QCR HOLDINGS, INC.

# Investor Presentation

# FORWARD-LOOKING STATEMENTS

This document (including information incorporated by reference) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company's management and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "bode", "predict," "suggest," "project", "appear," "plan," "intend," "estimate," "annualize," "may," "will," "would," "could," "should," "likely," "might," "potential," "continue," "annualized," "target," "outlook," as well as the negative forms of those words, or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events. A number of factors, many of which are beyond the ability of the Company to control or predict, could cause actual results to differ materially from those in its forward-looking statements. These factors include, among others, the following: (i) the strength of the local, state, national and international economies(including effects of inflationary pressures and supply chain constraints); (ii) the economic impact of any future terrorist threats and attacks, widespread disease or pandemics (including the COVID-19 pandemic in the United States), acts of war or other threats thereof (including the Russian invasion of Ukraine), or other adverse external events that could cause economic deterioration or instability in credit markets, and the response of the local, state and national governments to any such adverse external events; (iii) changes in accounting policies and practices, as may be adopted by state and federal regulatory agencies, the FASB or the PCAOB; (iv) changes in local, state and federal laws, regulations and governmental policies concerning the Company's general business and any changes in response to the recent failures of other banks; (v) changes in interest rates and prepayment rates of the Company's assets (including the impact of LIBOR phase-out); (vi) increased competition in the financial services sector, including from non-bank competitors such as credit unions and "fintech" companies, and the inability to attract new customers; (vii) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (viii) unexpected results of acquisitions, which may include failure to realize the anticipated benefits of acquisitions and the possibility that transaction costs may be greater than anticipated; (ix) the loss of key executives or employees; (x) changes in consumer spending; (xi) unexpected outcomes of existing or new litigation involving the Company; (xii) the economic impact of exceptional weather occurrences such as tornadoes, floods and blizzards; (xiii) fluctuations in the value of securities held in our securities portfolio; (xiv) concentrations within our loan portfolio, large loans to certain borrowers, and large deposits from certain clients; (xv) the concentration of large deposits from certain clients who have balances above current FDIC insurance limits and may withdraw deposits to diversify their exposure: (xvi) the level of non-performing assets on our balance sheets; (xvii) interruptions involving our information technology and communications systems or third-party servicers; (xviii) breaches or failures of our information security controls or cybersecurity-related incidents, and (xix) the ability of the Company to manage the risks associated with the foregoing as well as anticipated. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning the Company and its business, including additional factors that could materially affect the Company's financial results, is included in the Company's filings with the Securities and Exchange Commission.

# NON-GAAP FINANCIAL MEASURES

These slides contain non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of the registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirement of Regulation G, the Company has provided reconciliations within the slides, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure. For more details on the Company's non-GAAP measures, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

# Why QCR Holdings?

### Consistent Top Tier Financial Performance

- Upper quartile returns compared to proxy peers
- EPS CAGR of 18.3% in last six years and positioned for sustained growth
- High profitability & low dividend payout ratio quickly builds core equity capital

### Diversified Sources of Revenue

- Diverse and growing fee revenue streams with Wealth Management, Correspondent Banking, and Capital Markets business lines

### Track Record of Successfully Integrating Acquisitions

- Capacity for future M&A and considered acquirer of choice

### Prudent Risk Management

- Strong credit culture
- Right people, infrastructure and balance sheet to sustain performance

QUAD CITY BANK & TRUST
CEDAR RAPIDS BANK & TRUST
COMMUNITY BANK & TRUST
A Division of Cedar Rapids Bank & Trust
csb community state bank
Guaranty Bank
m2 EQUIPMENT FINANCE

# **QCR Holdings, Inc.** (NASDAQ: QCRH)

## A Proven Business Model.

- ✓ Local charter autonomy with efficient support from centralized operations
- ✓ Agile and responsive to client needs
- ✓ Attracts the best bankers *and the best clients* in each market
- ✓ Highly competitive with larger national and regional banks
- ✓ Strong relationships with clients differentiate us from other banks

### Lines of Business

Full-Service Commercial and Consumer Banking

High-Performing Business Lines:

- Specialty Finance Group
- Correspondent Banking
- Wealth Management Services

Assets: $8.0 billion

Loans: $6.2 billion

Deposits: $6.5 billion

Wealth Management: $4.9 billion

- $3.8 billion in Trust and Investment Accounts
- $1.1 billion in Brokerage Accounts/RIA

***Data as of 3/31/23***

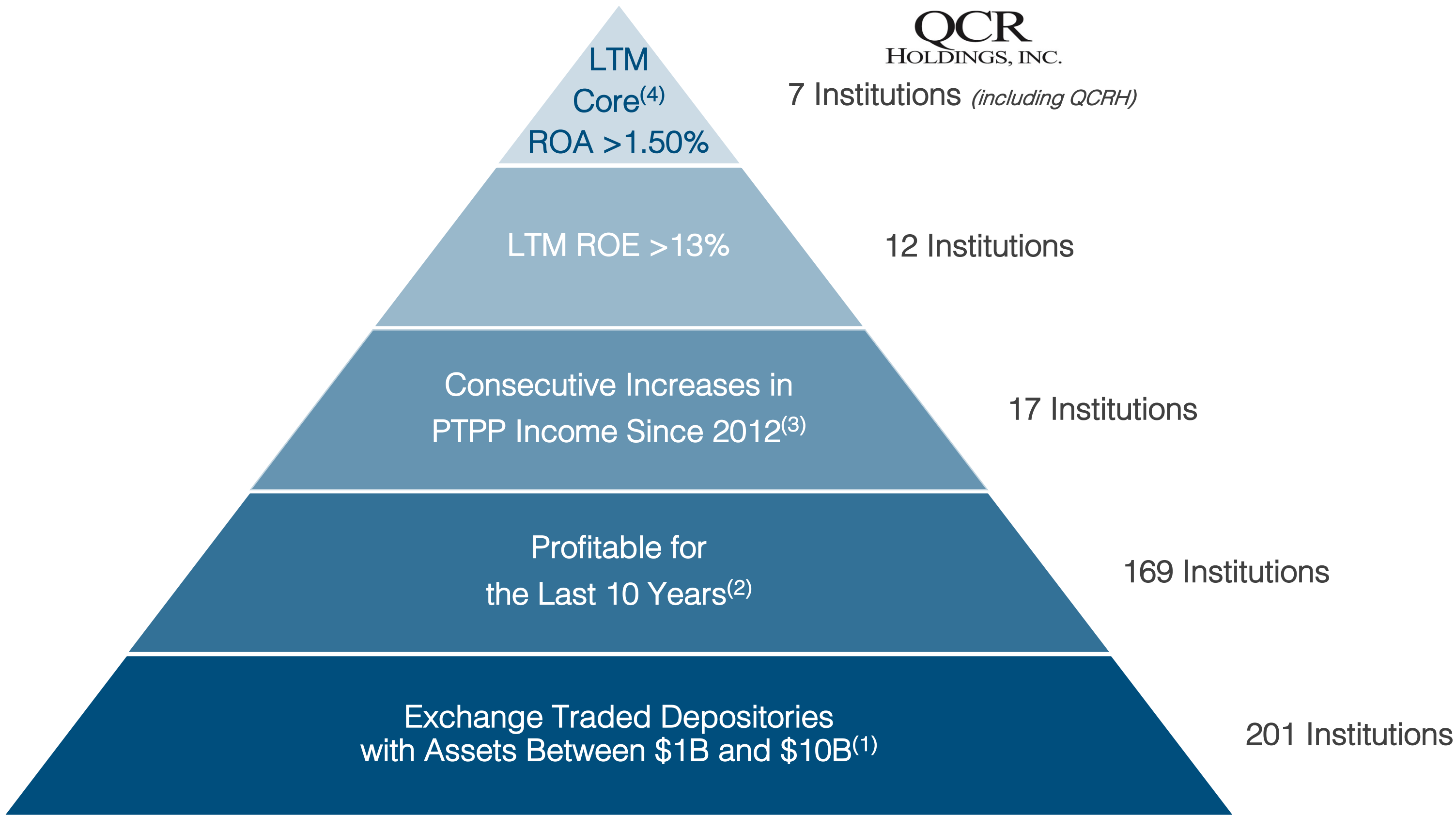
# Exceptional Growth in Key Financial Metrics

Since the end of 2016, our company has more than doubled in size and delivered consistent, steady growth - outperforming many of our peers.

| Financial Metric | 12/31/2016 | 3/31/2023 | CAGR |
|---|---|---|---|
| Adjusted Earnings Per Share | $2.31 | $6.62* | 18.3% |
| Tangible Book Value Per Share | $20.11 | $38.71 | 11.0% |
| Loans | $2.4B | $6.2B | 16.1% |
| Core Deposits | $2.6B | $5.9B | 14.0% |
| Assets Under Management | $2.4B | $4.9B | 11.0% |

CAGR = Compound Annualized Growth Rate
*Annualized

# QCR Holdings is a Top Performer




Source: S&P Capital IQ Pro. Financial data is as of December 31, 2022.

(1) Includes banks and thrifts traded on the NYSE, NYSEAM or NASDAQ as of 4/13/23; excludes merger targets.

(2) Defined as having positive net income before extraordinary items and preferred dividends for each of the last 10 years (calendar years ended December 31, 2013 through December 31, 2022). Net income before extraordinary items is defined by S&P Capital IQ Pro as GAAP net income, after taxes, minority interest, and other after tax items, but before any extraordinary items. Excludes any revaluation of net deferred tax assets due to tax reform per S&P Capital IQ Pro.

(3) Defined as consecutive increases in pre-tax, pre provision earnings (excludes nonrecurring revenues and expenses, one time goodwill impairment charges) for each of the years ending December 31, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022.

(4) Core Income excludes extraordinary items, non-recurring items, including DTA revaluations, and gains/losses on sale of securities as calculated by S&P Capital IQ Pro.

# Our Strategy for Long-Term Success


We've set a simple and focused strategy for our future.
9-6-5 is our plan to continue to grow earnings and drive attractive long-term returns for our shareholders.

**9 – Grow loans by 9% per year, funded with core deposits**

**6 – Grow fee income no less than 6% per year**

**5 – Improve efficiencies and hold expense growth to no more than 5%**

# How is QCRH Unique?

## Diversified Business Lines Drive Outstanding Results

Built on top of our traditional banking business, we have three complementary business lines that diversify our earnings power with exceptional results.

| Our Complementary High-Performing Business Lines | | | Traditional Banking |
|---|---|---|---|
| Specialty Finance Group | Wealth Management | Correspondent Banking | |
| • Municipal and tax credit lending<br>• Significant floating to fixed rate swap revenue in tax credit lending<br>• Capital markets revenue averaging $16M per quarter for last three years | • Fiduciary services<br>• Investment management services<br>• Financial planning<br>• Brokerage services<br>• 3/31/23 AUM: $4.9B | • Competitive deposit products with approximately $1.2B in total liquidity<br>• Safekeeping and cash management services<br>• 182 correspondent banking relationships<br>• Bank stock loans | • Consumer & retail banking<br>• Complex commercial lending<br>• Sophisticated treasury management solutions<br>• Customized private banking services<br>• Small ticket lease financing (m2 Equipment Finance) |

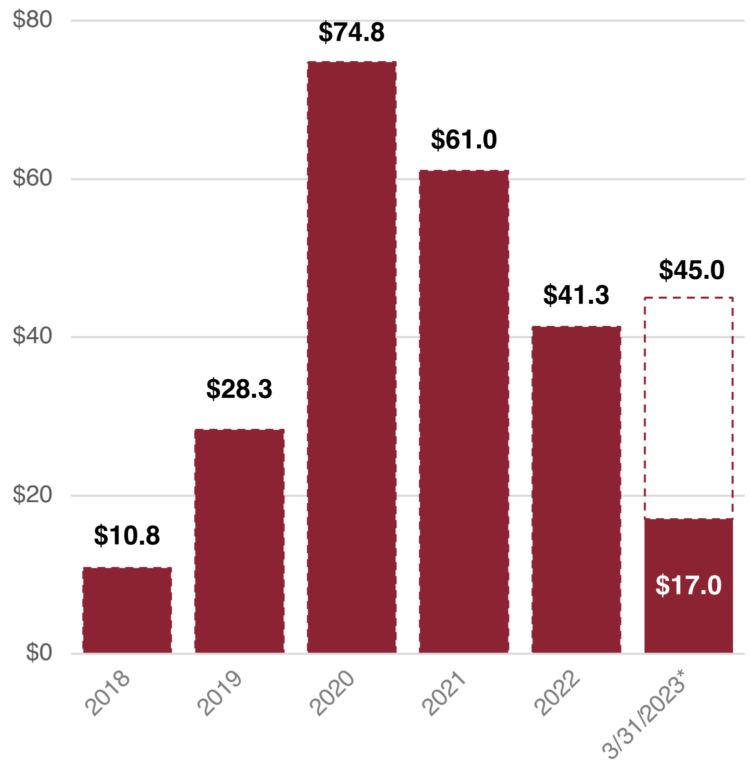
# Specialty Finance Group (SFG)

Providing Municipal and Tax Credit Financing Solutions

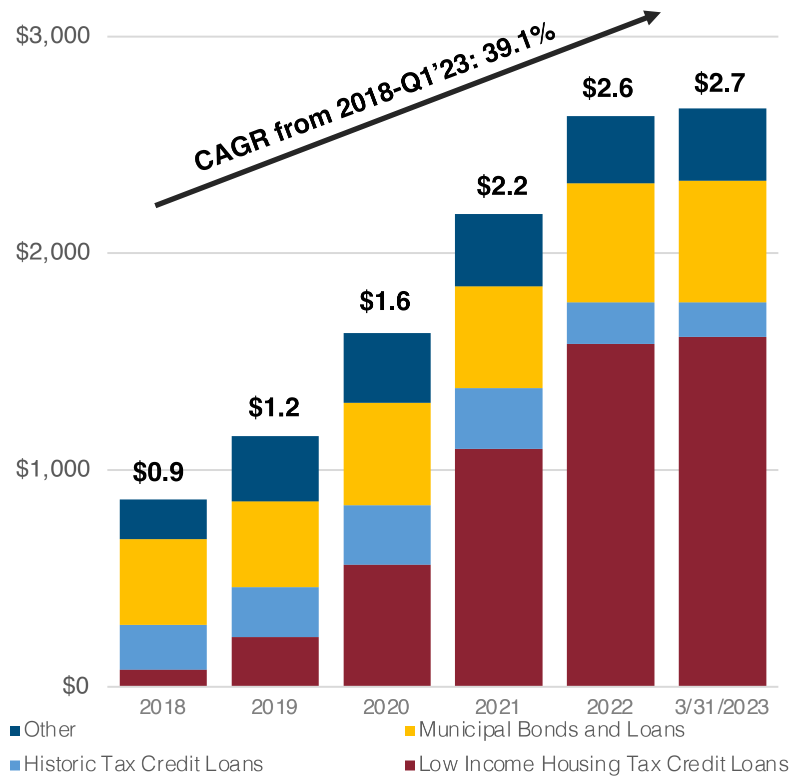
**Our SFG business is unique and offers:**

- Strong pipelines built on relationships
- Complexity which creates significant barriers to entry by competitors
- Consistent source of revenue in all economic cycles
- Planned strategic use of securitization for long-term sustainability and growth

## Fee Income Growth ($MM)

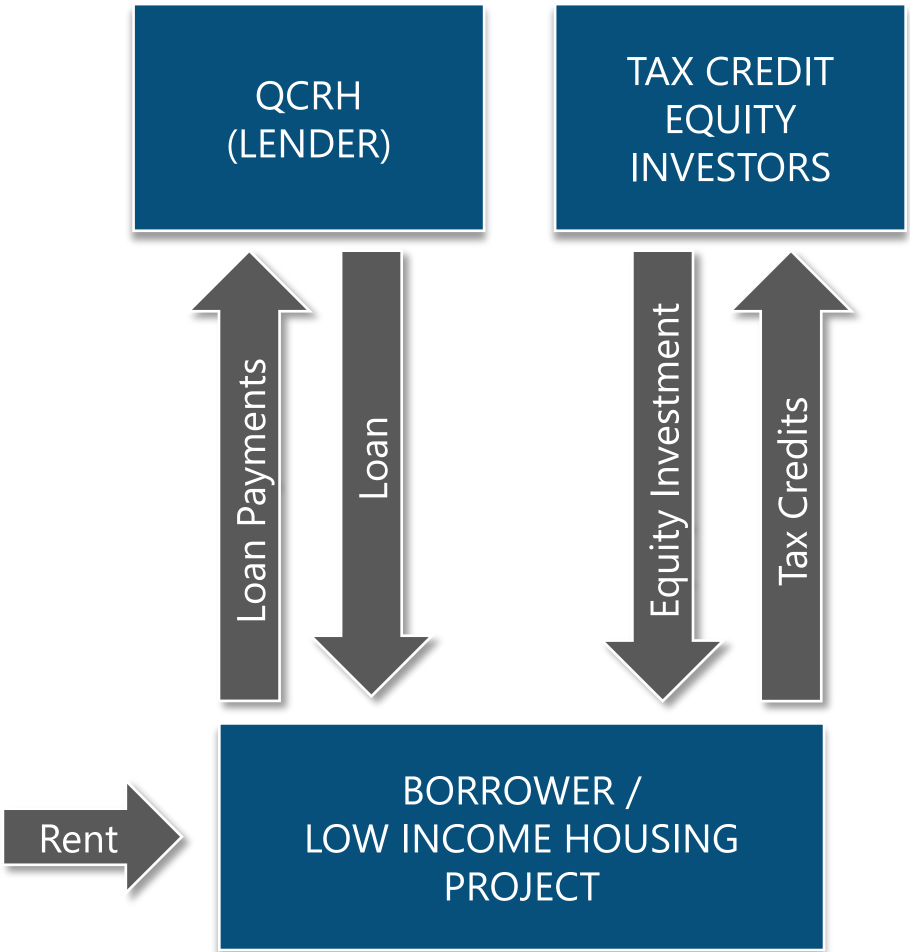



## Loan and Bond Growth Breakdown ($B)




*3/31/2023 actual quarter-to-date fee income equals $17.0 million. The mid-point of our 12-month guidance range is $45 million.

# Low Income Housing Tax Credit Loans




**STRONG BORROWERS**

- Experienced low-income housing developers
- Tax credit investors are primarily other banks and corporate investors

**HIGH-QUALITY LOANS**

- Very strong Loan-To-Values
- Very low historical industrywide defaults
- 15-year loans, utilizing back-to-back interest rate swaps

**OVERALL POSITIVE IMPACT**

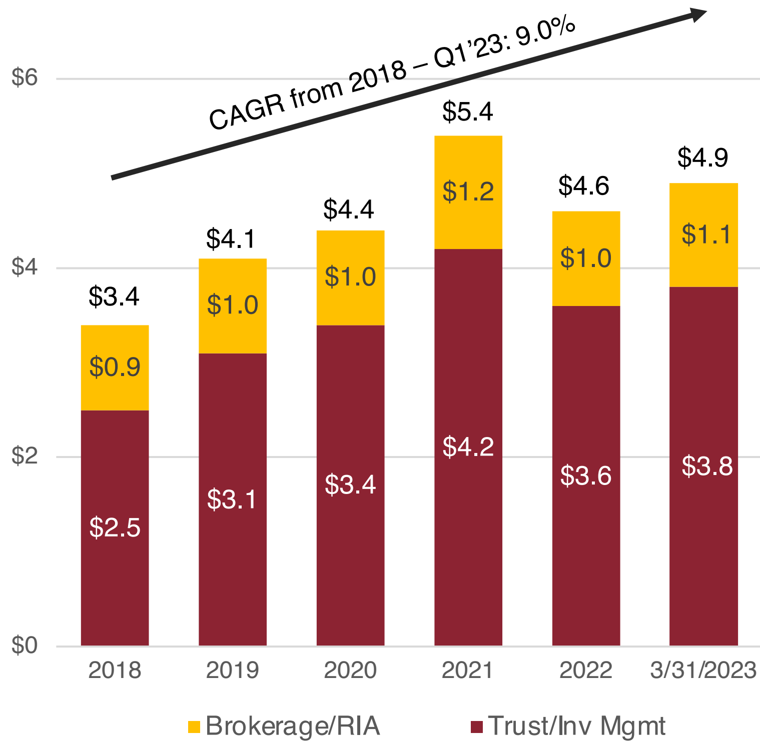
- Helps QCRH manage interest rate risk
- QCRH recognizes capital markets revenue
- Increases the availability of much needed affordable housing
- Significant contributor to CRA efforts

# A Broad Scope of Wealth Management Services

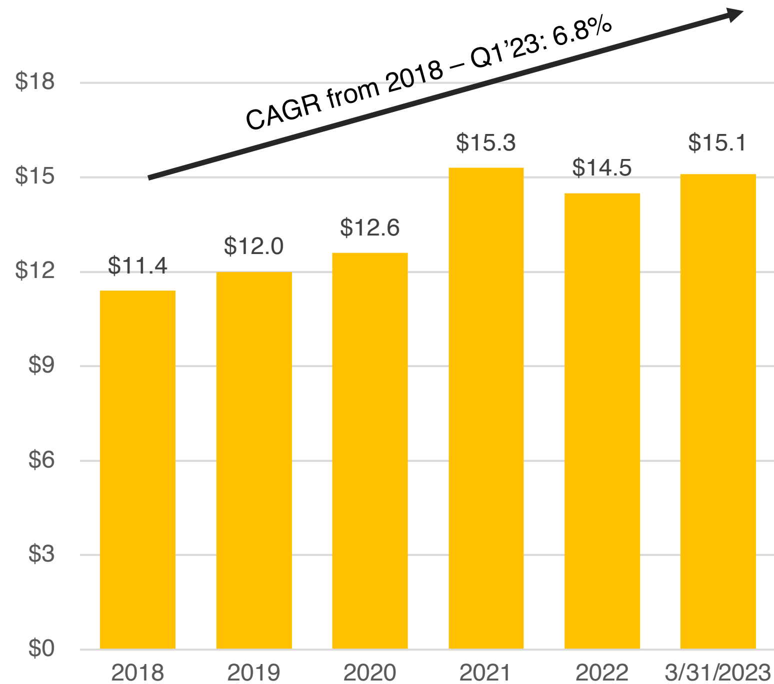
**Our wealth management structure and extensive scope of services cater to our clients' needs.**

- Diverse wealth management solutions serving a wide range of clients
- Over 1,000 new relationships added over the last three years

Assets Under Management ($B)(1)



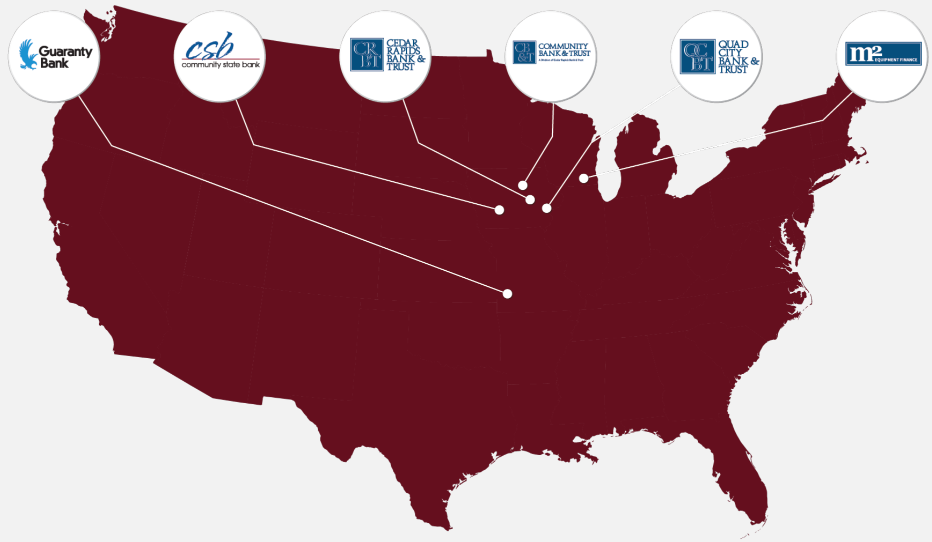

Revenue ($M) (1)(2)




(1 ) All data excludes Bates and RB&T. (2) Annualized

# We Do Business in Vibrant Markets

- Relationships matter and differentiate us from big banks
- Robust commercial, industrial, and technology activity
- Ability to gain prominent market share
- Mid-sized metros 200K-500K population MSAs
- Strong demographics & highly educated workforce drive steady growth



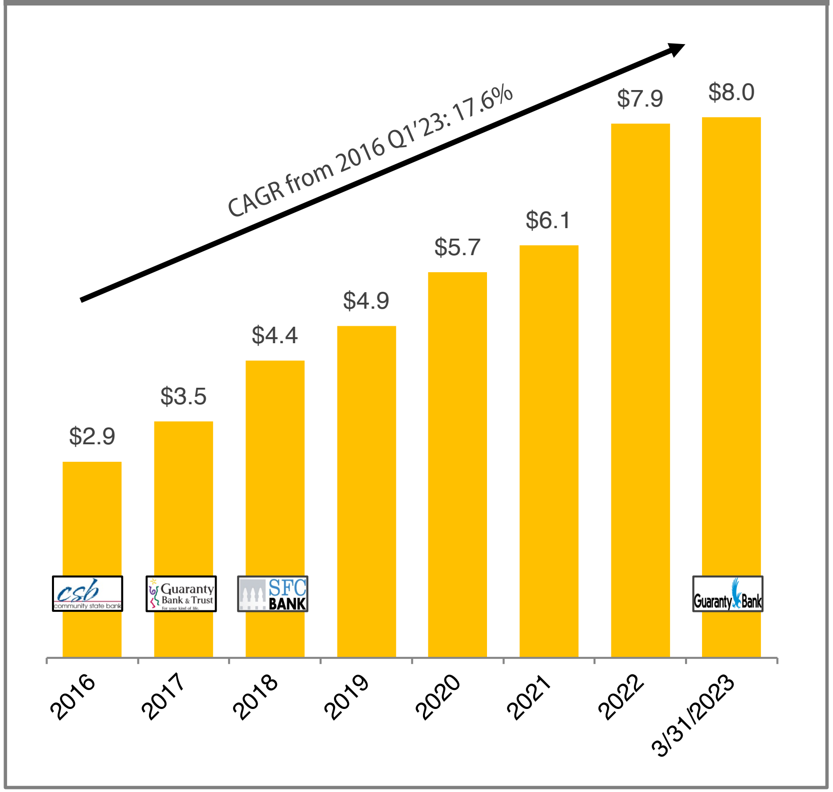

| Entity | States/Region | # Locations | Deposits | Market Share |
|---|---|---|---|---|
| Quad City Bank & Trust | Iowa/Illinois - Quad Cities | 5 | $2.2B | #1 |
| Cedar Rapids Bank & Trust * | Iowa -Cedar Rapids/Cedar Valley | 8 | $1.7B | #1 |
| Guaranty Bank | Missouri - Southwest Region | 14 | $1.6B | #4 |
| Community State Bank | Iowa - Des Moines/ Ankeny | 9 | $1.1B | #7 |

Location and deposit data as of 3/31/23. Market share as of 6/30/22
* Cedar Rapids Bank & Trust includes Community Bank & Trust in the Cedar Valley.

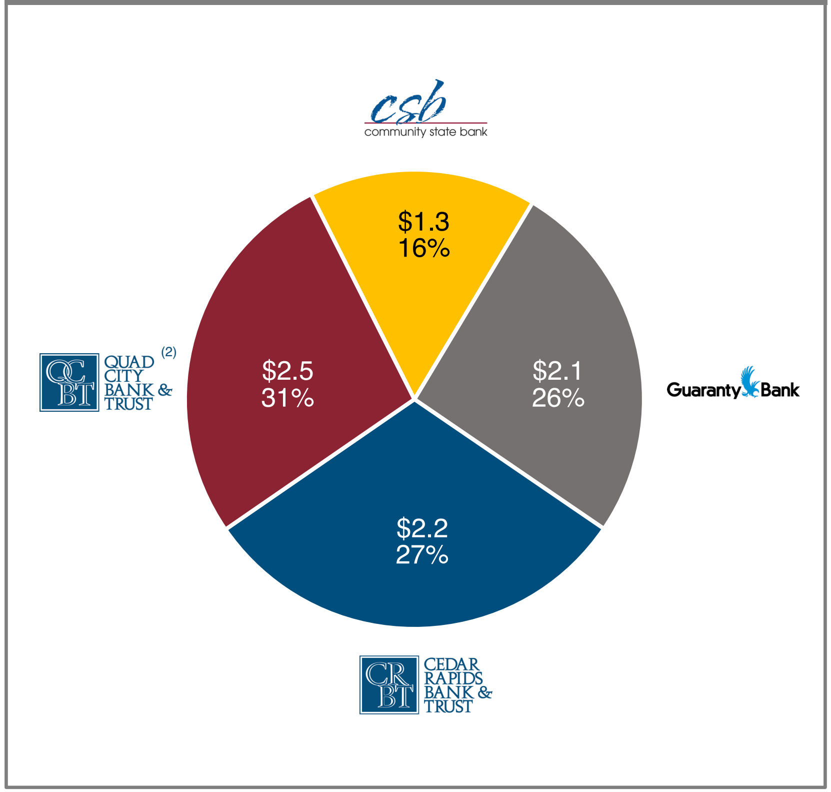
# A Consistent Track Record of Asset Growth

Asset growth has been driven by a combination of organic growth and strategic acquisitions.

## Total Consolidated Assets ($B)(1)




## Asset Distribution by Charter as of 3/31/23 ($B)

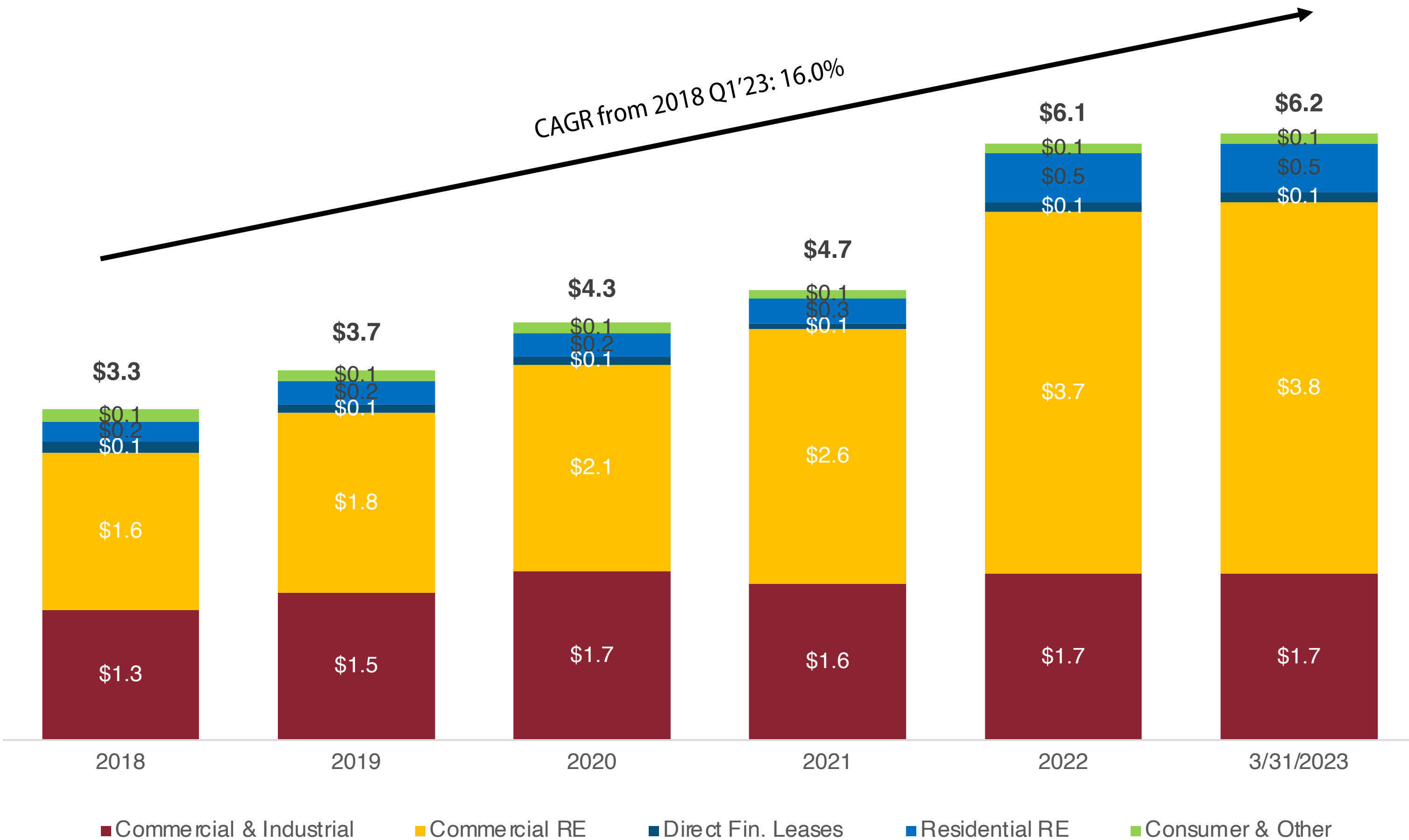



Recent Acquisitions (Assets at acquisition date in $ Millions):
2016: Community State Bank ($582)  2017: Guaranty Bankshares, Ltd. ($260)  2018: Springfield Bancshares, Inc. ($576)  2022: Guaranty Bank ($1,223)

(1) Rockford Bank & Trust assets were removed from this data.
(2) Includes $317.5 million of the assets of m2 Equipment Finance, as this entity is wholly-owned by and consolidated with Quad City Bank and Trust.

# Loan Growth Driven by Commercial Lending

Commercial Loans* Represent 90% of the Loan Portfolio ($B) as of 3/31/23




* Includes Commercial & Industrial, Commercial RE and Direct Financing Lease. Loan composition excludes deferred loan/lease origination costs, net of fees. Rockford Bank & Trust is excluded from this data. Totals may not add up due to rounding.

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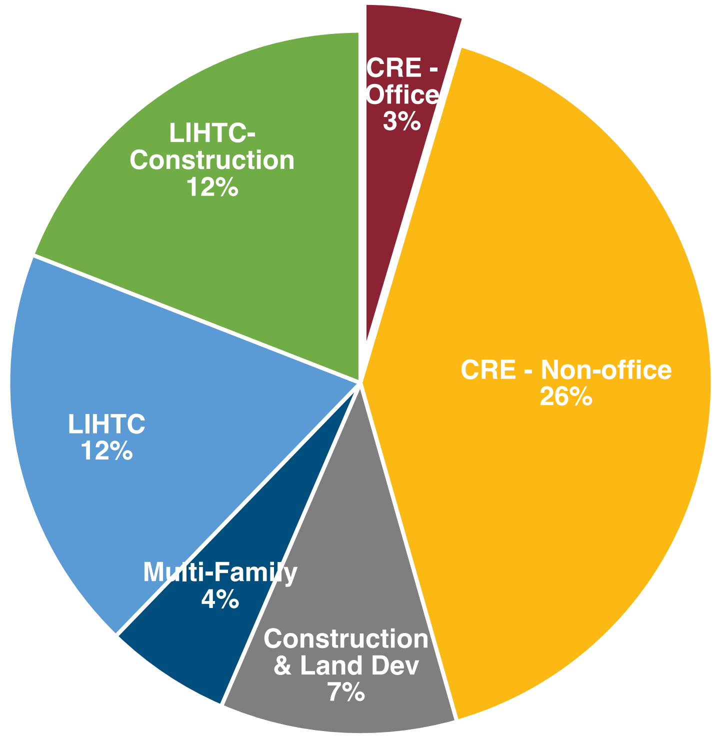
# Our High-Performing CRE Portfolio

TOTAL CRE PORTFOLIO:
$4.0 Billion

**Key Takeaways:**

- CRE Office represents only 3% of Total Loans
- 15 loans > $3 million (total of $62 million)
- Primarily smaller facilities (two stories or less) and located within the QCRH footprint

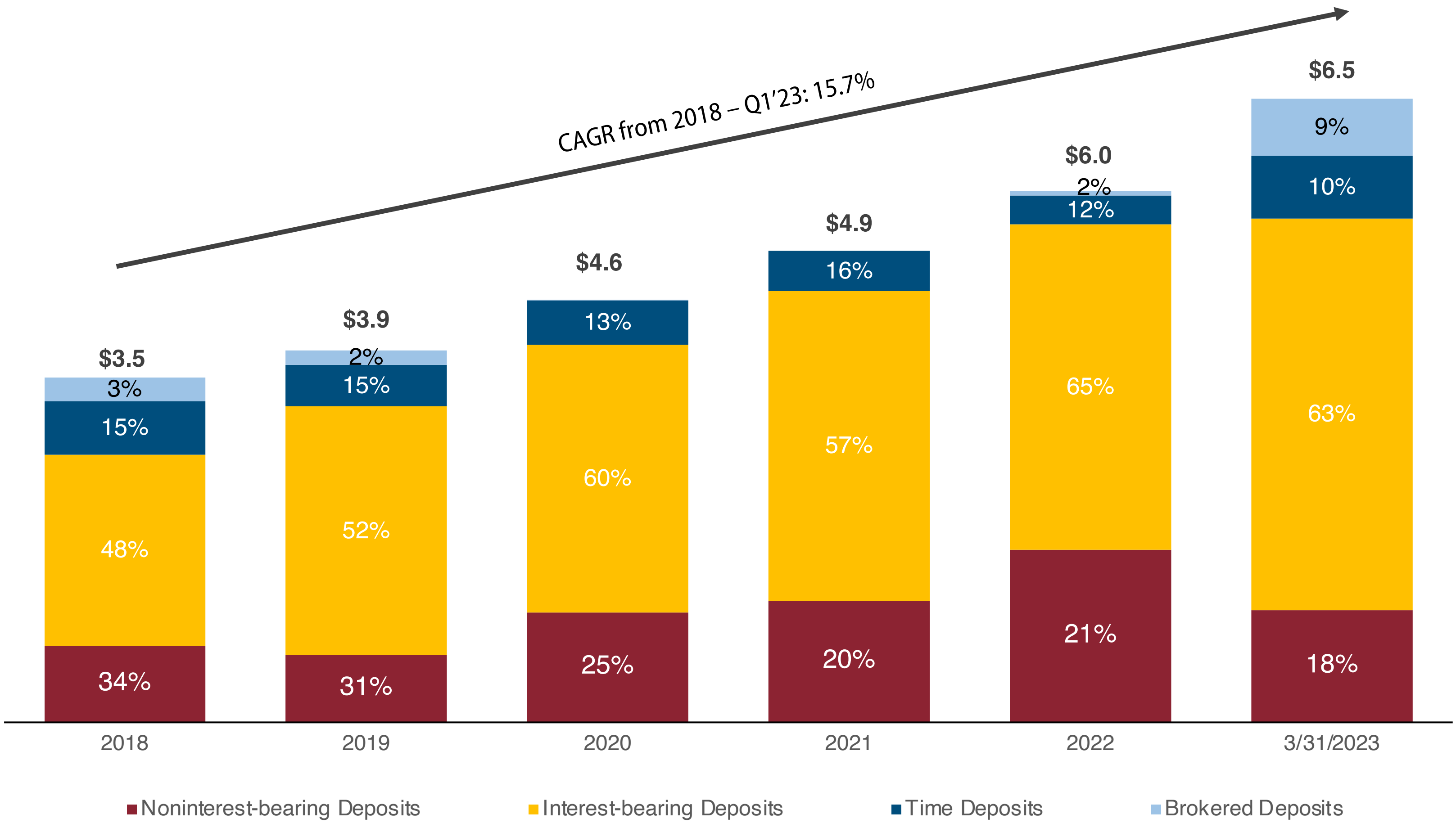
CRE IS 64% OF TOTAL LOANS
Total Loans $6.2 Billion




As of 3/31/23.

# Deposit Growth Driven by Core Deposits

## Core Deposits* Represent 91% of Total Deposits ($B) as of 3/31/23



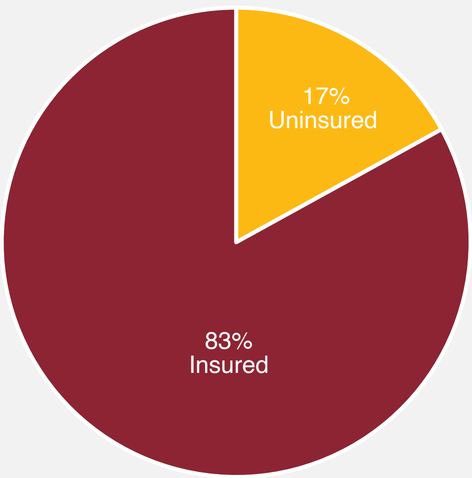

* Core deposits are defined as total deposits less brokered deposits. Rockford Bank & Trust deposits excluded from this data.

# Diversified and Granular Deposit Base

QCRH TOTAL DEPOSITS: $6.5 Billion

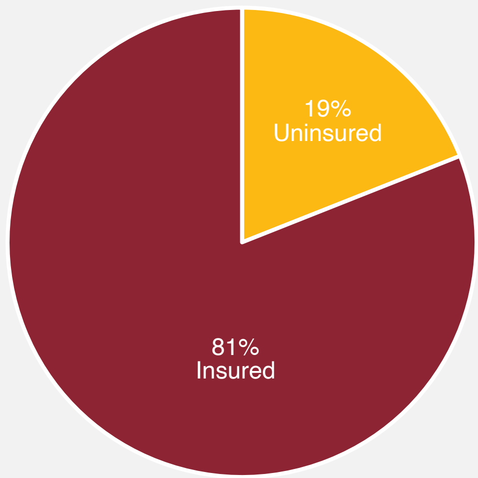
76% of Total Deposits are Insured*

**CONSUMER DEPOSITS**
$2.0 Billion



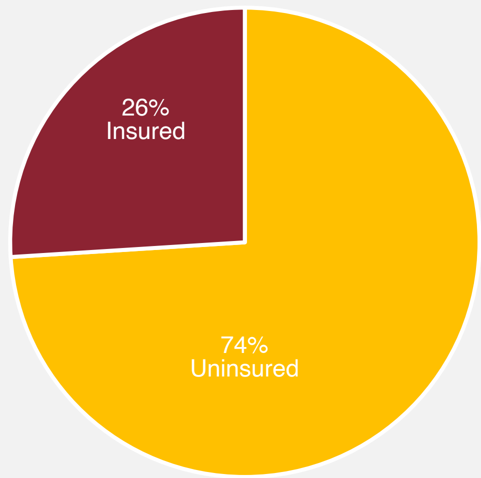

Average Account Balance: $17,900
Portfolio Percentage: 31%

**COMMERCIAL DEPOSITS**
$3.9 Billion




Average Account Balance: $232,000
Portfolio Percentage: 60%

**CORRESPONDENT DEPOSITS**
$0.6 Billion



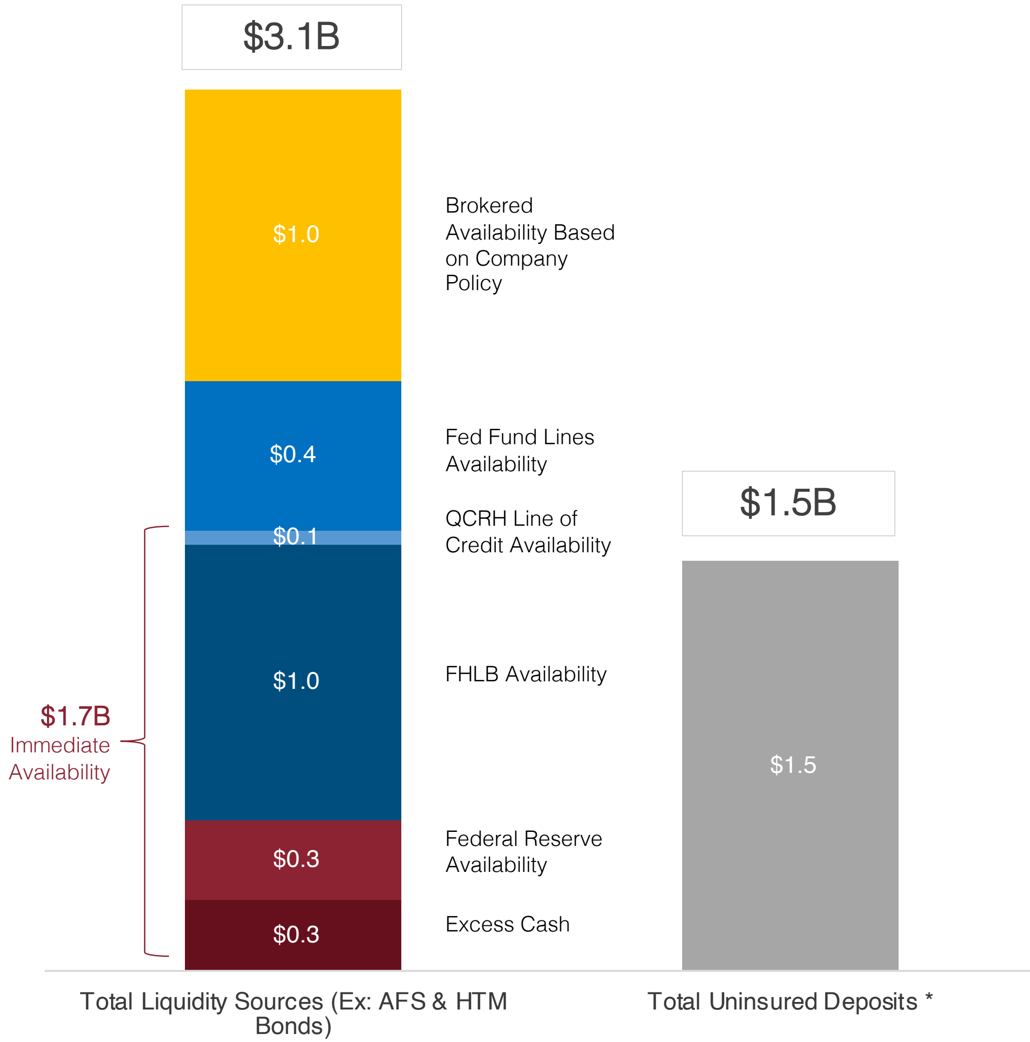

Average Account Balance: $2,100,000
Portfolio Percentage: 9%

As of 3/31/23.
*Insured deposits represent FDIC insured, collateralized, or insured through the ICS/CDARS program deposits.

# Robust and Diverse Liquidity

## Key Takeaways:

- Including unpledged AFS and HTM Bonds of approximately $800MM, our Total Liquidity is strong at nearly 50% of our Total Assets
- Immediately available liquidity sources more than cover uninsured deposits
- Active participant in ICS/CDARS deposit program for many years



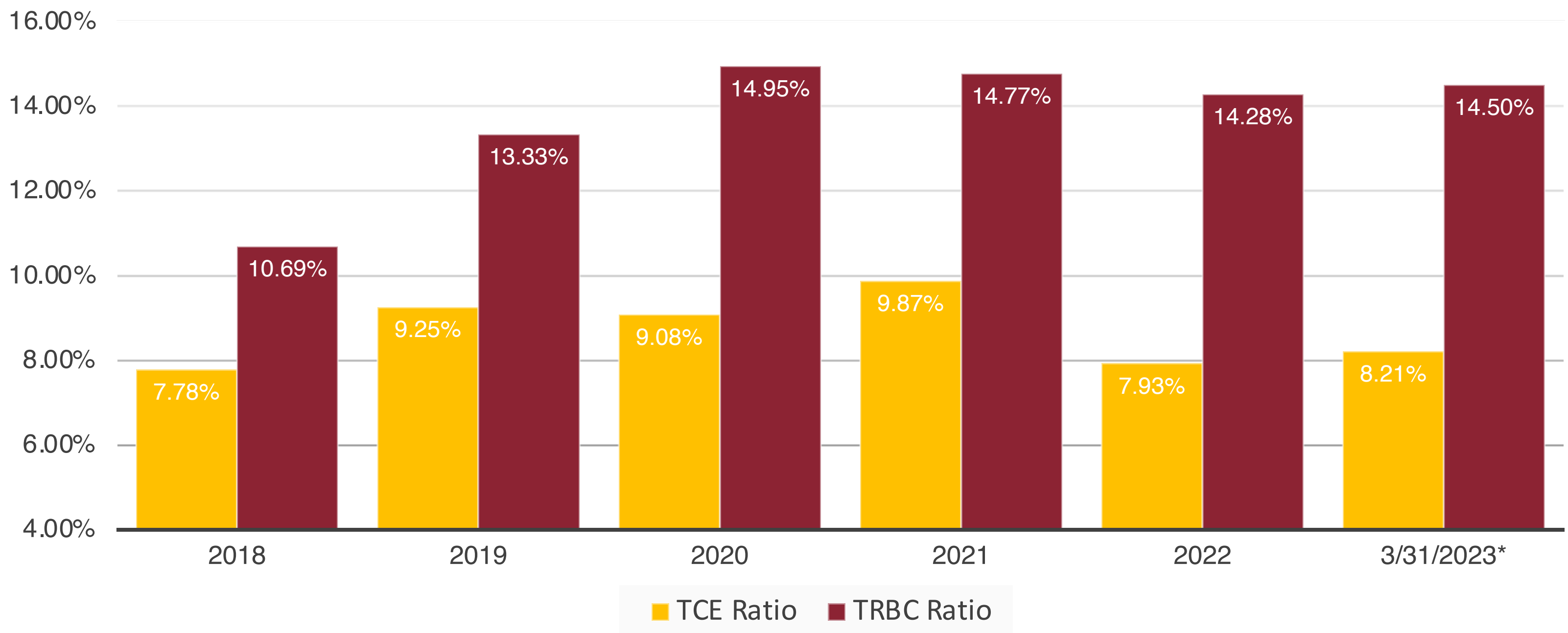

Dollars In billions. As of 3/31/23.
*Uninsured deposits exclude deposits that are FDIC insured, collateralized, or insured through the ICS/CDARS program.

# Our Strong Capital Position

**QCRH is well-positioned for long-term success:**

- Successful subordinated debt raises in 2019, 2020 and 2022 bolstered total risk-based capital
- Lowest dividend payout ratio in peer group retains capital for strong organic and M&A growth
- Acquisition of Guaranty Bank in 2022 initially impacted capital ratios

Tangible Common Equity & TRBC Ratios




*TRBC ratio at 3/31/23 is estimated. Adjusting our TCE ratio for net unrealized losses after tax on our HTM bond portfolio would equal 7.89%. Adjusting our TRBC ratio for AOCI and net unrealized losses after tax on our HTM bond portfolio would equal 13.65%.

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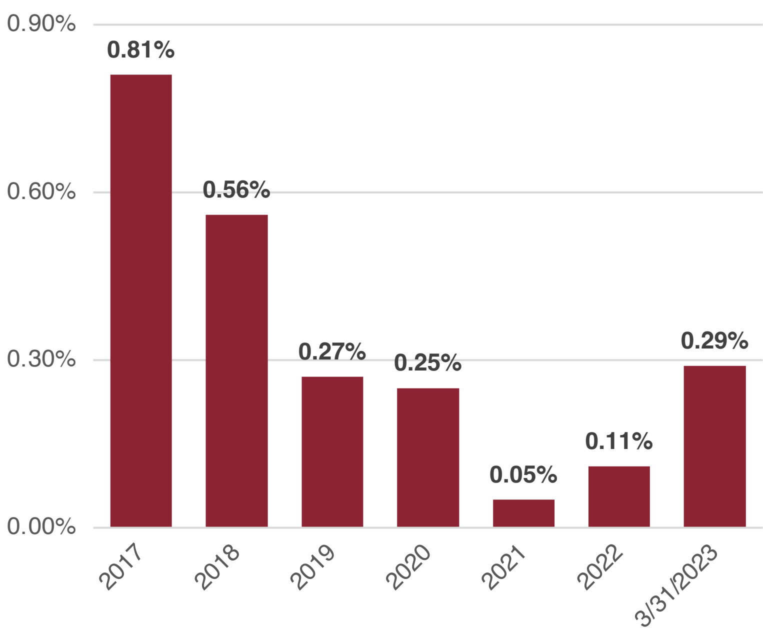
# Strong Credit Culture Supported by High Levels of Reserves

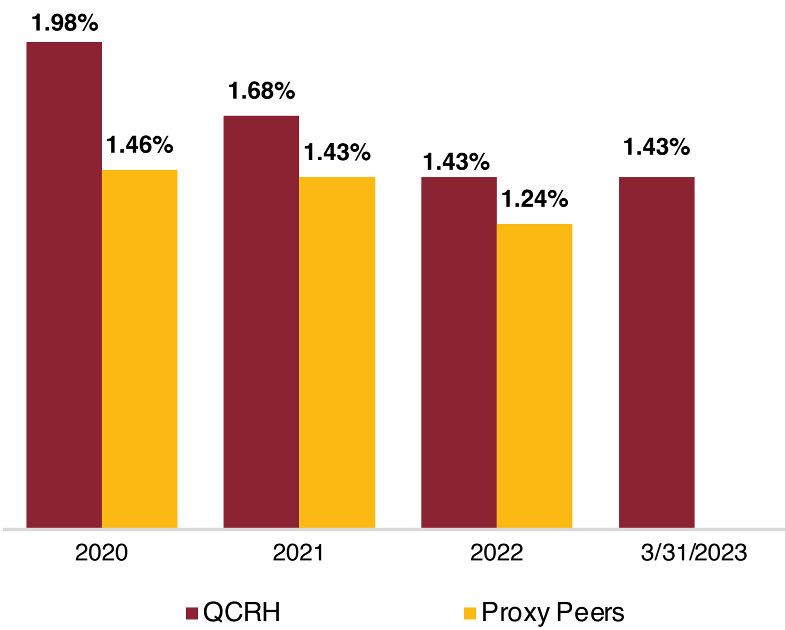
**Focused on maintaining excellent asset quality and resolving problem assets, resulting in:**

- Better than peer historical loss rates
- Conservative reserve for credit losses
- Strategy to aggressively manage problem credits

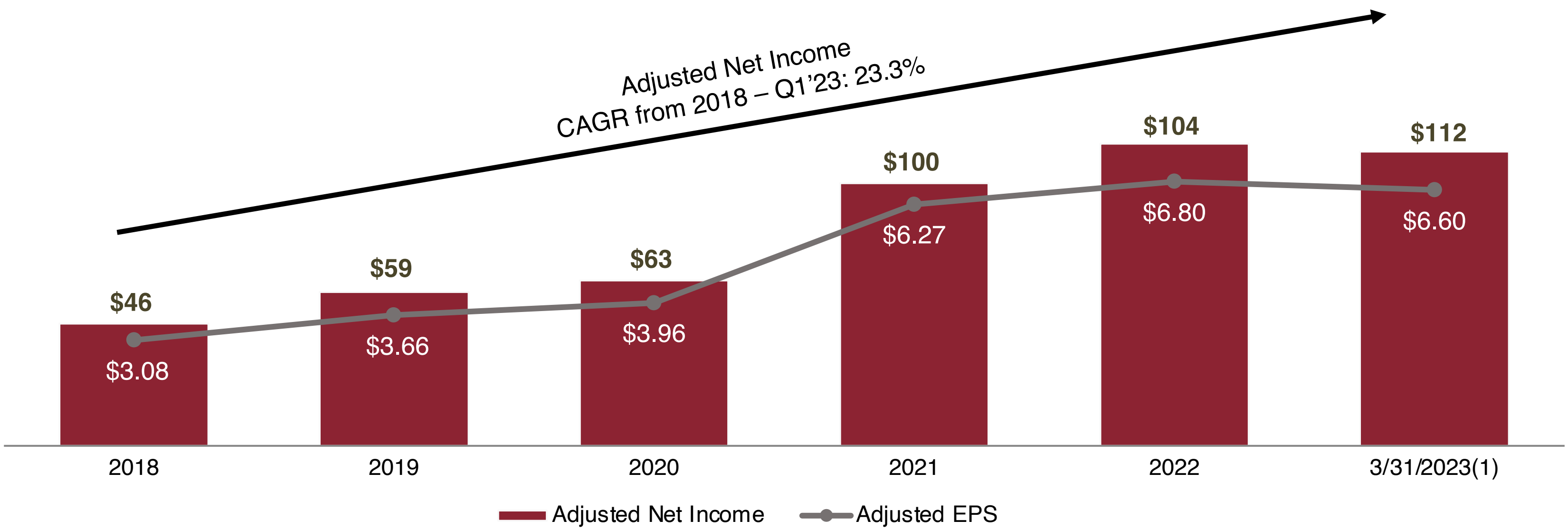
NPAs / Assets



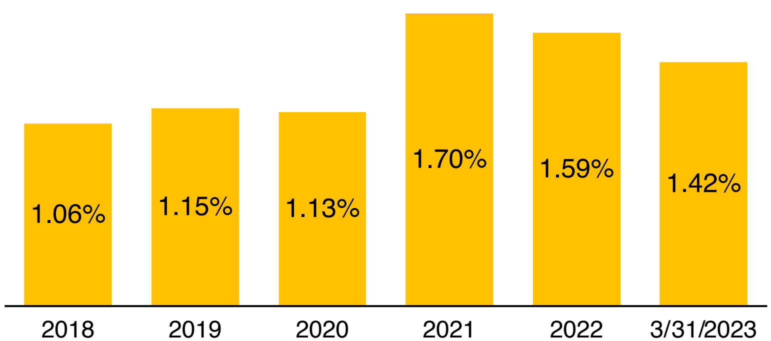

ACL – Loans HFI/Total Loans (%)



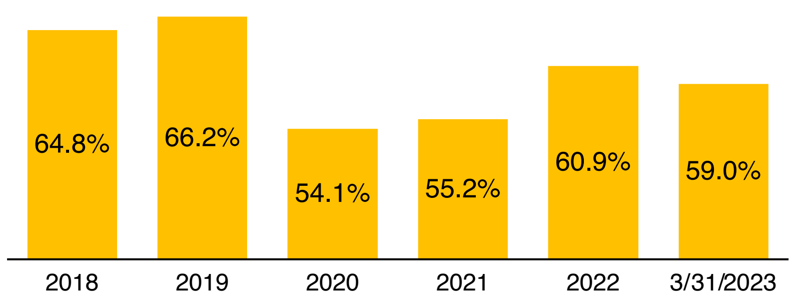
# Consistent Improvement in Shareholder Returns




## Adjusted Return on Average Assets




## Efficiency Ratio (%)




Note: All data excludes Rockford Bank & Trust and 2019 excludes $12.3 million gain on sale from the RB&T transaction. (1) 3/31/2023 annualized

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relationship driven.

3551 7th Street, Moline IL 61265