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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**FORM 8-K**

**CURRENT REPORT**

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

**October 17, 2022**

Date of Report (date of earliest event reported)

**CROSSFIRST BANKSHARES, INC.**

(Exact name of registrant as specified in its charter)

**Kansas**

(State or other jurisdiction of  
incorporation or organization)

**001-39028**

(Commission File Number)

**26-3212879**

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

**11440 Tomahawk Creek Parkway Leawood Kansas**

(Address of Principal Executive Offices)

**66211**

(Zip Code)

**(913) 754-9704**

Registrant's telephone number, including area code

N/A

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

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

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

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

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

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

Emerging growth company ☒

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

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

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

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

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

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits**

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

**SIGNATURE**

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

Date: October 17, 2022

CROSSFIRST BANKSHARES, INC.

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



October 17, 2022

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

### Third Quarter 2022 Key Financial Performance Metrics

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

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

### CEO Commentary:

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

### 2022 Third Quarter Highlights:

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

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

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

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

(3) Net interest income plus non-interest income

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

**Income from Operations**

**Net Interest Income**

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

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

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

**Non-Interest Income**

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

**Non-Interest Expense**

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

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

**Balance Sheet Performance & Analysis**

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

**Loan Results**

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

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

*Yield on average loans for the period ending*

5.08%      4.28%      4.00%      4.17%      4.00%

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

**Deposit & Other Borrowing Results**

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

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

*Cost of deposits for the period ending*      1.20%      0.42%      0.31%      0.33%      0.38%

*Cost of interest-bearing deposits for the period ending*      1.56%      0.56%      0.41%      0.43%      0.47%

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

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

# CROSSFIRST BANKSHARES, INC.

## Asset Quality Position

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

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

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

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

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

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

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

## Capital Position

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

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

# **CROSSFIRST BANKSHARES, INC.**

## **Conference Call and Webcast**

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

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

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

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

## **About CrossFirst Bankshares, Inc.**

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

## **INVESTOR CONTACT**

Heather Worley

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(214)676-4666

<https://investors.crossfirstbankshares.com>

**Unaudited Financial Tables**

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

TABLE 1. CONSOLIDATED BALANCE SHEETS

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

(1) The year-end Condensed Consolidated Balance Sheet was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America.

(2) As of December 31, 2021, this line represents the allowance for loan and lease losses.

TABLE 2. CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

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

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

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

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

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

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

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

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

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

Nine Months Ended			
September 30, 2022 over 2021			
	Average Volume	Yield/Rate	Net Change <sup>(2)</sup>
<i>(Dollars in thousands)</i>			
<b>Interest Income</b>			
Securities - taxable	\$ 157	\$ 660	\$ 817
Securities - tax-exempt <sup>(1)</sup>	987	(2,141)	(1,154)
Federal funds sold	-	-	-
Interest-bearing deposits in other banks	(176)	1,531	1,355
Gross loans, net of unearned income	2,614	16,384	18,998
Total interest income <sup>(1)</sup>	3,582	16,434	20,016
<b>Interest Expense</b>			
Transaction deposits	(207)	1,405	1,198
Savings and money market deposits	69	8,814	8,883
Time deposits	(2,137)	419	(1,718)
Total interest-bearing deposits	(2,275)	10,638	8,363
FHLB and short-term borrowings	(602)	146	(456)
Trust preferred securities, net of fair value adjustments	4	18	22
Total interest expense	(2,873)	10,802	7,929
Net interest income <sup>(1)</sup>	\$ 6,455	\$ 5,632	\$ 12,087

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

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

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

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

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

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

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

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

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

Three Months Ended

September 30, 2022 over 2021

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

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

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

## TABLE 5. NON-GAAP FINANCIAL MEASURES

**Non-GAAP Financial Measures**

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

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

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

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

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

**CROSSFIRST BANKSHARES, INC.**

Management believes that the non-GAAP core operating efficiency ratio is important to many investors because the ratio removes events that are not part of core business activities and is a useful analytical tool.

**CROSSFIRST BANKSHARES, INC.**

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

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

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

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

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

**CROSSFIRST BANKSHARES, INC.**

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

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

**CROSSFIRST BANKSHARES, INC.**

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

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