

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 20, 2020
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) 312-6822
Registrant's telephone number, including area code

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

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

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act 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 20, 2020, CrossFirst Bankshares, Inc. (the "Company") issued a press release regarding its financial results for its third fiscal quarter ended September 30, 2020. A copy of the press release is attached hereto as Exhibit 99.1 and its investor presentation is furnished as Exhibit 99.2.

The information in Item 2.02 of this Current Report 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 8.01. Other Events.

On October 20, 2020, the Company announced that its Board of Directors has adopted a new stock repurchase program. Under the repurchase program, the Company may repurchase Company common stock with up to \$20 million in value.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 [Press Release Issued October 20, 2020](#)
99.2 [Investor Presentation](#)

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 20, 2020

CROSSFIRST BANKSHARES, INC.

By: /s/ David L. O'Toole
David L. O'Toole
Chief Financial Officer



FOR IMMEDIATE RELEASE
October 20, 2020

CROSSFIRST BANKSHARES, INC. CONTACT:
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CrossFirst Bankshares, Inc. Reports Third Quarter 2020 Results and Announces Share Repurchase Program

LEAWOOD, Kan., October 20, 2020 (GLOBE NEWSWIRE) -- CrossFirst Bankshares, Inc. (Nasdaq: CFB), the bank holding company for CrossFirst Bank, today reported its results for the third quarter of 2020, including net income of \$8.0 million, or \$0.15 per diluted share, and year-to-date 2020 net income of \$4.5 million, or \$0.09 per diluted share. In addition, the Company announced today that its Board of Directors also approved a \$20 million program to repurchase CrossFirst's common stock.

"As we continue to serve our clients and communities in extraordinary ways, we are maintaining our focus on credit quality and being well capitalized, due to the on-going economic volatility caused by the pandemic and upcoming elections. Our overall operating performance remained strong, while we continued to prudently provision an additional \$10.9 million, commensurate with the risk in our portfolio and to strengthen the balance sheet," said CrossFirst's CEO and President Mike Maddox. "We are continuing to create operational efficiencies in our organization to offset margin compression and increased provisioning so we can emerge from the downturn a much stronger Company. We believe that the Company is well positioned to benefit from an economic recovery, continue increasing earnings power, and deliver long term value to our shareholders."

Third Quarter 2020 Highlights:

- \$5.5 billion of assets with 11% operating revenue growth compared to the third quarter of 2019
- Pre-tax, pre-provision profit, a non-GAAP financial measure, for the third quarter of \$20.4 million and year-to-date pre-tax, pre-provision profit of \$51.3 million
- Efficiency ratio of 53% for the third quarter of 2020 and a non-GAAP core efficiency ratio of 52% after adjusting for nonrecurring or non-core items
- \$64 million of loan growth from the previous quarter and \$854 million or 23% over the last twelve months
- \$188 million of deposit growth from the previous quarter and \$834 million or 23% over the last twelve months
- Book value per share of \$11.84 at September 30, 2020 compared to \$11.59 at September 30, 2019

	Quarter-to-Date		Year-to-Date	
	September 30,		September 30,	
	2019	2020	2019	2020
	<i>(Dollars in millions except per share data)</i>			
Operating revenue ⁽¹⁾	\$ 39.0	\$ 43.4	\$ 110.8	\$ 127.5
Net income	\$ 10.4	\$ 8.0	\$ 29.2	\$ 4.5
Diluted earnings per share	\$ 0.21	\$ 0.15	\$ 0.61	\$ 0.09
Return on average assets	0.89 %	0.58 %	0.89 %	0.11 %
Non-GAAP core operating return on average assets ⁽²⁾	0.89 %	0.58 %	0.86 %	0.30 %
Return on average common equity	7.58 %	5.19 %	7.76 %	0.98 %
Non-GAAP return on average tangible common equity ⁽²⁾	7.68 %	5.19 %	7.89 %	0.99 %
Net interest margin	3.19 %	2.93 %	3.29 %	3.08 %
Net interest margin, fully tax-equivalent ⁽³⁾	3.24 %	2.98 %	3.35 %	3.13 %
Efficiency ratio	54.29 %	53.03 %	59.36 %	59.44 %
Non-GAAP core operating efficiency ratio, fully tax-equivalent ⁽²⁾⁽³⁾	53.43 %	52.23 %	58.16 %	53.14 %

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

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

⁽³⁾ Tax exempt income is calculated on a tax-equivalent basis. Tax-free municipal securities are exempt from federal income taxes. The incremental federal income tax rate used is 21.0%.

Share Repurchase Program

The Company's Board of Directors has approved up to \$20 million in share repurchases. Repurchases under the Company's new program will be made in open market or privately negotiated transactions in compliance with Securities and Exchange Commission Rule 10b-18, subject to market conditions, applicable legal requirements, and other relevant factors. This share repurchase plan does not obligate the Company to acquire any particular amount of common stock, and it may be suspended at any time at the Company's discretion. CrossFirst had 52,195,778 shares of common stock outstanding as of September 30, 2020.

COVID-19 Update

The COVID-19 pandemic and measures taken in response have created economic uncertainty and negatively impacted most of our customers in some capacity. During the third quarter of 2020, we continued to operate in accordance with our comprehensive pandemic plan, which includes social distancing measures for customers and employee interactions. In addition, the Company has continued to support key regulatory relief programs for customers, increased provisions for loan losses, increased monitoring of key loan portfolio segments, modified loans, experienced slower discretionary spending, optimized staffing levels, and elevated its risk management activities. Our branch-lite strategy, technology, and relationship banking model, have allowed us to effectively operate through the pandemic, work remotely, and provide us with the ability to effectively serve our customers when they need it most. The Company continues to assess and monitor the COVID-19 pandemic and federal and local requirements in evaluating the full re-opening of its offices and remains flexible regarding process and timeline.

Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Programs

CrossFirst is committed to helping our local businesses and the communities that we serve during these extremely challenging times and will continue to help customers access regulatory relief and other programs. As of September 30, 2020, the Company still retains \$369 million in loans produced through the Paycheck Protection Program ("PPP") and has been working through the forgiveness process for those loans with the Small Business Administration ("SBA"). In addition to the PPP, we have been granting loan modifications and 90/180 day payment deferrals for many customers who have requested additional relief. As of September 30, 2020, the Company continues to have \$318 million in loans on modified payments related to COVID-19 on its balance sheet, which, excluding the PPP loans, represents almost 8% of our total loan balances. We are evaluating each modification on a case-by-case basis and assessing the borrowers' willingness and capacity to support the loan until maturity. The Company will continue to implement additional governmental assistance programs as more details become available around the processes and procedures for such programs and grant loan modifications when appropriate.

Income from Operations

Net Interest Income

The Company produced interest income of \$48.5 million for the third quarter of 2020, a decrease of 13% from the third quarter of 2019 and a decrease of 5% from the previous quarter. Interest income was down from the third quarter of 2019 primarily due to declining interest rates. Average earning assets totaled \$5.3 billion for the third quarter of 2020, an increase of \$1 billion or 20% from the same quarter in 2019. The tax-equivalent yield on earning assets declined from 5.00% to 3.66% during the third quarter of 2020, compared to the third quarter of 2019, primarily due to the movement of variable rate assets indexed to declining market rates and the movement of loans to nonaccrual. Year-to-date, the Company produced interest income of \$153.9 million as the Company's asset growth was able to mitigate some of the impact of yield declines on earning assets.

Interest expense for the third quarter of 2020 was \$9.1 million, or 54% lower than the third quarter of 2019 and 10% lower than the previous quarter. While average interest-bearing deposits increased to \$3.6 billion in the third quarter of 2020, an increase of 15% from the same quarter in 2019, overall interest expense on interest-bearing deposits declined as a result of declining interest rates. Non-deposit funding costs increased to 1.50% from 1.35% in the second quarter of 2020 while overall cost of funds for the quarter was 0.75%, compared to 0.85% for the second quarter of 2020. Year-to-date, the Company had interest expense of \$35.2 million, a decrease of 38% from the same period in the prior year.

Tax-equivalent net interest margin decreased to 2.98% in the the current quarter, from 3.19% in the previous quarter and declined from 3.24% in the same quarter in 2019, reflecting the impact of the declining rate environment, changes in macro economic conditions, and lower loan yields from having an increased number of loans on non accrual. Year-to-date, the Company had a tax equivalent margin of 3.13% compared to 3.35% over the same period in the prior year. As of September 30, 2020, CrossFirst has realized \$3.2 million of the total \$9.9 million in fees anticipated from holding the \$369 million of PPP loans, which yielded 2.26% for the quarter, and the Company will continue to recognize these fees as the loans are forgiven. The tax-equivalent adjustment, which accounts for income taxes saved on the interest earned on nontaxable securities and loans, was \$0.7 million for the third quarter of 2020. Net interest income totaled \$39.3 million for the third quarter of 2020 or 4% lower than the second quarter of 2020, and 10% higher than the third quarter of 2019.

Non-Interest Income

Non-interest income increased \$0.9 million in the third quarter of 2020 or 26% compared to the same quarter of 2019 and increased \$1.4 million or 54% compared to the second quarter of 2020. While the Company continued to increase overall fee income commensurate with its customer growth, during the third quarter of 2020, it also recorded \$1 million of securities gains or \$0.7 million more than the previous quarter. The back-to-back swap fee income continued to remain low in the current interest rate environment; however, credit card fees continued to be a major contributor to other non-interest income growth for the quarter. Year-to-date non-interest income increased 35% compared to the same period in the prior year.

Non-Interest Expense

Non-interest expense for the third quarter of 2020 was \$23.0 million which increased 9% compared to the third quarter of 2019 and decreased 26% from the second quarter of 2020. The Company recorded a \$7.4 million expense related to a non-cash goodwill impairment charge in the previous quarter of 2020 primarily as a result of economic and industry conditions at June 30, 2020. In addition, during the third quarter of 2020, the Company optimized its staffing levels, which is anticipated to generate \$4.1 million of annualized savings going forward. The Company expects the full impact of the expense reductions to be realized in the fourth quarter. In addition, the Company continues to realize the benefits from reduced travel, entertainment, and other discretionary spending as a result of the COVID-19 pandemic. Year-to-date non-interest expense increased 16% compared to the same period in the prior year primarily from non-recurring items reported in previous quarters.

CrossFirst's effective tax rate for the third quarter of 2020 was 16% as compared to 20% for the third quarter of 2019. The 2020 quarter-to-date income tax was impacted by a \$3.5 million decrease in income before income taxes that reduced taxes at the statutory rate by \$1 million. For both of the comparable periods, the Company continued to benefit from the tax-exempt municipal bond portfolio and bank-owned life insurance.

Balance Sheet Performance & Analysis

During the third quarter of 2020, total assets increased by \$43 million or 1% compared to June 30, 2020 and \$854 million or 18% since September 30, 2019. During the third quarter of 2020, total available for sale investment securities decreased \$48 million to \$652 million compared to June 30, 2020, while the overall average for the third quarter was \$698 million. During the third quarter of 2020, tax-exempt municipal securities on average increased \$2 million and mortgage-backed securities decreased \$32 million compared to June 30, 2020. The securities yields declined 14 basis points to a tax equivalent yield of 2.93% for the third quarter of 2020 compared to the prior quarter as a result of lower reinvestment yields and prepayments on mortgage-backed securities increasing premium amortizations.

Loan Growth Results

The Company experienced average loan growth of 3% during the third quarter of 2020, but has increased average loans 26% year over year from September 30, 2019. Loan yields declined 38 basis points during the third quarter commensurate with the effects from adjustable rate loan movements in LIBOR and Prime during 2020, lower loan yields from the PPP, and the impact of increased loans on nonaccrual.

<i>(Dollars in millions)</i>	3Q19	4Q19	1Q20	2Q20	3Q20	% of Total	QoQ Growth (\$)	QoQ Growth (%) ⁽¹⁾	YoY Growth (\$)	YoY Growth (%) ⁽¹⁾
Average loans (gross)										
Commercial	\$ 1,284	\$ 1,315	\$ 1,339	\$ 1,381	\$ 1,308	29 %	\$ (73)	(5) %	\$ 24	2 %
Energy	389	400	412	404	393	9	(11)	(3)	4	1
Commercial real estate	974	1,007	1,034	1,115	1,169	26	54	5	195	20
Construction and land development	487	599	620	651	617	14	(34)	(5)	130	27
Residential real estate	362	384	455	517	583	13	66	13	221	61
Paycheck Protection Program	—	—	—	245	362	8	117	48	362	NA
Consumer	45	45	45	44	45	1	1	1	—	—
Total	<u>\$ 3,541</u>	<u>\$ 3,750</u>	<u>\$ 3,905</u>	<u>\$ 4,357</u>	<u>\$ 4,477</u>	<u>100 %</u>	<u>\$ 120</u>	<u>3 %</u>	<u>\$ 936</u>	<u>26 %</u>
<i>Yield on loans for the period ending</i>	5.53 %	5.21 %	4.98 %	4.28 %	3.90 %					

⁽¹⁾ 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 Growth & Other Borrowings

The Company continues to maintain a traditional deposit mix, with the goal of keeping pace with growth in the loan portfolio. Deposit growth continued to be funded primarily with money market accounts during the third quarter of 2020, which have historically adjusted with movements in Federal Funds rates. The Company has continued to have its transaction deposits increase as a result of more customers utilizing our insured cash sweep products. The Company's cost of interest bearing deposits declined 15 basis points, during the third quarter of 2020, reflective of changes made to deposit pricing in the prior quarter from declines in market rates.

<i>(Dollars in millions)</i>	3Q19	4Q19	1Q20	2Q20	3Q20	% of Total	QoQ Growth (\$)	QoQ Growth (%) ⁽¹⁾	YoY Growth (\$)	YoY Growth (%) ⁽¹⁾
Average deposits										
Non-interest bearing deposits	\$ 535	\$ 522	\$ 540	\$ 746	\$ 714	16 %	\$ (32)	(4)%	\$ 179	33 %
Transaction deposits	135	200	341	414	460	11 %	46	11 %	325	241 %
Savings and money market deposits	1,744	1,854	1,887	1,933	1,995	46 %	62	3 %	251	14 %
Time deposits	1,277	1,226	1,166	1,195	1,175	27 %	(20)	(2)%	(102)	(8)%
Total	<u>\$ 3,691</u>	<u>\$ 3,802</u>	<u>\$ 3,934</u>	<u>\$ 4,288</u>	<u>\$ 4,344</u>	<u>100 %</u>	<u>\$ 56</u>	<u>1 %</u>	<u>\$ 653</u>	<u>18 %</u>
<i>Cost of deposits for the period ending</i>	1.94 %	1.70 %	1.46 %	0.79 %	0.67 %					
<i>Cost of interest-bearing deposits for the period ending</i>	2.26 %	1.97 %	1.69 %	0.95 %	0.80 %					

⁽¹⁾ 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, 2020, other borrowings totaled \$350.6 million, as compared to \$501.4 million at June 30, 2020, and \$358.5 million as of September 30, 2019.

Asset Quality Position

Overall credit quality metrics were elevated as the Company added \$10.9 million to the allowance for loan loss, during the third quarter of 2020, commensurate with adverse movement of risk classifications and to strengthen the balance sheet as there remains continued economic uncertainty resulting from the COVID-19 pandemic and volatility in energy prices. While the Company currently believes the reserve is reflective of the risk in the portfolio, there may be cases where the borrowers or specific impairments related to COVID-19 may have not yet been identified. The majority of loans that migrated to classified status during the quarter were related to the energy portfolio and one commercial and industrial credit.

Net charge-offs were \$6.0 million for the third quarter of 2020 as compared to net charge-offs of \$1.3 million for the second quarter in 2020. Nonperforming assets to total assets quarter over quarter increased to 1.49% primarily as a result of several energy loans that moved to non-accrual. The elevated charge-offs and increase in nonperforming assets in the third quarter were primarily from a large commercial and industrial credit that moved to nonperforming as it was being restructured, but was completed subsequent to the quarter end. The following table provides information regarding asset quality.

Asset quality (Dollars in millions)	3Q19	4Q19	1Q20	2Q20	3Q20
Non-accrual loans	\$ 43.6	\$ 39.7	\$ 26.3	\$ 37.5	\$ 75.6
Other real estate owned	2.5	3.6	3.6	2.5	2.3
Non-performing assets	46.7	47.9	29.9	40.3	82.2
Loans 90+ days past due and still accruing	0.6	4.6	—	0.2	4.3
Loans 30 - 89 days past due	64.7	6.8	19.5	34.9	45.4
Net charge-offs (recoveries)	4.7	5.5	19.4	1.3	6.0
Asset quality metrics (%)	3Q19	4Q19	1Q20	2Q20	3Q20
Non-performing assets to total assets	1.00 %	0.97 %	0.59 %	0.74 %	1.49 %
Allowance for loan loss to total loans	1.18	1.48	1.29	1.61	1.70
Allowance for loan loss to non-performing loans	97	129	196	189	95
Net charge-offs (recoveries) to average loans ⁽¹⁾	0.53	0.58	2.00	0.12	0.54
Provision to average loans ⁽¹⁾	0.54	2.05	1.44	1.94	0.97
Classified Loans / (Total Capital + ALLL)	13.2	13.2	15.8	34.9	43.2

⁽¹⁾ Interim periods annualized.

Depending upon the future impact of the COVID-19 pandemic, we may need to make additional increases to our provision in future periods. The future impact of the pandemic is highly uncertain and cannot be fully predicted. The extent of the impact on our customers and, in turn, on our business and operations, will depend on future developments, including actions taken to contain the pandemic. To the extent the pandemic continues to cause a recession or decreased economic activity for an extended time period, we expect our business and operations will be negatively impacted. Customers may continue to seek additional loan modifications or restructuring, or we may experience additional adverse movement in risk classifications, any of which could potentially result in the need to adjust the total allowances for loan losses.

Capital Position

At September 30, 2020, stockholders' equity totaled \$618 million, or \$11.84 per share, compared to \$602 million, or \$11.58 per share, at December 31, 2019. Tangible common equity was \$618 million and tangible book value per share was \$11.83 at September 30, 2020, compared to tangible common equity of \$594 million and tangible book value per common share of \$11.43 at December 31, 2019.

The ratio of common equity Tier 1 capital to risk-weighted assets was approximately 12% and the total capital to risk-weighted assets was approximately 13% at September 30, 2020. The Company remains well capitalized.

Conference Call and Webcast

CrossFirst will hold a conference call and webcast to discuss third quarter 2020 results on Tuesday, October 20, 2020, at 4 p.m. CDT / 5 p.m. EDT. The conference call and webcast may also include discussion of Company developments, forward-looking statements and other material information about business and financial matters. Investors, news media, and other participants should register for the call or audio webcast at <https://investors.CrossFirstBankshares.com>. Participants may dial into the call toll-free at (877) 621-5851 from anywhere in the U.S. or (470) 495-9492 internationally, using conference ID no. 4184367. Participants are encouraged to dial into the call or access the webcast approximately 10 minutes prior to the start time.

A replay of the webcast will be available on the Company's website. A replay of the conference call will be available two hours following the close of the call until October 27, 2020, accessible at (855) 859-2056 with conference ID no. 4184367.

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. These forward-looking statements reflect the Company's current views with respect to, among other things, future events and its 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 "anticipate," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimate," "plans," "projects," "continuing," "ongoing," "expects," "intends" and similar words or phrases. Any or all of the forward-looking statements in this earnings release may turn out to be inaccurate. 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 our 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, those listed from time to time in reports that the Company files with the Securities and Exchange Commission as well as the uncertain impact of the COVID-19 pandemic. These forward-looking statements are made as of the date of this communication, and the Company does not intend, and assumes no obligation, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by law.

About CrossFirst

CrossFirst Bankshares, Inc., 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 eight full-service banking offices primarily along the I-35 corridor in Kansas, Missouri, Oklahoma and Texas.

Unaudited Financial Tables

- [Table 1. Consolidated Balance Sheets](#)
- [Table 2. Consolidated Statements of Income](#)
- [Table 3. 2019-2020 Year-to-Date Analysis of Changes in Net Interest Income](#)
- [Table 4. 2019 - 2020 Quarterly Analysis of Changes in Net Interest Income](#)
- [Table 5. Non-GAAP Financial Measures](#)

TABLE 1. CONSOLIDATED BALANCE SHEETS

	December 31, 2019	September 30, 2020 (unaudited)
	<i>(Dollars in thousands)</i>	
Assets		
Cash and cash equivalents	\$ 187,320	\$ 223,636
Available-for-sale securities - taxable	298,208	214,735
Available-for-sale securities - tax-exempt	443,426	437,411
Loans, net of allowance for loan losses of \$56,896 and \$76,035 at December 31, 2019 and September 30, 2020, respectively	3,795,348	4,401,774
Premises and equipment, net	70,210	70,599
Restricted equity securities	17,278	20,923
Interest receivable	15,716	19,003
Foreclosed assets held for sale	3,619	2,349
Deferred tax asset	13,782	15,864
Goodwill and other intangible assets, net	7,694	227
Bank-owned life insurance	65,689	67,063
Other	12,943	32,112
Total assets	<u>\$ 4,931,233</u>	<u>\$ 5,505,696</u>
Liabilities and stockholders' equity		
Deposits		
Noninterest bearing	\$ 521,826	\$ 754,172
Savings, NOW and money market	2,162,187	2,597,691
Time	1,239,746	1,140,686
Total deposits	<u>3,923,759</u>	<u>4,492,549</u>
Federal funds purchased and repurchase agreements	14,921	13,531
Federal Home Loan Bank advances	358,743	336,100
Other borrowings	921	952
Interest payable and other liabilities	31,245	44,681
Total liabilities	<u>4,329,589</u>	<u>4,887,813</u>
Stockholders' equity		
Common stock, \$0.01 par value:		
authorized - 200,000,000 shares, issued - 51,969,203 and 52,195,778 shares at December 31, 2019 and September 30, 2020, respectively	520	521
Additional paid-in capital	519,870	522,226
Retained earnings	64,803	69,355
Accumulated other comprehensive income	16,451	25,781
Total stockholders' equity	<u>601,644</u>	<u>617,883</u>
Total liabilities and stockholders' equity	<u>\$ 4,931,233</u>	<u>\$ 5,505,696</u>

TABLE 2. CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2019	2020	2019	2020
<i>(Dollars in thousands except per share data)</i>				
Interest Income				
Loans, including fees	\$ 49,327	\$ 43,929	\$ 142,319	\$ 138,591
Available for sale securities				
Available for sale securities - Taxable	1,991	1,042	6,646	4,174
Available for sale securities - Tax-exempt	2,969	3,186	8,820	9,758
Deposits with financial institutions	970	47	2,452	583
Dividends on bank stocks	272	248	801	808
Total interest income	55,529	48,452	161,038	153,914
Interest Expense				
Deposits	18,003	7,298	51,421	29,975
Fed funds purchased and repurchase agreements	74	54	501	162
Advances from Federal Home Loan Bank	1,629	1,749	4,739	4,980
Other borrowings	37	24	112	85
Total interest expense	19,743	9,125	56,773	35,202
Net Interest Income	35,786	39,327	104,265	118,712
Provision for Loan Losses	4,850	10,875	10,550	45,825
Net Interest Income after Provision for Loan Losses	30,936	28,452	93,715	72,887
Non-Interest Income				
Service charges and fees on customer accounts	72	792	441	1,947
Gain on sale of available for sale securities	34	1,012	467	1,725
Impairment of premises and equipment held for sale	—	—	(424)	—
Gain on sale of loans	49	—	207	—
Income from bank-owned life insurance	476	464	1,416	1,373
Swap fee income, net	1,879	121	2,415	80
ATM and credit card interchange income	476	1,482	1,312	2,863
Other non-interest income	226	192	695	804
Total non-interest income	3,212	4,063	6,529	8,792
Non-Interest Expense				
Salaries and employee benefits	14,256	14,628	43,296	43,022
Occupancy	2,080	2,144	6,301	6,274
Professional fees	427	1,132	1,923	3,098
Deposit insurance premiums	302	1,096	2,020	3,151
Data processing	649	652	1,868	2,065
Advertising	580	147	1,770	870
Software and communication	900	959	2,407	2,772
Foreclosed assets, net	8	20	33	1,174
Goodwill impairment	—	—	—	7,397
Other non-interest expense	1,970	2,233	6,145	6,421
Total non-interest expense	21,172	23,011	65,763	76,244
Net Income Before Taxes	12,976	9,504	34,481	5,435
Income tax expense	2,592	1,498	5,308	928
Net Income	10,384	8,006	29,173	4,507
Basic Earnings Per Share	\$ 0.22	\$ 0.15	\$ 0.63	\$ 0.09
Diluted Earnings Share	\$ 0.21	\$ 0.15	\$ 0.61	\$ 0.09

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

	Nine Months Ended September 30,					
	2019			2020		
	Average Balance	Interest Income / Expense	Average Yield / Rate ⁽³⁾	Average Balance	Interest Income / Expense	Average Yield / Rate ⁽³⁾
	<i>(Dollars in thousands)</i>					
Interest-earning assets:						
Securities - taxable	\$ 334,272	\$ 7,447	2.98 %	\$ 285,363	\$ 4,982	2.33 %
Securities - tax-exempt ⁽¹⁾	378,651	10,672	3.77	443,506	11,807	3.56
Federal funds sold	18,714	345	2.46	1,364	18	1.73
Interest-bearing deposits in other banks	135,030	2,107	2.09	170,316	566	0.44
Gross loans, net of unearned income ⁽²⁾	3,373,118	142,319	5.64	4,248,520	138,591	4.36
Total interest-earning assets ⁽¹⁾	4,239,785	\$ 162,890	5.14 %	5,149,069	\$ 155,964	4.05 %
Allowance for loan losses	(41,329)			(64,896)		
Other non-interest-earning assets	196,900			218,797		
Total assets	<u>\$ 4,395,356</u>			<u>\$ 5,302,970</u>		
Interest-bearing liabilities						
Transaction deposits	\$ 127,785	\$ 1,139	1.19 %	\$ 404,967	\$ 1,391	0.46 %
Savings and money market deposits	1,616,558	27,326	2.26	1,938,669	11,689	0.81
Time deposits	1,249,219	22,956	2.46	1,178,632	16,895	1.91
Total interest-bearing deposits	2,993,562	51,421	2.30	3,522,268	29,975	1.14
FHLB and short-term borrowings	366,708	5,240	1.91	456,048	5,145	1.51
Trust preferred securities, net of fair value adjustments	895	112	16.74	933	82	11.81
Non-interest-bearing deposits	508,888	—	—	668,208	—	—
Cost of funds	3,870,053	\$ 56,773	1.96 %	4,647,457	\$ 35,202	1.01 %
Other liabilities	22,762			42,731		
Stockholders' equity	502,541			612,782		
Total liabilities and stockholders' equity	<u>\$ 4,395,356</u>			<u>\$ 5,302,970</u>		
Net interest income ⁽¹⁾		<u>\$ 106,117</u>			<u>\$ 120,762</u>	
Net interest spread ⁽¹⁾			3.18 %			3.04 %
Net interest margin ⁽¹⁾			3.35 %			3.13 %

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

⁽²⁾ Average loan balances include nonaccrual loans.

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

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

	Nine Months Ended		
	September 30, 2020 over 2019		
	Average Volume	Yield/Rate	Net Change ⁽²⁾
	<i>(Dollars in thousands)</i>		
Interest Income			
Securities - taxable	\$ (993)	\$ (1,472)	\$ (2,465)
Securities - tax-exempt ⁽¹⁾	1,759	(624)	1,135
Federal funds sold	(247)	(80)	(327)
Interest-bearing deposits in other banks	443	(1,984)	(1,541)
Gross loans, net of unearned income	32,557	(36,285)	(3,728)
Total interest income ⁽¹⁾	33,519	(40,445)	(6,926)
Interest Expense			
Transaction deposits	1,287	(1,035)	252
Savings and money market deposits	4,632	(20,269)	(15,637)
Time deposits	(1,236)	(4,825)	(6,061)
Total interest-bearing deposits	4,683	(26,129)	(21,446)
FHLB and short-term borrowings	1,135	(1,230)	(95)
Trust preferred securities, net of fair value adjustments	4	(34)	(30)
Total interest expense	5,822	(27,393)	(21,571)
Net interest income ⁽¹⁾	\$ 27,697	\$ (13,052)	\$ 14,645

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

⁽²⁾ 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. 2019 - 2020 QUARTERLY ANALYSIS OF CHANGES IN NET INTEREST INCOME (UNAUDITED)

	Three Months Ended					
	September 30,					
	2019			2020		
Average Balance	Interest Income / Expense	Average Yield / Rate ⁽³⁾	Average Balance	Interest Income / Expense	Average Yield / Rate ⁽³⁾	
<i>(Dollars in thousands)</i>						
Interest-earning assets:						
Securities - taxable	\$ 335,045	\$ 2,263	2.68 %	\$ 257,637	\$ 1,290	1.99 %
Securities - tax-exempt ⁽¹⁾	392,644	3,592	3.63	440,669	3,855	3.48
Federal funds sold	16,315	89	2.16	—	—	—
Interest-bearing deposits in other banks	171,913	881	2.03	166,423	47	0.11
Gross loans, net of unearned income ^{(2) (3)}	3,540,707	49,327	5.53	4,477,211	43,929	3.90
Total interest-earning assets ⁽¹⁾	4,456,624	\$ 56,152	5.00 %	5,341,940	\$ 49,121	3.66 %
Allowance for loan losses	(43,327)			(75,970)		
Other non-interest-earning assets	197,661			220,282		
Total assets	<u>\$ 4,610,958</u>			<u>\$ 5,486,252</u>		
Interest-bearing liabilities						
Transaction deposits	\$ 134,987	\$ 386	1.13 %	\$ 460,420	\$ 260	0.22 %
Savings and money market deposits	1,743,575	9,553	2.17	1,995,307	2,301	0.46
Time deposits	1,276,571	8,064	2.51	1,174,555	4,737	1.60
Total interest-bearing deposits	3,155,133	18,003	2.26	3,630,282	7,298	0.80
FHLB and short-term borrowings	345,794	1,703	1.95	479,475	1,803	1.50
Trust preferred securities, net of fair value adjustments	904	37	16.06	944	24	10.19
Non-interest-bearing deposits	535,467	—	—	714,337	—	—
Cost of funds	4,037,298	\$ 19,743	1.94 %	4,825,038	\$ 9,125	0.75 %
Other liabilities	29,833			47,304		
Total stockholders' equity	543,827			613,910		
Total liabilities and stockholders' equity	<u>\$ 4,610,958</u>			<u>\$ 5,486,252</u>		
Net interest income ⁽¹⁾		<u>\$ 36,409</u>			<u>\$ 39,996</u>	
Net interest spread ⁽¹⁾			<u>3.06 %</u>			<u>2.91 %</u>
Net interest margin ⁽¹⁾			<u>3.24 %</u>			<u>2.98 %</u>

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

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

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

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

	Three Months Ended		
	September 30, 2020 over 2019		
	Average Volume	Yield/Rate	Net Change ⁽²⁾
	<i>(Dollars in thousands)</i>		
Interest Income			
Securities - taxable	\$ (460)	\$ (513)	\$ (973)
Securities - tax-exempt ⁽¹⁾	418	(155)	263
Federal funds sold	(44)	(45)	(89)
Interest-bearing deposits in other banks	(28)	(806)	(834)
Gross loans, net of unearned income	11,169	(16,567)	(5,398)
Total interest income ⁽¹⁾	11,055	(18,086)	(7,031)
Interest Expense			
Transaction deposits	373	(499)	(126)
Savings and money market deposits	1,198	(8,450)	(7,252)
Time deposits	(601)	(2,726)	(3,327)
Total interest-bearing deposits	970	(11,675)	(10,705)
FHLB and short-term borrowings	553	(453)	100
Trust preferred securities, net of fair value adjustments	1	(14)	(13)
Total interest expense	1,524	(12,142)	(10,618)
Net interest income ⁽¹⁾	\$ 9,531	\$ (5,944)	\$ 3,587

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

⁽²⁾ 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 of these non-GAAP measures below. The measures used in this release include the following:

- We calculate "return on average tangible common equity" as net income (loss) available to common stockholders divided by average tangible common equity. Average tangible common equity is calculated as average common equity less average goodwill and intangibles and average preferred equity. The most directly comparable GAAP measure is return on average common equity.
- We calculate "non-GAAP core operating income (loss)" as net income (loss) adjusted to remove non-recurring or non-core income and expense items related to:
 - Impairment charges associated with two buildings that were held-for-sale. We acquired a new, larger corporate headquarters to accommodate our business needs, which eliminated the need for two smaller support buildings. The two smaller support buildings had been acquired recently and were extensively remodeled, which resulted in a difference between book and market value for those assets. We sold one of the buildings in 2018. The remaining building was sold during the second quarter of 2019.
 - State tax credits as a result of the purchase and improvement of our new corporate headquarters.
 - Goodwill impairment - We performed an interim review of goodwill as of June 30, 2020. The book value of goodwill exceeded its fair market value and resulted in a full \$7.4 million impairment.

The most directly comparable GAAP financial measure for non-GAAP core operating income (loss) is net income (loss).

- We calculate "Non-GAAP core operating return on average assets" as non-GAAP core operating income (loss) (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 (loss) divided by average assets.
- We calculate "non-GAAP core operating return on average common equity" as non-GAAP core operating income (as defined above) less preferred dividends divided by average common equity. The most directly comparable GAAP financial measure is return on average common equity, which is calculated as net income less preferred dividends divided by average common equity.
- 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.
- 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.
- We calculate "non-GAAP core operating efficiency ratio - fully tax equivalent (FTE)" as non-interest expense adjusted to remove non-recurring non-interest expenses as defined above under non-GAAP core operating income (loss) divided by net interest income on a fully tax-equivalent basis plus non-interest income adjusted to remove non-recurring non-interest income as defined above under non-GAAP core operating income. The most directly comparable financial measure is the efficiency ratio.
- We calculate "non-GAAP pre-tax pre-provision profit" as net income (loss) before taxes plus the provision for loan losses.

	Quarter Ended					Nine Months Ended	
	09/30/2019	12/31/2019	03/31/2020	06/30/2020	09/30/2020	09/30/2019	09/30/2020
	<i>(Dollars in thousands)</i>						
Non-GAAP Return on average tangible common equity:							
Net income (loss) available to common stockholders	\$ 10,384	\$ (700)	\$ 3,857	\$ (7,356)	\$ 8,006	\$ 28,998	\$ 4,507
Average common equity	543,827	605,960	612,959	611,466	613,910	499,354	612,782
Less: average goodwill and intangibles	7,733	7,708	7,683	7,576	238	7,759	5,138
Average tangible common equity	536,094	598,252	605,276	603,890	613,672	491,595	607,644
Return on average common equity	7.58 %	(0.46) %	2.53 %	(4.84) %	5.19 %	7.76 %	0.98 %
Non-GAAP Return on average tangible common equity	7.68 %	(0.46) %	2.56 %	(4.90) %	5.19 %	7.89 %	0.99 %

	Quarter Ended					Nine Months Ended	
	09/30/2019	12/31/2019	03/31/2020	06/30/2020	09/30/2020	09/30/2019	09/30/2020
	<i>(Dollars in thousands)</i>						
Non-GAAP core operating income (loss):							
Net income (loss)	\$ 10,384	\$ (700)	\$ 3,857	\$ (7,356)	\$ 8,006	\$ 29,173	\$ 4,507
Add: fixed asset impairments	—	—	—	—	—	424	—
Less: tax effect ⁽¹⁾	—	—	—	—	—	109	—
Fixed asset impairments, net of tax	—	—	—	—	—	315	—
Add: Goodwill impairment ⁽²⁾	—	—	—	7,397	—	—	7,397
Add: state tax credit ⁽²⁾	—	—	—	—	—	(1,361)	—
Non-GAAP core operating income (loss)	\$ 10,384	\$ (700)	\$ 3,857	\$ 41	\$ 8,006	\$ 28,127	\$ 11,904

⁽¹⁾ Represents the tax impact of the adjustments above at a tax rate of 25.73%

⁽²⁾ No tax effect

	Quarter Ended					Nine Months Ended	
	09/30/2019	12/31/2019	03/31/2020	06/30/2020	09/30/2020	09/30/2019	09/30/2020
	<i>(Dollars in thousands)</i>						
Non-GAAP core operating return on average assets:							
Net income (loss)	\$ 10,384	\$ (700)	\$ 3,857	\$ (7,356)	\$ 8,006	\$ 29,173	\$ 4,507
Non-GAAP core operating income (loss)	10,384	(700)	3,857	41	8,006	28,127	11,904
Average assets	4,610,958	4,809,579	4,975,531	5,441,513	5,486,252	4,395,356	5,302,970
Return on average assets	0.89 %	(0.06) %	0.31 %	(0.54) %	0.58 %	0.89 %	0.11 %
Non-GAAP core operating return on average assets	0.89 %	(0.06) %	0.31 %	— %	0.58 %	0.86 %	0.30 %

	Quarter Ended				Nine Months Ended		
	09/30/2019	12/31/2019	03/31/2020	06/30/2020	09/30/2020	09/30/2019	09/30/2020
	(Dollars in thousands)						
Non-GAAP core operating return on common equity:							
Net income (loss)	\$ 10,384	\$ (700)	\$ 3,857	\$ (7,356)	\$ 8,006	\$ 29,173	\$ 4,507
Non-GAAP core operating income (loss)	10,384	(700)	3,857	41	8,006	28,127	11,904
Less: Preferred stock dividends	—	—	—	—	—	175	—
Net income (loss) available to common stockholders	10,384	(700)	3,857	(7,356)	8,006	28,998	4,507
Non-GAAP core operating income (loss) available to common stockholders	10,384	(700)	3,857	41	8,006	27,952	11,904
Average common equity	\$ 543,827	\$ 605,960	\$ 612,959	\$ 611,466	\$ 613,910	\$ 499,354	\$ 612,782
Return on average common equity	7.58 %	(0.46) %	2.53 %	(4.84) %	5.19 %	7.76 %	0.98 %
Non-GAAP core operating return on common equity	7.58 %	(0.46) %	2.53 %	0.03 %	5.19 %	7.48 %	2.59 %

	Quarter Ended				
	09/30/2019	12/31/2019	03/31/2020	06/30/2020	09/30/2020
	(Dollars in thousands except per share data)				
Tangible common stockholders' equity:					
Total stockholders' equity	\$ 602,435	\$ 601,644	\$ 611,946	\$ 608,092	\$ 617,883
Less: goodwill and other intangible assets	7,720	7,694	7,669	247	227
Tangible common stockholders' equity	\$ 594,715	\$ 593,950	\$ 604,277	\$ 607,845	\$ 617,656
Tangible book value per share:					
Tangible common stockholders' equity	\$ 594,715	\$ 593,950	\$ 604,277	\$ 607,845	\$ 617,656
Shares outstanding at end of period	51,969,203	51,969,203	52,098,062	52,167,573	52,195,778
Book value per share	\$ 11.59	\$ 11.58	\$ 11.75	\$ 11.66	\$ 11.84
Tangible book value per share	\$ 11.44	\$ 11.43	\$ 11.60	\$ 11.65	\$ 11.83

	Quarter Ended				Nine Months Ended	
	09/30/2019	12/31/2019	03/31/2020	06/30/2020	09/30/2019	09/30/2020
	(Dollars in thousands)					
Non-GAAP Core Operating Efficiency Ratio - Fully Tax Equivalent (FTE)						
Non-interest expense	\$ 21,172	\$ 21,885	\$ 22,223	\$ 31,010	\$ 23,011	\$ 65,763
Less: goodwill impairment	—	—	—	7,397	—	—
Adjusted Non-interest expense (numerator)	\$ 21,172	\$ 21,885	\$ 22,223	\$ 23,613	\$ 23,011	\$ 65,763
Net interest income	35,786	37,179	38,228	41,157	39,327	104,265
Tax equivalent interest income ⁽¹⁾	624	670	695	685	669	1,852
Non-interest income	3,212	2,186	2,095	2,634	4,063	6,529
Add: fixed asset impairments	—	—	—	—	—	424
Total tax-equivalent income (denominator)	\$ 39,622	\$ 40,035	\$ 41,018	\$ 44,476	\$ 44,059	\$ 113,070
Efficiency Ratio	54.29 %	55.60 %	55.11 %	70.81 %	53.03 %	59.36 %
Non-GAAP Core Operating Efficiency Ratio - Fully Tax Equivalent (FTE)	53.43 %	54.66 %	54.18 %	53.09 %	52.23 %	58.16 %

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

	Quarter Ended					Nine Months Ended	
	09/30/2019	12/31/2019	03/31/2020	06/30/2020	09/30/2020	09/30/2019	09/30/2020
	(Dollars in thousands)						
Non-GAAP Pre-Tax Pre-Provision Profit							
Net income (loss) before taxes	\$ 12,976	\$ (1,870)	\$ 4,150	\$ (8,219)	\$ 9,504	\$ 34,481	\$ 5,435
Add: Provision for loan losses	4,850	19,350	13,950	21,000	10,875	10,550	45,825
Non-GAAP Pre-Tax Pre-Provision Profit	<u>\$ 17,826</u>	<u>\$ 17,480</u>	<u>\$ 18,100</u>	<u>\$ 12,781</u>	<u>\$ 20,379</u>	<u>\$ 45,031</u>	<u>\$ 51,260</u>



CROSSFIRST
BANKSHARES, INC.

NASDAQ: CFB | October 20th, 2020

Q3 2020
EARNINGS PRESENTATION

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 during this meeting contain forward-looking statements. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often not always, made through the use of words or phrases such as "may," "might," "should," "could," "predict," "potential," "believe," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "strive," "projection," "goal," "target," "outlook," "aim," "would," "annualized" and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but not limited to, the following: risks relating to the COVID-19 pandemic; risks relating to general business and economic conditions and any regulatory responses to such conditions; our ability to effectively execute our growth strategy and maintain our growth, including identifying and consummating suitable mergers and acquisitions; the geographic concentration of our markets; fluctuation of the fair value of our investment securities due to factors outside our control; our ability to successfully manage our credit risk and the sufficiency of our allowance for regulatory restrictions on our ability to grow due to our concentration in commercial real estate lending; our ability to attract, hire and retain qualified management personnel; interest rate fluctuations; our ability to raise or maintain sufficient capital; competition from banks, credit unions and other financial services providers; the effectiveness of our risk management framework in mitigating risks and losses; our ability to maintain effective internal control over financial reporting; our ability to keep pace with technological changes; system failures and interruptions, cyber-attacks and security breaches; employee error; fraudulent activity by employees or clients and inaccurate or incomplete information about our clients and counterparties; our ability to maintain our reputation; costs and effects of litigation, investigations or similar matters; risk exposure from transactions with financial counterparties; severe weather, acts of god, acts of war or terrorism; compliance with governmental and regulatory requirements; changes in the laws, rules, regulations, interpretations or policies relating to financial institutions, accounting, tax, trade, monetary and fiscal matters; compliance with requirements associated with being a public company; level of coverage of our business by securities analysts; and future equity issuances.

Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

NON-GAAP FINANCIAL INFORMATION. This presentation contains certain non-GAAP measures. These non-GAAP measures, as calculated by CrossFirst, are not necessarily comparable to similarly titled measures reported by other companies. Additionally, these non-GAAP measures are not measures of financial performance or liquidity under GAAP and should not be considered alternatives to the Company's other financial information determined under GAAP. See reconciliations of certain non-GAAP measures included at the end of this presentation.

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

EXPERIENCED MANAGEMENT TEAM



Mike Maddox – President, CEO and Director of CrossFirst

- Joined CrossFirst in 2008 after serving as Kansas City regional president for Intrust Bank
- Practicing lawyer for more than six years before joining Intrust Bank
- Graduate School of Banking at the University of Wisconsin – Madison
- Appointed to CEO June 1, 2020 after 12 years of service



David O'Toole – CFO, Chief Investment Officer and Director of CrossFirst

- More than 40 years of experience in banking, accounting, valuation and investment banking
- Founding shareholder and director of CrossFirst Bank and became CFO in 2008
- Co-founder and managing partner of a national bank consulting and accounting firm
- Served on numerous boards of directors of banks and private companies, including the Continental Airlines, Inc. travel agency advisory board



Randy Rapp – Chief Credit Officer of CrossFirst Bank

- More than 30 years of experience in banking, primarily as a credit analyst, commercial relationship manager and credit officer
- Joined CrossFirst in April 2019 after serving as Executive Vice President and Chief Credit Officer of Texas Capital Bank, National Association from May 2015 until March 2019
- Mr. Rapp joined Texas Capital Bank in 2000



Matt Needham – Managing Director of Strategy and Investor Relations of CrossFirst

- More than 15 years experience in banking, strategy, accounting and investment banking, five with CrossFirst
- Deep experience in capital markets including valuation, mergers, acquisitions and divestitures
- Provided assurance and advisory services with Ernst & Young
- Former Deputy Bank Commissioner in Kansas and has served on several bank boards
- MBA Wake Forest University, obtained CFA designation and CPA, Graduate School of Banking at the University of Colorado

Other Senior Exec

Aisha Reynolds
General Counsel of Cross
CrossFirst Bank
13+ years of experie
Joined CrossFirst in 21

Steve Peterson
Chief Banking Officer of Cr
21+ years of experie
Joined CrossFirst in 21

George Jones
Vice Chairman of Cross
40+ years of experie
Joined CrossFirst in 21

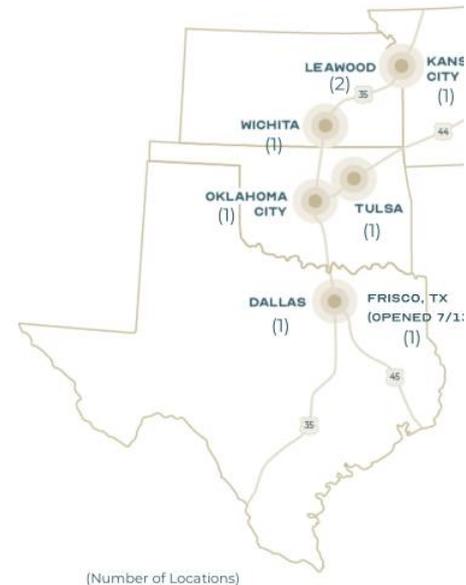
Tom Robinson
Chief Risk Officer of Cros
35+ years of banking exp
Joined CrossFirst in 21

Amy Fauss
Chief Operating Officer of Cros
28+ years of banking exp
Joined CrossFirst in 21

CROSSFIRST OVERVIEW



- **\$5.5 billion⁽¹⁾** asset banking operation founded in 2007
- **Branch-lite** structure operating 8 branches in key markets along the I-35 corridor
- **3rd largest** bank headquartered in the Kansas City MSA
- **High-growth** commercial banking franchise with 332 full time equivalent employees⁽¹⁾
- High quality people, strong culture & **relationship-oriented** business model
 - Serving businesses, business owners, professionals and their personal networks
- Core focus on **improving profitability & operating efficiency**



Financial Performance For Nine Months Ended 9/30/20⁽²⁾

Balance Sheet		Performance (Year-to-Date)		Asset Quality Metrics	
Assets:	\$5,506	ROAA:	0.11%	NPAs / Assets:	1.4
Gross Loans: ⁽³⁾	\$4,478	ROACE:	0.98%	NCOs / Avg. Loans: ⁽⁴⁾	0.3
Deposits:	\$4,493	Efficiency Ratio:	59.44%	Reserves / Loans:	1.1
CET 1 Capital:	11.95%	NIM(FTE): ⁽⁴⁾	3.13%	Reserves / NPLs:	1.1
Total Risk-Based Capital:	13.23%	Net Income:	\$4.5	Classified Loans / Capital + ALLL	43

(1) As of September 30, 2020.
 (2) Dollars are in millions.
 (3) Net of unearned income
 (4) YTD Interim Periods Annualized

Q3 2020 HIGHLIGHTS AND SUMMARY



Financial Performance

- ✓ Reported Q3 2020 net income of \$8.0 million with lower levels of provision compared to each quarter in the first half of 2020
- ✓ Pre-tax, pre-provision net income year-to-date of \$51.3 million, an increase of 14% from the same period in 2019
- ✓ Achieved an efficiency ratio of 53% for the third quarter of 2020 and a non-GAAP core efficiency ratio of 52% after adjusting for nonrecurring or non-core items
- ✓ Book value per share of \$11.84 at September 30, 2020, compared to \$11.59 at September 30, 2019

Balance Sheet

- ✓ \$5.5 billion of assets; 18% increase over the last twelve months
- ✓ Grew loans by \$64 million from the previous quarter and \$854 million or 23% over the last twelve months, including \$369 million in PPP loans
- ✓ Grew deposits by \$188 million from the previous quarter and \$834 million or 23% over the last twelve months
- ✓ Significant decrease in modified loans

Strategic Initiatives

- ✓ Optimized staffing levels
- ✓ Opened Frisco, TX location and relocated Kansas City, MO location to a more prominent office space
- ✓ Board of Directors approved a \$20 million program to repurchase shares of CrossFirst Bankshares common stock

1. **Comprehensive COVID-19 response plan** to support our clients, employees, and communities
2. **Strong capital position and liquidity** provides CrossFirst with financial flexibility to give customers relief and continue to invest for the long term in the business
3. **Closely monitoring and engaging clients** to mitigate risks and impact from COVID-19 especially customer modifications & energy portfolio; modifications declined 55% in third quarter 2020 compared to second quarter 2020
4. **Branch-lite business model and technology strategy** provides CrossFirst an advantage for strong business continuity through the pandemic
5. **Continued prudent management** of expenses, staffing levels, and other discretionary spend; optimized staffing levels in third quarter 2020
6. **Strong reserve build** of total loan loss reserves / loans of 1.70% including an additional quarterly provision of \$10.9 million
7. **Stress testing** of capital and credit scenarios show CrossFirst as well capitalized under several extreme scenarios
8. **Return to work planning** remains flexible with safety of employees, clients and other stakeholders as the highest priority
9. **Positioned for long term growth**

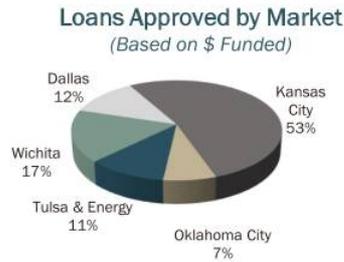
CROSSFIRST PAYCHECK PROTECTION PLAN PERFORMANCE

Commentary

- CFB is a strong supporter of local businesses and communities we serve
- Weighted average fee rate of approximately 2.7%
- Management is working to expedite the forgiveness process of the PPP loans
- Anticipate roughly half of the fees to be recognized in 2020 and the remainder in the first half of 2021
 - Recognized \$3.2 million of fees year-to-date

Note: Information as of Sept 30, 2020
(1) Dollars in millions

SBA / PPP Applications				
	Existing Customers	New Customers	Totals	Forgiveness Requests
# of Applications Approved	891	303	1,194	64
\$ Loans Funded ⁽¹⁾	\$290	\$79	\$369	\$49



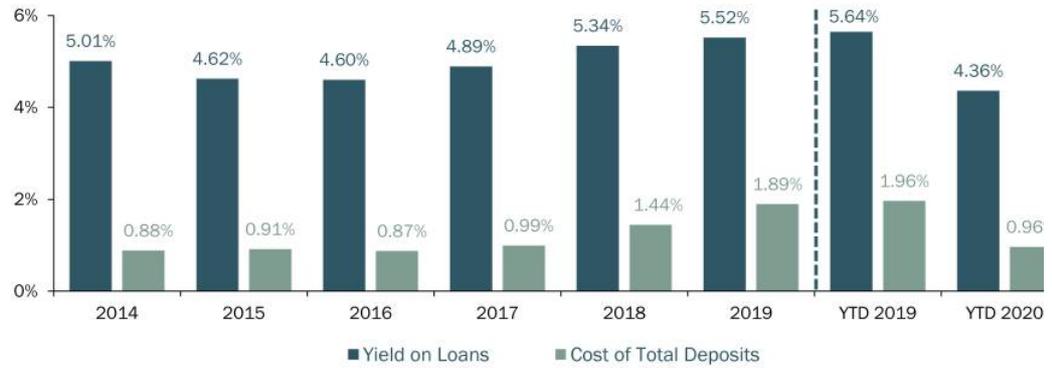
PPP Loan Stratification				
PPP Loans	# of Loans	\$ of Loans Held ⁽¹⁾	% SBA Fee	Anticipated Fee
< \$150,000	771	\$35	5%	\$:
\$150,000 - \$350,000	189	\$44	5%	\$2
\$350,000 - \$2,000,000	197	\$153	3%	\$4
\$2,000,000+	37	\$137	1%	\$1
Total	1,194	\$369		\$5

Commentary

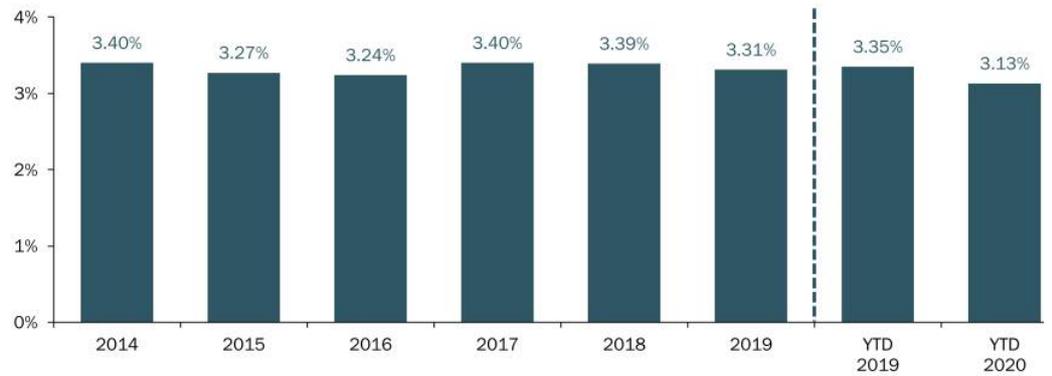
- Q3 2020 net interest margin decreased 21 basis points to 2.98% largely due to the interest rate environment, low PPP loan yields, and a large C&I loan moving to nonaccrual as it was being restructured
- Company continued to shorten the duration of deposits and move deposit costs down to capture economics associated with FOMC rate cuts
- Loan to deposit ratio decreased from 102.5 in Q2 2020 to 99.7 in Q3 2020
- Company executed a deleveraging transaction with FHLB borrowing and will consider more in Q4 2020

NET INTEREST MARGIN

Yield on Loans and Cost of Total Deposits

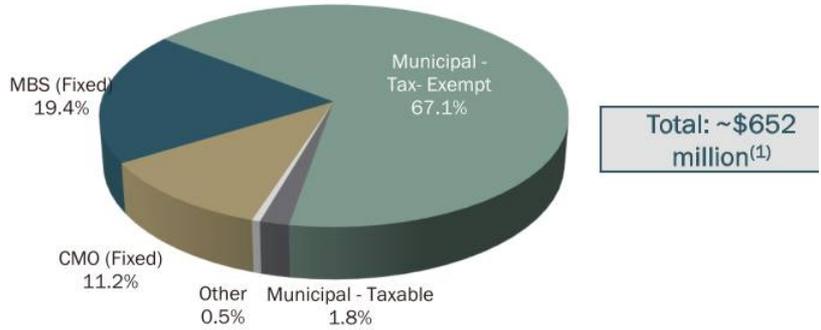


Net Interest Margin – Fully Tax Equivalent

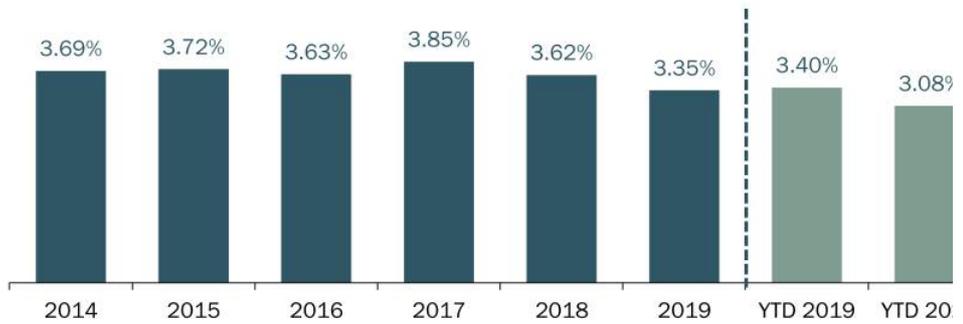


SECURITIES PORTFOLIO

Investment Portfolio Breakout as of September 30, 2020⁽¹⁾



Average Yield on Securities – Fully Tax Equivalent



(1) Based on approximate fair value.

Q3 2020 Commentary

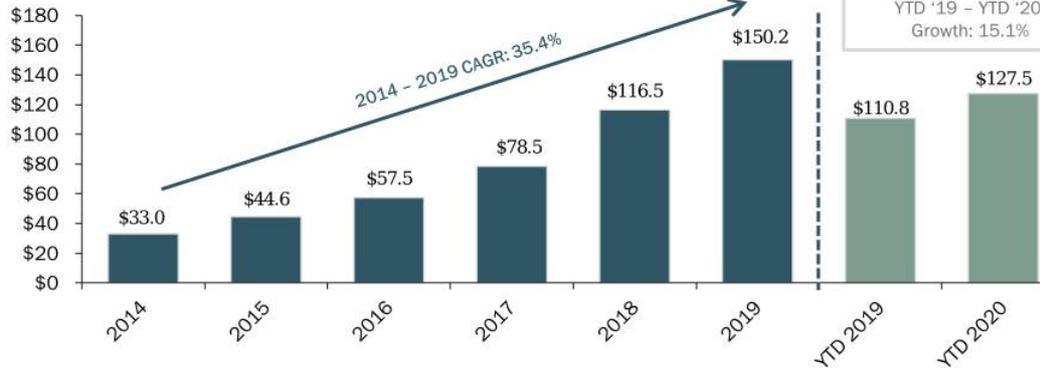
- At the end of Q3 2020, the portfolio's duration was approximately 4.2 years and the fully taxable equivalent (FTE) yield for Q3 2020 declined to 2.93%
- \$11 million of bonds were sold due to COVID-19 credit risk review, netting \$1 million in realized profits
- The marketable securities portfolio has unrealized gains of approximately \$34 million as of September 30, 2020
- Portfolio primarily comprised of low risk, investment grade securities

Commentary

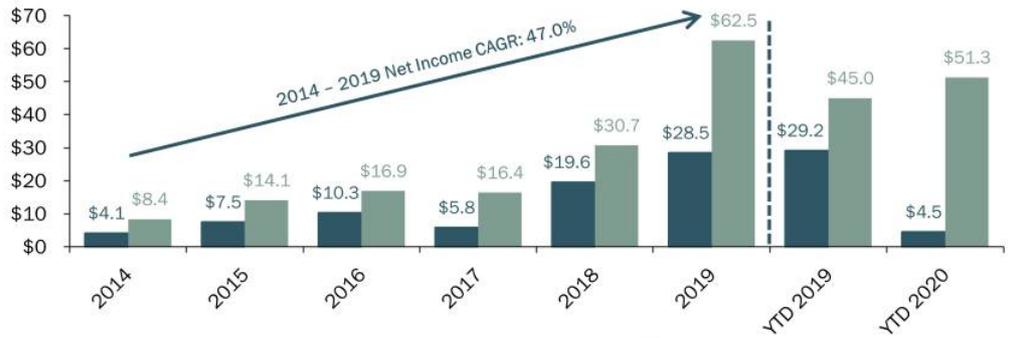
- Historically, our balance sheet growth, combined with a relatively stable net interest margin, has enabled robust operating revenue growth
- Core earnings power of the Company continues to increase
- Pretax, pre-provision profit⁽²⁾ continues to grow and includes a non-cash charge of \$7.4 million for goodwill impairment in Q2 2020; Record \$20.4 million in Q3 2020
- Year-to-date net income improved after lower provisioning in Q3 2020

OPERATING REVENUE AND PROFITABILITY

Operating Revenue⁽¹⁾



Earnings Performance



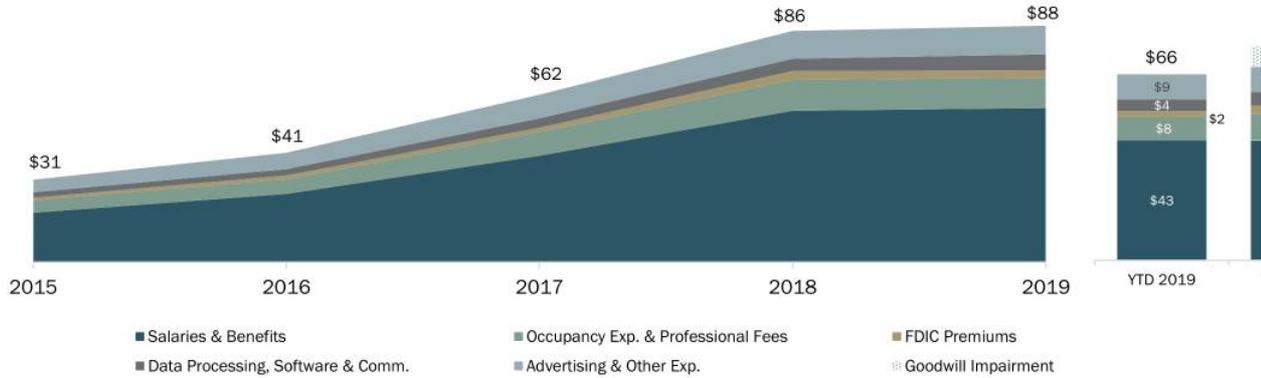
Note: Dollars in charts are in millions.

(1) Defined as net-interest income + non-interest income.

(2) Represents a Non-GAAP financial measure, see Non-GAAP reconciliation slides at the end of the presentation for more detail. In addition, pre-tax net profits may also be found presented in the supplemental information

NON-INTEREST EXPENSE MANAGEMENT

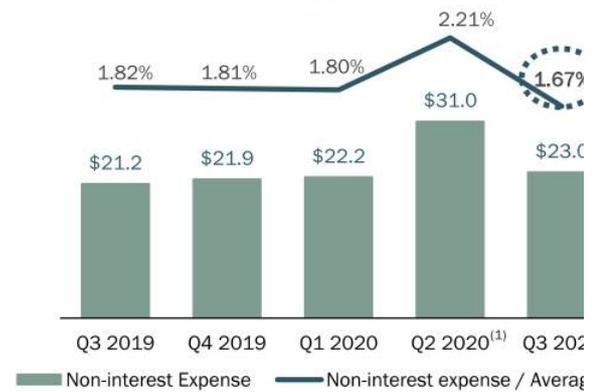
Slowing Non-interest Expense Growth



Assets per Employee FTE



Lowering Expenses



Dollars are in millions and amounts shown are as of the end of the period. YTD is as of 9/30/20; interim periods are annualized
 (1) Includes \$7.4mm Goodwill Impairment.

INCOME PERFORMANCE METRICS

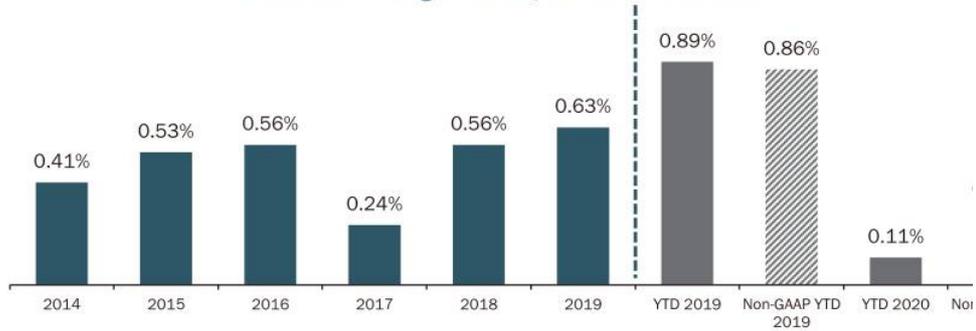
Commentary

- CrossFirst's branch-lite model is efficient and scalable
- Core efficiency performance is trending down consistent with management's initiatives
- \$7.4 million goodwill impairment in Q2 2020 impacted YTD ROAA and Efficiency Ratios
- Quarterly ROAA significantly impacted by COVID-19 with provisioning in 2020

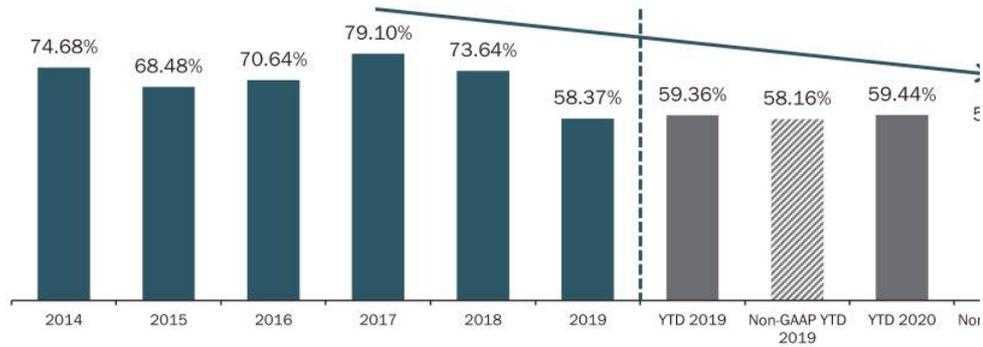
Pre-tax, pre-provision ROAA⁽¹⁾ improving despite inflated balance sheet from \$369MM PPP loans



Return on Average Assets / Non-GAAP ROAA⁽¹⁾



Efficiency Ratio / Non-GAAP Core Efficiency Ratio (FTE)⁽¹⁾



(1) Represents a non-GAAP financial measure, see non-GAAP reconciliation slides in the supplemental information for more detail

ASSET QUALITY PERFORMANCE

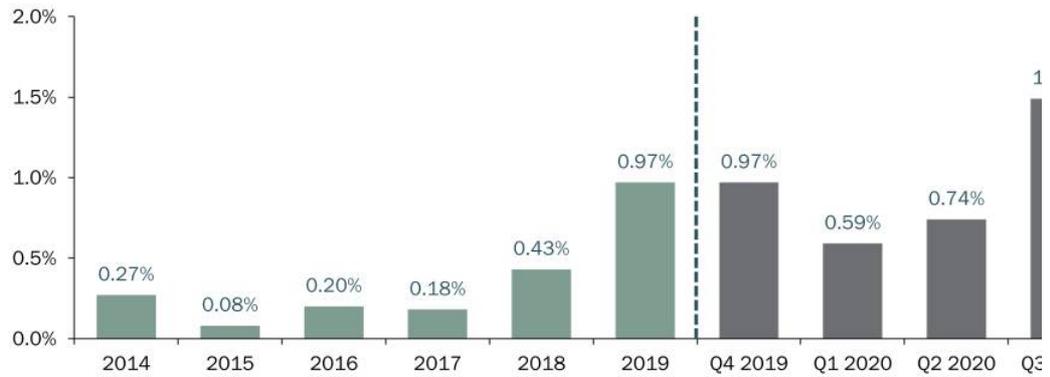
Commentary on NPA's

- Increase in NPAs for the quarter primarily from migration of one Energy credit and one C&I credit temporarily moved due to restructuring
- 60% of the nonperforming asset balance at Q3 2020 relates to Energy and the C&I credit being restructured

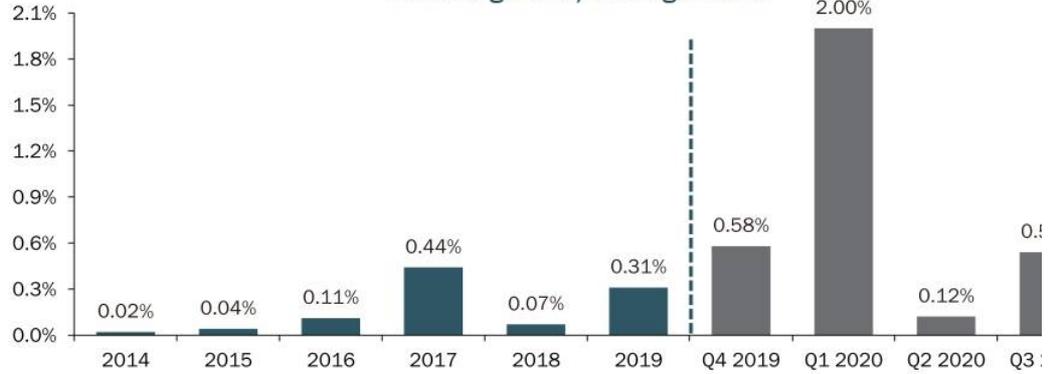
Commentary on Charge-Offs

- \$6.0 million in net charge-offs for Q3 2020 from C&I loans
- \$1.3 million in net charge-offs for Q2 2020; includes a \$1 million charge-off to an Energy loan
- \$19.4 million in net charge-offs for Q1 2020, mostly attributed to the \$17.9 million previously disclosed NPA
- In Q4 2019, \$5.5 million of net charge-offs, included a \$5 million partial charge-off of the previously disclosed loan

Nonperforming Assets / Assets



Net Charge-Offs / Average Loans⁽¹⁾



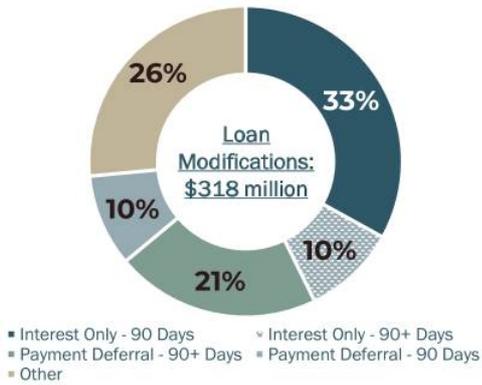
(1) Ratio is annualized.

LOAN DEFERRALS AND CREDIT MIGRATION

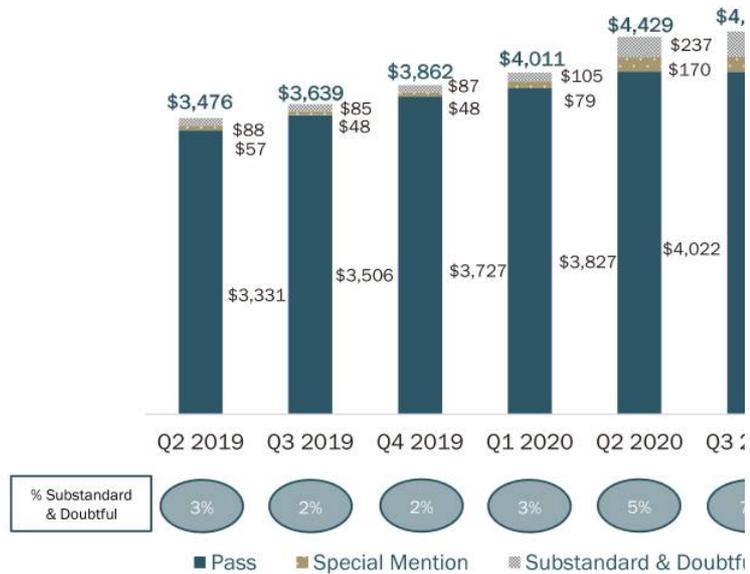
Loan Modifications by Type
(As of June 30, 2020)



Loan Modifications by Type
(As of September 30, 2020)



Migration of Credit by Risk Weighting
(in \$ millions)



- ~89% of modifications remained in Pass risk rating
- Portfolio increase from Pass to Special Mention and Substandard & Doubtful Risk Weightings primarily due to Energy and C&I

LOAN MODIFICATIONS BY TYPE AND INDUSTRY

(in \$ millions)



CROSSFIRST BANKSHARES, INC

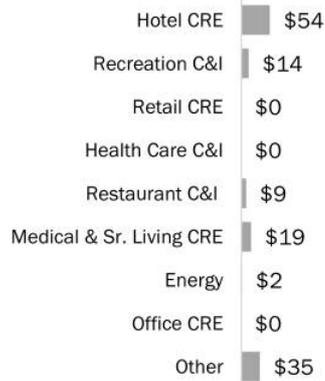
\$709 First Modifications
as of June 30, 2020

Focus Industries - \$456



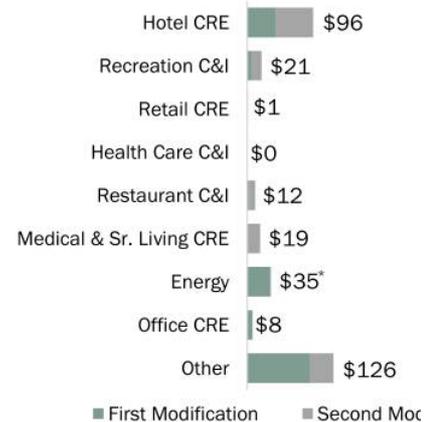
\$133 Second Modifications
During Q3 2020

Focus Industries - \$98

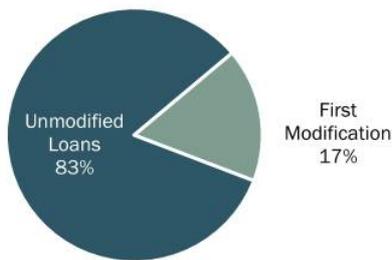


\$318 Loan Deferrals Rema
as of Sept 30, 2020

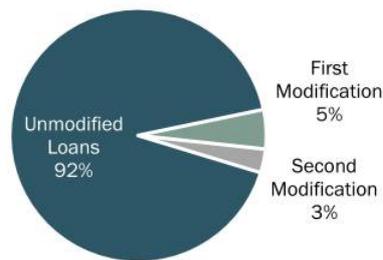
Focus Industries - \$192



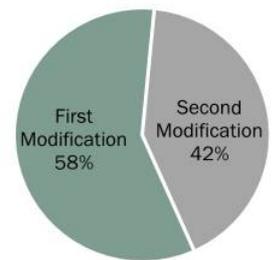
Gross Loan Portfolio
as of June 30, 2020



Gross Loan Portfolio
as of Sept 30, 2020



Remaining Loan Deferrals
as of Sept 30, 2020



Note: Identified at-risk industries in supplemental materials and gross loan values exclude PPP loans

* Energy portfolio experienced a \$3 million increase in first modifications in Q3

CREDIT QUALITY & CAPITAL RATIOS

Recent Credit Quality & ALL Trends

- Increase in classified assets primarily from Energy portfolio and one C&I loan
- Energy portfolio reserves increased 0.6% to 5.1% at end of Q3 2020 compared to Q2 2020
- Provision for loan loss of \$10.9 million for Q3 2020; 1.84% ALLL / Loans, excluding PPP loans
- The Company has not adopted CECL at this time and continues to run parallel scenarios to assess impact on the ALLL and capital

Capital Analysis

- The Company continues to remain well capitalized with strong liquidity
- Unfunded commitments totaled \$1.4 billion as of the end of Q3 2020, 45% of which are commitments to fund C&I loans and 39% to commercial construction loans

Allowance for Loan Losses / Total Loans



Classified Loans / (Total Capital + LL)



Capital Ratios



Dollar amounts are in millions.



CROSSFIRST

BANKSHARES, INC.

SUPPLEMENTAL INFORMATION

CROSSFIRST LOAN PORTFOLIOS WITH ESCALATED MONITORING FROM COVID-19 ECONOMIC UNCERTAINTY

Industry	Total Exposure ⁽¹⁾	% of Gross Loans
Energy Oil (excludes Natural Gas)	\$246	6.0%
Retail Commercial Real Estate	\$187	4.5%
Hotel & Lodging	\$171	4.1%
Healthcare C&I	\$112	2.7%
Entertainment & Recreation ⁽²⁾	\$106	2.6%
Restaurant ⁽³⁾	\$76	1.8%

Industry categories selected based on the following criteria:

- Increased volatility from higher oil inventory, lower oil consumption, and geopolitical risks
- Implementation of travel, entertainment, and restaurant restrictions
- Cancellation of all events and large gatherings
- Cessation of revenue due to business being considered “nonessential”

(1) Loan values recorded on balance sheet in millions as of September 30, 2020; excludes PPP loans

(2) Includes Native American Gaming, Parking Lots and Garages

(3) Restaurant information includes both C&I and CRE exposure



CROSSFIRST ENERGY PORTFOLIO



Energy Portfolio Dynamics

- Typically only lend as a senior secured lender in single bank transactions and as a cash flow lender
- Exploration & Production lending only on proven and producing reserves
- CrossFirst typically does not lend to shale, oil field services, or midstream energy companies
- Collateral base is predominately comprised of properties with sufficient production history to establish reliable production trends; long-life assets
- 39% of the Oil portfolio is hedged for the next 12 months at \$48.25 / barrel⁽¹⁾
- 50% of the Natural Gas portfolio is hedged for the next 12 months at \$2.33 / MMBtu⁽¹⁾

Energy by Composition 9/30/2020 (\$ in millions)					
	# Loans	Outstanding	% Total	Unfunded Commitments	Average Size
Oil	40	\$246	64%	\$5	\$6
Natural Gas	14	\$138	36%	\$9	\$10
Other Sources	3	\$0	0%	\$35	\$0
Total	57	\$384	100%	\$49	\$7

Energy Loans by Risk Rating (\$ in millions)

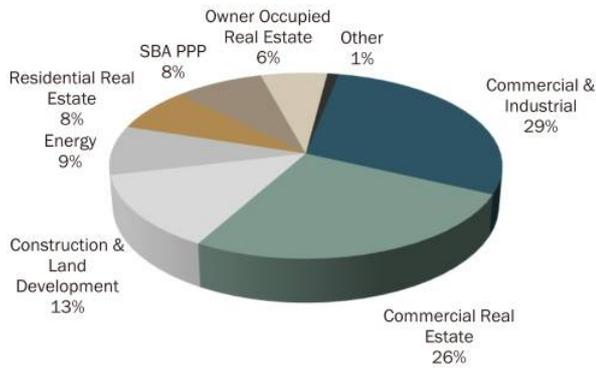


\$19.5 million of Reserves are allocated to Energy, representing 5.1% of the total energy portfolio

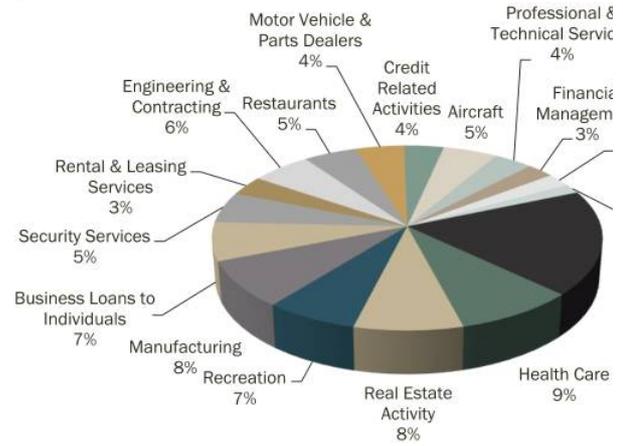
Data as of 9/30/20
(1) Weighted Average

DIVERSE LOAN PORTFOLIO

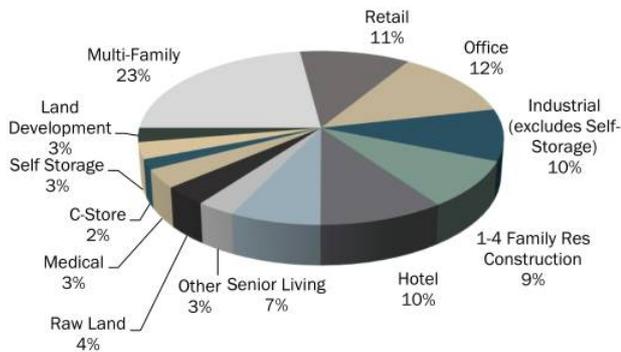
Loan Mix by Type (\$4.4bn)⁽¹⁾



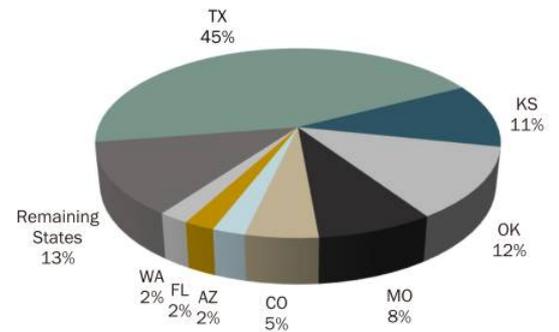
C&I Loan Breakdown by Type (\$1.3bn)



CRE Loan Portfolio by Segment (\$1.7bn)⁽²⁾



CRE Loans by Geography (\$1.7bn)⁽²⁾



Note: Data as of September 30, 2020.

(1) Shown as a percentage of loan portfolio, net of unearned income

(2) CRE as defined by regulators (including construction and development)

LOAN PORTFOLIO DETAILS

Commentary

- Historically, loan growth has been primarily organic and very strong
- Loan growth, excluding PPP loans, was 1.6% compared to the previous quarter
- Diversification remains a core tenet
- Loan yields have trended downward due to the declining rate environment and been impacted from credit challenges
- Purchased loan participations totaled \$105 million and a combination of shared national credits and syndications purchased totaled \$346 million as of September 30, 2020
 - Generally, we only buy portions of syndicated loans with borrowers with whom we could lead the next lending opportunity
 - Loan participations sold of \$298 million and \$165 million of syndications sold as of September 30, 2020

Gross Loans (Net of Unearned Income)



Gross Loans by Type



Q3 2020 Gross Loan C



Dollars in charts are in millions. Amounts shown are as of the end of the period.

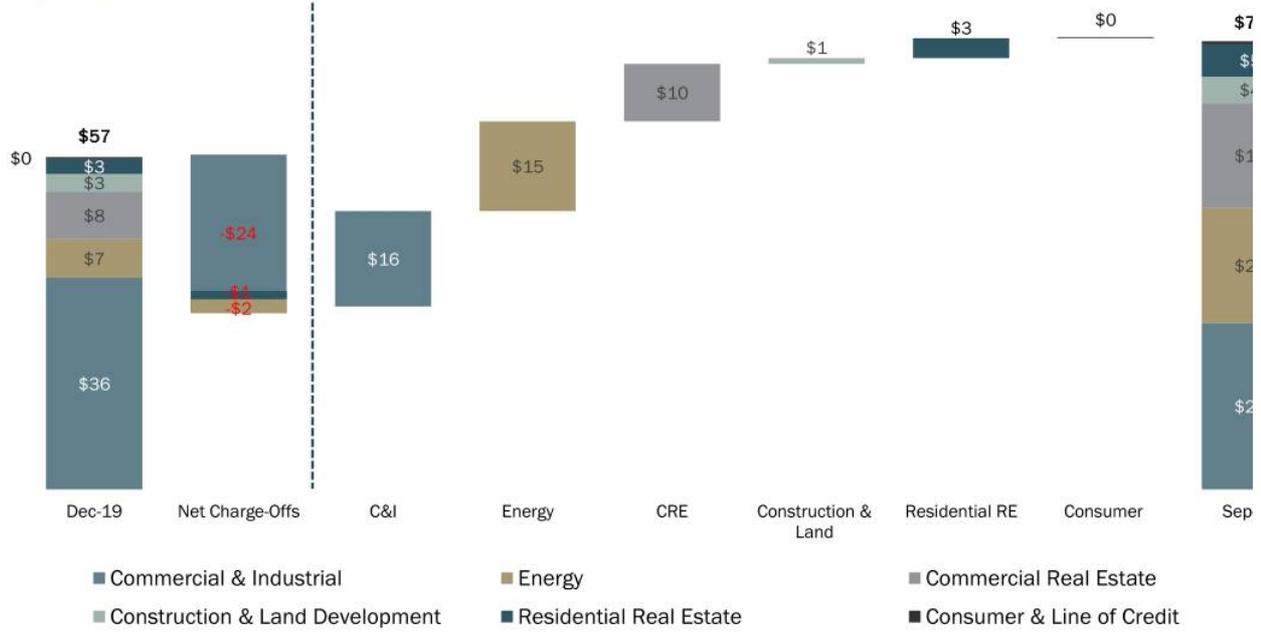
BUILDING THE ALLOWANCE FOR LOAN AND LEASE LOSS

ALLL /
Gross Loans
(excludes PPP)

1.48%

Adjustments to ALLL

1.8%



Note: As of end of period
Dollars in millions

GROWING CORE FUNDING BASE

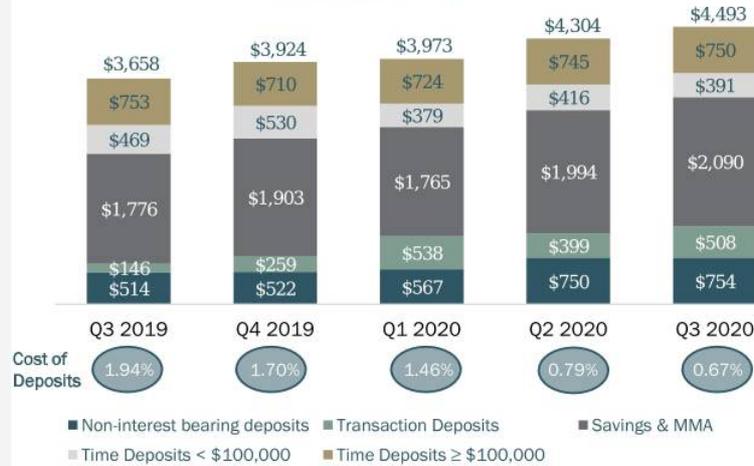
Commentary

- CrossFirst has generated significant growth in core deposits and maintained wholesale funding to support the PPP and securities portfolio
- Company continued to shorten time deposit portfolio which typically lags in a declining rate environment
- Growth continues to come from higher yielding money market accounts
- Linked quarter increase in transaction deposits due to utilization of insured cash sweep product

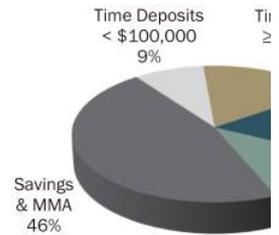
Total Deposits



Deposit Mix by Type



Q3 2020 Deposit Cor



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

HISTORICAL FINANCIAL INFORMATION



(Dollars thousands, except per share data)	As of Year or for the Year Ended					As of or for the Nine
	2015	2016	December 31, 2017	2018	2019	September
Income Statement Data						
Interest income	\$54,116	\$69,069	\$97,816	\$156,880	\$216,218	\$161,038
Interest expense	11,849	15,016	22,998	46,512	74,774	56,773
Net interest income	42,267	54,053	74,818	110,368	141,444	104,265
Provision for loan losses	5,975	6,500	12,000	13,500	29,900	10,550
Non-interest income	2,365	3,407	3,679	6,083	8,715	6,529
Non-interest expense	30,562	40,587	62,089	85,755	87,648	65,763
Income before taxes	8,095	10,373	4,408	17,196	32,611	34,481
Income tax expense (benefit)	626	62	(1,441)	(2,394)	4,138	5,308
Net income	7,469	10,311	5,849	19,590	28,473	29,173
Preferred stock dividends	2,066	2,100	2,100	2,100	175	175
Net income available to common stockholders	5,403	8,211	3,749	17,490	28,298	28,998
Non-GAAP core operating income ⁽¹⁾	7,469	10,311	9,716	19,940	27,427	28,127
Balance Sheet Data						
Cash and cash equivalents	\$79,418	\$155,972	\$130,820	\$216,541	\$187,320	\$128,126
Available-for-sale securities	460,542	593,012	703,581	663,678	741,634	733,093
Gross loans (net of unearned income)	992,726	1,296,886	1,996,029	3,060,747	3,852,244	3,629,792
Allowance for loan losses	(15,526)	(20,786)	(26,091)	(37,826)	(56,896)	(42,995)
Goodwill and other intangibles	8,100	7,998	7,897	7,796	7,694	7,720
Total assets	1,574,346	2,133,106	2,961,118	4,107,215	4,931,233	4,651,313
Non-interest-bearing deposits	123,430	198,088	290,906	484,284	521,826	513,832
Total deposits	1,294,812	1,694,301	2,303,364	3,208,097	3,923,759	3,658,108
Borrowings and repurchase agreements	112,430	216,709	357,837	388,391	373,664	357,614
Trust preferred securities, net of fair value adj.	792	819	850	884	921	912
Preferred Stock, liquidation value	30,000	30,000	30,000	30,000	0	0
Total Stockholders' Equity	160,004	214,837	287,147	490,336	601,644	602,435
Tangible Stockholders' Equity ⁽¹⁾	121,904	176,839	249,250	452,540	593,950	594,715
Share and Per Share Data:						
Basic earnings per share	\$0.29	\$0.39	\$0.12	\$0.48	\$0.59	\$0.63
Diluted earnings per share	0.28	0.39	0.12	0.47	0.58	0.61
Book value per share	6.61	7.34	8.38	10.21	11.58	11.59
Tangible book value per share ⁽¹⁾	6.20	7.02	8.12	10.04	11.43	11.44
Wtd. avg. common shares out. - basic	18,640,678	20,820,784	30,086,530	36,422,612	47,679,184	46,239,021
Wtd. avg. common shares out. - diluted	19,378,290	21,305,874	30,963,424	37,492,567	48,576,135	47,081,727
Shares outstanding at end of period	19,661,718	25,194,872	30,686,256	45,074,322	51,969,203	51,969,203

Historic share counts and per share figures reflect 2:1 stock split effected on 12/21/18.

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

HISTORICAL FINANCIAL INFORMATION



	As of Year or for the Year Ended					As of or for the Nine
	2015	2016	December 31, 2017	2018	2019	September
Selected Ratios:						
Return on average assets	0.53%	0.56%	0.24%	0.56%	0.63%	0.89%
Non-GAAP core operating return on average assets ⁽¹⁾	0.53	0.56	0.40	0.57	0.61	0.86
Return on average common equity	4.60	5.51	1.53	5.34	5.38	7.76
Non-GAAP core operating return on average common equity ⁽¹⁾	4.60	5.51	3.11	5.45	5.18	7.89
Yield on earning assets - tax equivalent ⁽²⁾	4.14	4.08	4.37	4.77	5.04	5.14
Yield on securities - tax equivalent ⁽²⁾	3.72	3.63	3.85	3.62	3.35	3.40
Yield on loans	4.62	4.60	4.89	5.34	5.52	5.64
Cost of interest-bearing deposits	1.01	0.96	1.12	1.71	2.21	2.30
Cost of funds	0.94	0.91	1.06	1.49	1.90	1.96
Cost of total deposits	0.91	0.87	0.99	1.44	1.89	1.96
Net interest margin - tax equivalent ⁽²⁾	3.27	3.24	3.40	3.39	3.31	3.35
Non-interest expense to average assets	2.17	2.21	2.53	2.45	1.95	2.00
Efficiency ratio ⁽³⁾	68.48	70.64	79.10	73.64	58.37	59.36
Non-GAAP core operating efficiency ratio FTE ⁽¹⁾⁽³⁾	64.66	66.04	72.33	67.68	57.25	58.16
Non-interest-bearing deposits to total deposits	9.53	11.69	12.63	15.10	13.30	14.05
Loans to deposits	76.67	76.54	86.66	95.41	98.18	99.23
Credit Quality Ratios:						
Allowance for loans losses to total loans	1.56%	1.60%	1.30%	1.23%	1.48%	1.18%
Non-performing assets to total assets	0.08	0.20	0.18	0.43	0.97	1.00
Non-performing loans to total loans	0.12	0.33	0.27	0.58	1.15	1.22
Allowance for loans losses to non-performing loans	1,336.38	493.14	481.68	212.30	128.54	97.12
Net charge-offs to average loans	0.04	0.11	0.44	0.07	0.31	0.21
Capital Ratios:						
Total stockholders' equity to total assets	10.16%	10.07%	9.70%	11.94%	12.20%	12.95%
Common equity tier 1 capital ratio	8.50	9.78	8.62	11.75	12.20	12.91
Tier 1 risk-based capital ratio	10.70	11.38	9.70	12.53	12.22	12.93
Total risk-based capital ratio	11.82	12.51	10.65	13.51	13.43	13.90
Tier 1 leverage ratio	9.72	10.48	9.71	12.43	12.06	12.57

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

(2) Tax-exempt income is calculated on a tax equivalent basis. Tax-exempt income includes municipal securities, which is exempt from federal taxation. A tax rate of 21% is used for fiscal year 2018 and after and a tax rate of 35% is used for fiscal years 2017 and prior.

(3) Efficiency ratio is non-interest expense divided by the sum of net interest income and non-interest income.

QUARTERLY SELECTED FINANCIALS



CrossFirst Bankshares, Inc Quarterly Financials

(Dollars thousands, except per share data)

As of or for the Three Months Ended

	9/30/19	12/31/19	3/31/20	6/30/20	9,
Income Statement Data					
Interest income	\$55,529	\$55,180	\$54,208	\$51,254	
Interest expense	19,743	18,001	15,980	10,097	
Net interest income	35,786	37,179	38,228	41,157	
Provision for loan losses	4,850	19,350	13,950	21,000	
Non-interest income	3,212	2,186	2,095	2,634	
Non-interest expense	21,172	21,885	22,223	31,010	
Income before taxes	12,976	(1,870)	4,150	(8,219)	
Income tax expense (benefit)	2,592	(1,170)	293	(863)	
Net income	10,384	(700)	3,857	(7,356)	
Preferred stock dividends	0	0	0	0	
Net income available to common stockholders	10,384	(700)	3,857	(7,356)	
Non-GAAP core operating income ⁽¹⁾	10,384	(700)	3,857	41	
Balance Sheet Data					
Cash and cash equivalents	\$128,126	\$187,320	\$158,987	\$194,371	
Securities	733,093	741,634	735,231	700,083	
Gross loans (net of unearned income)	3,629,792	3,852,244	4,002,451	4,413,224	
Allowance for loan losses	(42,995)	(56,896)	(51,458)	(71,185)	
Goodwill and intangibles	7,720	7,694	7,669	247	
Total assets	4,651,313	4,931,233	5,067,407	5,462,254	
Non-interest bearing deposits	513,832	521,826	567,215	750,333	
Total deposits	3,658,108	3,923,759	3,972,822	4,304,143	
Borrowings and repurchase agreements	357,614	373,664	441,626	500,498	
Trust preferred securities, net of fair value adj.	912	921	931	942	
Preferred Stock	0	0	0	0	
Stockholders' Equity	602,435	601,644	611,946	608,092	
Tangible Stockholders' Equity ⁽¹⁾	594,715	593,950	604,277	607,845	
Share and Per Share Data:					
Basic earnings per common share	\$0.22	(\$0.01)	\$0.07	\$ (0.14)	\$
Dilutive earnings per common share	0.21	(0.01)	0.07	(0.14)	\$
Book value per common share	11.59	11.58	11.75	11.66	
Tangible book value per common share ⁽¹⁾	\$11.44	\$11.43	\$11.60	\$11.65	
Wtd. avg. common shares out. - basic	48,351,553	51,952,712	52,071,484	52,104,994	
Wtd. avg. common shares out. - diluted	49,164,549	52,748,312	52,660,270	52,493,177	
Shares outstanding at end of period	51,969,203	51,969,203	52,098,062	52,167,573	

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

QUARTERLY SELECTED FINANCIALS



CrossFirst Bankshares, Inc Quarterly Financials

As of or for the Three Months Ended

	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20
Selected Ratios:					
Return on average assets ⁽¹⁾	0.89%	(0.06%)	0.31%	(0.54%)	
Non-GAAP core operating return on average assets ⁽¹⁾⁽²⁾	0.89	(0.06)	0.31	-	
Return on average common equity	7.58	(0.46)	2.53	(4.84)	
Yield on earning assets	4.94	4.71	4.52	3.91	
Yield on earning assets - tax equivalent ⁽³⁾	5.00	4.76	4.57	3.96	
Yield on securities	2.85	2.86	2.85	2.70	
Yield on securities - tax equivalent ⁽³⁾	3.19	3.22	3.21	3.07	
Yield on loans	5.53	5.21	4.98	4.28	
Costs of interest bearing liabilities	2.24	1.96	1.70	1.01	
Cost of interest-bearing deposits	2.26	1.97	1.69	0.95	
Cost of funds	1.94	1.71	1.49	0.85	
Cost of Deposits	1.94	1.70	1.46	0.79	
Cost of other borrowings	1.95	1.86	1.72	1.35	
Net interest margin - tax equivalent ⁽³⁾	3.24	3.23	3.24	3.19	
Noninterest expense to average assets	1.82	1.81	1.80	2.21	
Efficiency ratio ⁽⁴⁾	54.29	55.60	55.11	70.81	
Non-GAAP core operating efficiency ratio (FTE) ⁽²⁾⁽⁴⁾	53.43	54.66	54.18	53.09	
Noninterest bearing deposits to total deposits	14.05	13.30	14.28	17.43	
Loans to deposits	99.23	98.18	100.75	102.53	
Credit Quality Ratios:					
Allowance for loans losses to total loans	1.18%	1.48%	1.29%	1.61%	
Nonperforming assets to total assets	1.00	0.97	0.59	0.74	
Nonperforming loans to total loans	1.22	1.15	0.66	0.86	
Allowance for loans losses to nonperforming loans	97.12	128.54	195.99	188.55	
Net charge-offs to average loans ⁽¹⁾	0.53	0.58	2.00	0.12	
Capital Ratios:					
Total stockholders' equity to total assets	12.95%	12.20%	12.08%	11.13%	
Common equity tier 1 capital ratio	12.91	12.20	12.08	11.99	
Tier 1 risk-based capital ratio	12.93	12.22	12.10	12.01	
Total risk-based capital ratio	13.90	13.43	13.17	13.27	
Tier 1 leverage ratio	12.57	12.06	11.81	10.75	

(1) Interim periods are annualized

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

(3) Tax-exempt income is calculated on a tax equivalent basis. Tax-exempt income includes municipal securities, which is exempt from federal taxation. A tax rate of 21% is used for 2018, 2019 & 2020.

(4) Efficiency ratio is non-interest expense divided by the sum of net interest income and non-interest income

NON-GAAP RECONCILIATION



(Dollars in thousands)	As of or for the Year Ended December 31,					As of or for the Nine September
	2015	2016	2017	2018	2019	2019
Non-GAAP Core Operating Income:						
Net Income	\$7,469	\$10,311	\$5,849	\$19,590	\$28,473	\$29,173
Add: restructuring charges	0	0	0	4,733	0	0
Less: Tax effect ⁽¹⁾	0	0	0	1,381	0	0
Restructuring charges, net of tax	0	0	0	3,352	0	0
Add: fixed asset impairments	0	0	1,903	171	424	424
Less: Tax effect ⁽²⁾	0	0	737	44	109	109
Fixed asset impairments, net of tax	0	0	1,166	127	315	315
Add: Goodwill impairment ⁽³⁾	0	0	0	0	0	0
Add: State tax credit ⁽³⁾	0	0	0	(3,129)	(1,361)	(1,361)
Add: 2017 Tax Cut and Jobs Act ⁽³⁾	0	0	2,701	0	0	0
Non-GAAP core operating income	\$7,469	\$10,311	\$9,716	\$19,940	\$27,427	\$28,127
Non-GAAP Core Operating Return on Average Assets:						
Net Income	\$7,469	\$10,311	\$5,849	\$19,590	\$28,473	\$29,173
Non-GAAP core operating income	7,469	10,311	9,716	19,940	27,427	28,127
Average Assets	1,410,447	1,839,563	2,452,797	3,494,655	4,499,764	4,395,356
GAAP return on average assets	0.53%	0.56%	0.24%	0.56%	0.63%	0.89%
Non-GAAP core operating return on average assets	0.53%	0.56%	0.40%	0.57%	0.61%	0.86%
Non-GAAP Core Operating Return on Average Equity:						
Net Income	\$7,469	\$10,311	\$5,849	\$19,590	\$28,473	\$29,173
Non-GAAP core operating income	7,469	10,311	9,716	19,940	27,427	28,127
Less: Preferred stock dividends	2,066	2,100	2,100	2,100	175	175
Net Income available to common stockholders	5,403	8,211	3,749	17,490	28,298	28,998
Non-GAAP core operating income available to common stockholders	5,403	8,211	7,616	17,840	27,252	27,952
Average common equity	117,343	149,132	245,193	327,446	526,225	499,354
Tangible Assets	8,152	8,050	7,949	7,847	7,746	7,759
Average Tangible Equity	109,191	141,082	237,244	319,599	518,479	491,595
GAAP return on average common equity	4.60%	5.51%	1.53%	5.34%	5.38%	7.76%
Non-GAAP core return on average tangible common equity	4.95%	5.82%	3.21%	5.58%	5.26%	7.60%
Non-GAAP Core Operating Efficiency Ratio:						
Non-interest expense	\$30,562	\$40,587	\$62,089	\$85,755	\$87,648	\$65,763
Less: goodwill impairment	0	0	0	4,733	0	0
Non-GAAP non-interest expense (numerator)	30,562	40,587	62,089	81,022	87,648	65,763
Net interest income	42,267	54,053	74,818	110,368	141,444	104,265
Tax-equivalent interest income	2,637	4,001	5,439	3,099	2,522	1,852
Non-interest income	2,365	3,407	3,679	6,083	8,715	6,529
Add: fixed asset impairments	0	0	1,903	171	424	424
Non-GAAP Operating revenue (denominator)	47,269	61,461	85,839	119,721	153,105	113,070
GAAP efficiency ratio	68.48%	70.64%	79.10%	73.64%	58.37%	59.36%
Non-GAAP core operating efficiency ratio (FTE)	64.66%	66.04%	72.33%	67.68%	57.25%	58.16%

(1) Represents the tax impact of the adjustments above at a tax rate of 25.73%, plus a permanent tax benefit associated with stock-based grants that were exercised prior to our former CEO's departure.

(2) Represents the tax impact of the adjustments above at a tax rate of 25.73% for fiscal years 2018 and after; 38.73% for fiscal years prior to 2018.

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

QUARTERLY NON-GAAP RECONCILIATION



(Dollars in thousands)	As of or for the Three Months Ended				
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020
Non-GAAP Core Operating Income:					
Net Income (loss)	\$10,384	(\$700)	\$3,857	(\$7,356)	
Add: restructuring charges	0	0	0	0	
Less: Tax effect ⁽¹⁾	0	0	0	0	
Restructuring charges, net of tax	0	0	0	0	
Add: fixed asset impairments	0	0	0	0	
Less: Tax effect ⁽²⁾	0	0	0	0	
Fixed asset impairments, net of tax	0	0	0	0	
Add: Goodwill Impairment ⁽³⁾	0	0	0	7,397	
Add: State tax credit ⁽³⁾	0	0	0	0	
Add: 2017 Tax Cut and Jobs Act					
Non-GAAP core operating income	\$10,384	(\$700)	\$3,857	\$41	
Non-GAAP Core Operating Return on Average Assets:					
Net Income	\$10,384	(\$700)	\$3,857	(\$7,356)	
Non-GAAP core operating income	10,384	(700)	3,857	41	
Average Assets	4,610,958	4,809,579	4,975,531	5,441,513	
GAAP return on average assets ⁽⁴⁾	0.89%	(0.06%)	0.31%	(0.54%)	
Non-GAAP core operating return on average assets ⁽⁴⁾	0.89%	(0.06%)	0.31%	0.00%	
Non-GAAP Core Operating Efficiency Ratio:					
Non-interest expense	\$21,172	\$21,885	\$22,223	\$31,010	
Less: Goodwill Impairment	\$0	\$0	\$0	\$7,397	
Less: restructuring charges	0	0	0	0	
Non-GAAP non-interest expense (numerator)	21,172	21,885	22,223	23,613	
Net interest income	35,786	37,179	38,228	41,157	
Tax-equivalent interest income	624	670	695	685	
Non-interest income	3,212	2,186	2,095	2,634	
Add: fixed asset impairments	0	0	0	0	
Non-GAAP operating revenue (denominator)	39,622	40,035	41,018	44,476	
GAAP efficiency ratio	54.29%	55.60%	55.11%	70.81%	
Non-GAAP core operating efficiency ratio (FTE)	53.43%	54.66%	54.18%	53.09%	

(1) Represents the tax impact of the adjustments above at a tax rate of 25.73%, plus a permanent tax benefit associated with stock-based grants that were exercised prior to our former CEO's departure.

(2) Represents the tax impact of the adjustments above at a tax rate of 25.73%.

(3) No tax effect associated with the state tax credit or the goodwill impairment

(4) Interim periods are annualized.

NON-GAAP RECONCILIATIONS (CONT.)



(Dollars in thousands, except per share data)	As of or for the Year Ended December 31,					As of or for the Nine September
	2015	2016	2017	2018	2019	2019
Pre-Tax Pre-Provision Profit						
Income before Taxes	8,095	10,373	4,408	17,196	32,611	34,481
Provision for Credit loss	5,975	6,500	12,000	13,500	29,900	10,550
Pre-Tax Pre-Provision Profit	14,070	16,873	16,408	30,696	62,511	45,031
Average Assets	1,410,447	1,839,563	2,452,797	3,494,655	4,499,764	4,395,356
Pre-Tax Pre-Provision Return on Average Assets	1.00%	0.92%	0.67%	0.88%	1.39%	1.37%
Tangible Stockholders' Equity:						
Stockholders' equity	\$160,004	\$214,837	\$287,147	\$490,336	\$601,644	\$602,435
Less: goodwill and intangible assets	8,100	7,998	7,897	7,796	7,694	7,720
Less: preferred stock	30,000	30,000	30,000	30,000	0	0
Tangible Stockholders' Equity	\$121,904	\$176,839	\$249,250	\$452,540	\$593,950	\$594,715
Shares outstanding at end of period	19,661,718	25,194,872	30,686,256	45,074,322	51,969,203	51,969,203
Book value per common share	\$6.61	\$7.34	\$8.38	\$10.21	\$11.58	\$11.59
Tangible book value per common share	\$6.20	\$7.02	\$8.12	\$10.04	\$11.43	\$11.44

(Dollars in thousands, except per share data)	As of or for the Three Months Ended				
	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20
Pre-Tax Pre-Provision Profit					
Income (loss) before Taxes	12,976	(1,870)	4,150	(8,219)	9,504
Provision for Credit loss	4,850	19,350	13,950	21,000	10,875
Pre-Tax Pre-Provision Profit	17,826	17,480	18,100	12,781	20,379
Average Assets	4,610,958	4,809,579	4,975,531	5,441,513	5,486,252
Pre-Tax Pre-Provision Return on Average Assets	1.53%	1.44%	1.46%	0.94%	1.48%
Tangible Stockholders' Equity:					
Stockholders' equity	\$602,435	\$601,644	\$611,946	\$608,092	\$617,883
Less: goodwill and intangible assets	7,720	7,694	7,669	247	227
Less: preferred stock	0	0	0	0	0
Tangible Stockholders' Equity	\$594,715	\$593,950	\$604,277	\$607,845	\$617,656
Shares outstanding at end of period	51,969,203	51,969,203	52,098,062	52,167,573	52,195,778
Book value per common share	\$11.59	\$11.58	\$11.75	\$11.66	\$11.84
Tangible book value per common share	\$11.44	\$11.43	\$11.60	\$11.65	\$11.83

