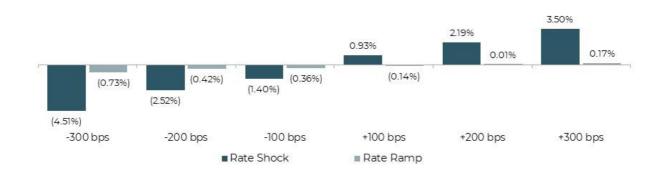
- Fully tax-equivalent NIM decreased 38bps from Q1 2023
- Loan yields increased 31bps in the quarter due to repricing of existing loans and organic growth
- Cost of deposits increased 76bps from Q1 2023 due to deposit pricing pressure and the decrease in noninterest-bearing deposits experienced late in Q1 2023 that impacted Q2 2023 average balances
- Loan to deposit ratio decreased to 95% from 97% in Q1 2023

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

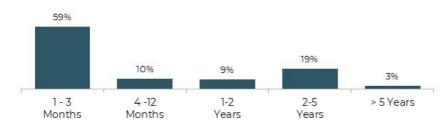
# **NET INTEREST INCOME SENSITIVITY**



#### Net Interest Income Impact From Rate Changes



#### Loans: Rate Reset and Cash Flow Profile



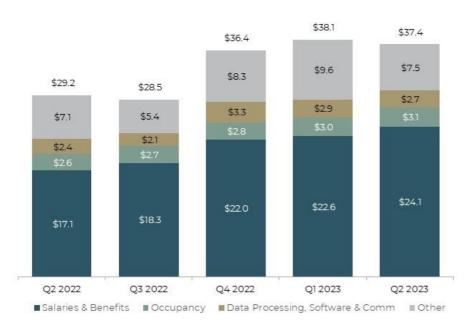
Roughly 69% of Company's earning assets reprice or mature over the next 12 months, with 47% in month one

Note: Data as of June 30, 2023

Rate Shock analysis: measures instantaneous parallel shifts in market rates
Rate Ramp analysis: rate changes occur gradually over 12 months time
Balance sheet size and mix held constant from month end position and includes average YTD loan fees (excluding PPP fees)

## **EXPENSE MANAGEMENT**





- Q2 2023 expenses included \$0.3 million of acquisition-related expenses, mostly professional fees, and \$1.3 million of employee separation costs, compared to \$1.5 million of acquisition-related expenses in Q1 2023
- Reduced discretionary spending contributed to the decreases in other expenses compared to Q1 2023
- Salaries & benefits were higher year over year due the addition of employees as part of the Colorado and New Mexico acquisition and merit increases
- Identified meaningful non-interest expense savings for the remainder of 2023, advancing our efficiency improvement goal

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

# AMPLE LIQUIDITY AND FLEXIBILITY



Cash and Cash Equivalents Available-for-Sale Securities\* Available Brokered Deposits & Wholesale Funding

Available Credit Lines, FHLB, and FRB

\$342M

+ \$744M

\$372M

+

\$1.121B

**On-Balance Sheet Liquidity** 

Off-Balance Sheet Liquidity

\$1.086B

+

\$1.493B

# **Total Liquidity**

\$2.579B

36% of Total Assets

\*Available-for-Sale Securities \$744M =

Market Value Net Gain \$169M

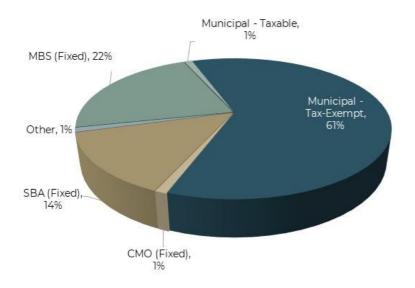
Pledgeable \$282M F

Remaining \$293M

Note: Data as of June 30, 2023

# **SECURITIES PORTFOLIO**





Fair Value at June 30, 2023 \$744 million

- At the end of Q2 2023, the portfolio's duration was approximately 5.3 years
- The fully tax equivalent yield for Q2 2023 increased 13bps to 3.44%
- The securities portfolio had net unrealized losses of approximately \$78 million as of June 30, 2023
- During Q2 2023, \$27 million of securities were purchased at an average taxequivalent yield of 4.72%, and we had \$5 million in MBS paydowns

# **2023 GUIDANCE**



Business Driver	Q1 2023	Q2 2023
Loans	8-10% core loan growth	Unchanged
Net Interest Margin (NIM)	3.40% to 3.55%	3.20% to 3.35%
Non-interest Expense <sup>(1)</sup>	\$35-\$36 million per quarter	\$34-\$35 million per quarter
Combined ACL / Loans	1.30% to 1.45%	Unchanged
Effective Tax Rate	20-22%	Unchanged

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

# **NON-GAAP RECONCILIATIONS**



						uarter Ended						Six Mon			
	28.14	5/30/2023	378	3/31/2023	188 <u>1</u>	12/31/2023		9/30/2022		6/30/2022		6/30/2023	630	6/30/2023	
van op a room						(Dollars)	nthou	sands, except	pers	haredata)					
Adjusted net income:	_														
Netincome	S	16,047	5	16,108	S	11946	\$	17,280	S	15,545	5	32,155	\$	32,373	
Add: Acquisition costs		338		1,477		3,570		81		239		1,815		239	
Add: Acquisition - Day 1 CECL provision				-		4,400		-							
Add: Employee separation		1,300								1,063		1,300		1,063	
Less: Tax effect <sup>(1)</sup>	12	[344]	9000	[310]	150-05	(2,045)	1	[17]	100	(273)	9.5	(654)	-	(273)	
Adjusted net income	\$	17,341	5	17,275	\$	17,871	\$	17,344	\$	16,574	5	34,616	5	33,402	
Preferred stock dividends	\$	103	\$	-	\$		\$	-	\$		\$	103	\$	_	
Diluted weighted average common shares outstanding		48,943,325		49,043,621		49,165,578		49,725,207		50,203,725		48,994,807		50,561,868	
Diluted earnings per common share	\$	0.33	\$	0.33	\$	0.24	\$	0.35	\$	0.31	\$	0.65	\$	0.64	
Adjusted diluted eamings per common share	\$	0.35	5	0.35	\$	0.36	\$	0.35	\$	0.33	5	0.70	\$	0.66	
					0	uarter Ended						Six Mon	the E	hahn	
	337	6/30/2023		3/31/2023	Ų	12/31/2023	-	9/30/2022		6/30/2022	37	6/30/2023	uis L	6/30/2023	
	30	0/30/2023	-	3/31/2023	-	IZ/SQE OES		lars in thousa	ndsl	Q/SO/ZOZZ	8	O/DO/LULD	79	d) S d) E d E S	
Adjusted return on average assets:															
Netincome	5	16,047	\$	16,108	5	11,946	\$	17,280	5	15,545	5	32,155	5	32,373	
Adjusted net income		17,341		17,275		17,871		17,344		16,574		34,616		33,402	
Average assets	\$	6,929,972	\$	6,712,801	\$	6159,783	\$	5,764,347	5	5,545,657	\$	6,821,987	S	5,554,648	
Return on average assets	- 88	0.93 9	16	0.97 9	6	0.77 9	6	1.19	1.19 % 1.12 %			0.95 %		% 1.18 °	
Adjusted return on average assets	_	1.00 9	1.00 % 1.04 %			1.15 % 1.19			% 1.20 %			1.02	6	1,21	
	35				Q	uarter Ended					<u> </u>	Six Mon	ths E		
	60	6/30/2023	5.5	3/31/2023	200	12/31/2023		9/30/2022 llars in thousar	nd's!	6/30/2022	8	6/30/2023	0.00	6/30/2023	
Adjusted return on average equity:							1.7. 2.2								
Netincome	5	16.047	\$	16,108	5	11,946	5	17,280	5	15,545	\$	32,155	5	32,373	
Adjusted net income		17.341		17275		17,871		17.344		16.574		34,616		33.402	
Average equity	5	647,491	\$	620,210	5	589,587	\$	613,206	5	614,541	5	633,926	5	634,036	
Return on average equity	50	9.94 9	16	10.53 9	6	8.04 9	ch evaluation each		100000000000000000000000000000000000000		-	10.23	16	10.30	
Adjusted return on average equity	<del>100</del>		10.74 %		6							17.01		10.62	

# **NON-GAAP RECONCILIATIONS**



Tangible common stockholders' equity: Total stockholders' equity Less: goodwill and other intangible assets Less: preferred stock
Tangible common stockholders' equity

Tangible book value per common share:

Tangible common stockholders' equity

Common shares outstanding at end of period

Book value per common share Tangible book value per common share

Quarter Ended 3/31/2023 12/31/2023 9/30/2022 6/30/2022
[Dollars in thousands, except per share dista] 6/30/2023 651,483 \$ 27,457 645,491 \$ 28,259 580,547 \$ 71 608,016 29.081 616,276 \$ 48,653,487 13.39 \$ 607,925 49,535,949 12.27 579,518 \$ 48,448,215 12.56 48,600,618

Adjusted Efficiency Ratio - Fully Tax Equivalent (FTE)(1) Non-interest expense

Non-interest expense
Less: Acquisition costs
Less: Core deposit intangible amortization
Less: Employee separation
Adjusted Non-interest expense (numerator)
Net interest income
Tax equivalent interest income(f)

Non-interest income [loss]
Total tax-equivalent income [denominator]

Efficiency Ratio

Adjusted Efficiency Ratio - Fully Tax Equivalent (FTE)<sup>(1)</sup>

				Six Months Ended									
-	6/30/2023		3/31/2023		12/31/2023		9/30/2022		6/30/2022	×-	6/30/2023		6/30/2023
<u> </u>		3556		933%		(Doll	lars in thousan	ds)		33		98 -	
5	37,412 (338) (802) (1,300)	\$	38,092 (1,477) (822)	5	36,423 (3,570) (291)	S	28,451	5	29,203 (239) - (1,063)	\$	75,504 (1,815) (1,624) (1,300)	S	56,869 (239) - (1,063)
4	34,972 54,539 750 5,779	S	35.793 58.221 797 4.421	\$	32,562 54,015 818 4,389	69	28,370 49,695 820 3,780	5	27,901 46,709 808 4,201	S	70,765 112,760 1,547 10,200	5	55.567 89.824 1.583 9.143
\$	61,068	\$	63,439	5	59,192	\$	54,295	5	51,718	5	124,507	\$	100,550
	62.02 9	6	60.81 %	6	62.40 %		53.20 %		57.36 %	109	61.41 %		57.46 %
	57.27 9	6	56.42 %	6	55.01 %		52.25 %		53.95 %	90	56.84 %	1	55.26 %
-		-		-		151			114	26		122	