



2021 ANNUAL REPORT

SUCCESS WITHOUT COMPROMISE

I AM HONORED TO DELIVER MY FIRST MESSAGE AS BOARD CHAIR OF QCR HOLDINGS, INC.



Marie Zelnio Ziegler | Chair of the Board

As I reflect on 2021, it is the expertise and teamwork demonstrated during another year of change and challenge that stands out as the key to our company's unprecedented success.

We delivered outstanding performance, achieving record earnings while driving long-term results for our shareholders.

Importantly, we did it without compromising what matters most – relationships and superior service. Through it all, we maintained our unwavering dedication to a people-first approach.

It is this passion for building relationships that also drives our commitment to volunteerism and philanthropy. Day in and day out, you'll find the people of our organization sharing their expertise and talents to make a real difference.

With an eye on future success, we are excited about the anticipated acquisition of Guaranty Bank in southwest Missouri, and look forward to continued growth in this vibrant market.

We are confident in our future and the excellent management team in place. Thank you for being our shareholders.

EXPRESSING OUR APPRECIATION TO PAT BAIRD

What happens to an organization that experiences nearly two decades of tremendous leadership?

Success happens. Growth happens. Relationships happen.

We have Pat Baird, a member of the Board for nearly 20 years and our Board Chair for six, to thank for so much of what QCR Holdings, Inc. is today.

As we celebrate his retirement in May of 2022, it's impossible to sum up the impact he has made at QCR Holdings as his influence has been truly immeasurable.

We are grateful for his remarkable leadership, astute insights and friendship over the years.



PERFORMANCE THROUGH PEOPLE



Larry Helling | Chief Executive Officer
QCR Holdings, Inc.



Todd Gipple | President, COO, CFO
QCR Holdings, Inc.

A message from Larry Helling and Todd Gipple

Since 2019, we've been guided by our 9-6-5 strategy – a plan to grow earnings and drive attractive, long-term results for shareholders.

Remaining focused on our plan has paid off. By the end of 2021, we announced record net income of \$98.9 million for the year – the highest in our company's 29-year history. With Earnings Per Share (EPS) increasing by 63.2% and Return on Average Assets (ROAA) increasing to 1.68%, our performance propelled us to the top quartile of our peer group.*

It is undeniable that this success is made possible by the people who have put our plans into practice.

The QCR Holdings team has truly differentiated us in our markets by harnessing the power of authentic, caring relationships and exemplifying a unique desire to know more, and do more, to benefit our clients and communities.

We're confident the year ahead will continue our trajectory of success. With our steadfast focus on 9-6-5 and the anticipated acquisition in southwest Missouri, we are poised for sustainable long-term performance and increased shareholder returns.

* Proxy peer group information found in the QCRH proxy statement for the 2021 Annual Meeting of Stockholders.

OUR STRATEGY FOR LONG-TERM GROWTH | 9-6-5

Our performance in 2021 provides a solid foundation and gives us momentum moving into the new year.

We're staying true to our simple and focused 9-6-5 plan to grow earnings and drive attractive, long-term results for shareholders.

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

We intend to continue to gain market share across our charters by capitalizing on the value that our clients place on relationship-based community banking. Our goal is to organically grow loans and leases by 9% per year and to fund this growth with a corresponding increase in our core deposits.

Grow fee income no less than 6% per year

We will continue our efforts to diversify our revenue mix and develop more opportunities to increase profitability with continued gains in noninterest income. Our goal is to grow our fee-based income by no less than 6% per year.

Improve efficiencies and hold expense growth to less than 5% per year

We will continue to focus on improving operational efficiencies and managing our noninterest expenses. Our goal is to limit our annual operating expense growth to no more than 5% per year.



ANOTHER RECORD-BREAKING YEAR

FINANCIAL RESULTS

There's no question about it: 2021 was a year of outstanding financial and operational performance. Through robust loan growth, solid fee income, an expanded net interest margin, carefully managed expenses and excellent asset quality, we surpassed our ambitious five-year projections and celebrated the highest levels of net income and earnings per share since the company's inception.

That kind of growth only happens when we work together. The entire QCR Holdings team contributed to our success by capitalizing on the strengthening economic conditions in our markets and working diligently to gain market share across our charters. Evidence that our expanding client base continues to value our local charter model that emphasizes service, agility and responsiveness.

Our employees are the heart of our company. Their hard work and dedication to building relationships that matter ignited our record earnings performance for the year.

2021 Performance Highlights

- ▶ Net income increased by 63%
- ▶ Tangible book value per share grew by nearly \$6.00, or 18%
- ▶ Loans and leases (excluding PPP) grew by 17%, driven by strong demand from new and existing clients
- ▶ Core deposits grew by 7% for the year, and 26% of total deposits are non-interest bearing
- ▶ Expanded our net interest margin in a challenging interest rate environment
- ▶ Limited our noninterest expense growth to just over 1% as we maintained discipline on our discretionary spending
- ▶ Our credit quality remains excellent with net charge-offs near zero and nonperforming assets now representing only 0.05% of total assets
- ▶ Wealth management assets under management grew by 23% and 321 new relationships in 2021
- ▶ Continued to gain market share across our charters, reflecting the value that our clients place on relationship-based community banking



Our employees are the heart
of our company.

FINANCIAL HIGHLIGHTS

2021 Annual Key Metrics

Loan and Lease Growth
(excluding PPP loans)

16.9%

Record Net Income

\$98.9 Million

Core Deposit Growth

7.2%

Increase in Earnings
Per Share

63.2%

Growth in Wealth Management
Assets Under Management

22.7%

NPAs/Assets

0.05%

Return on Average Assets

1.68%

Return on Average Total Equity

15.52%

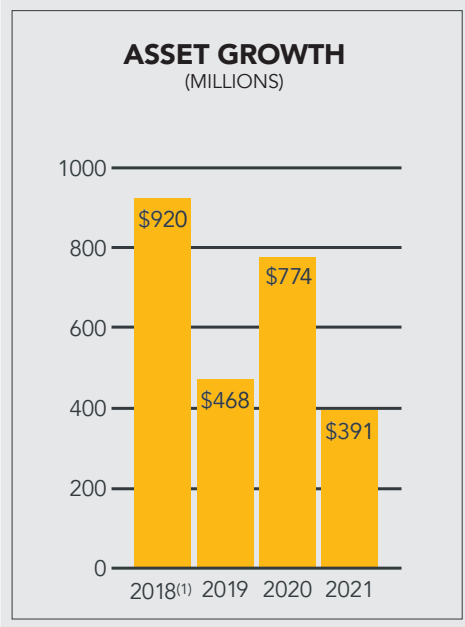
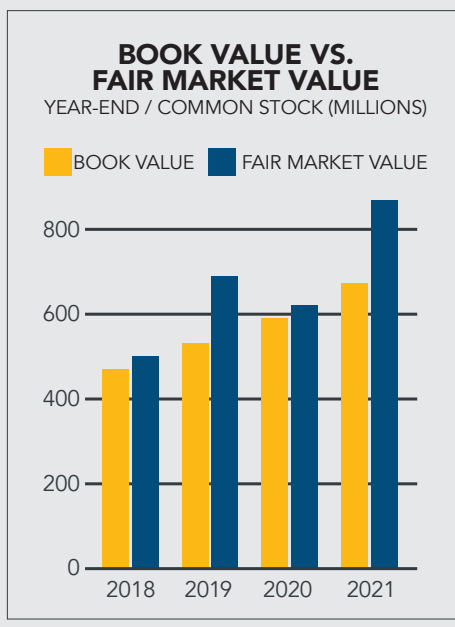
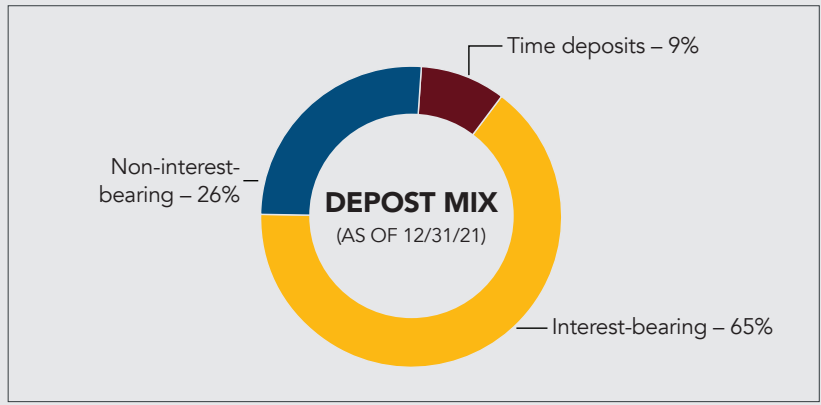
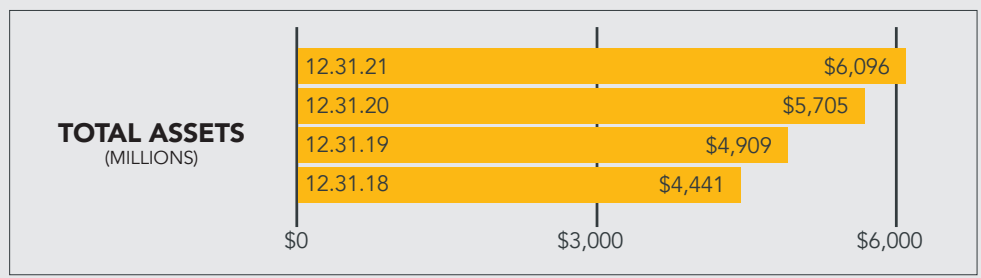
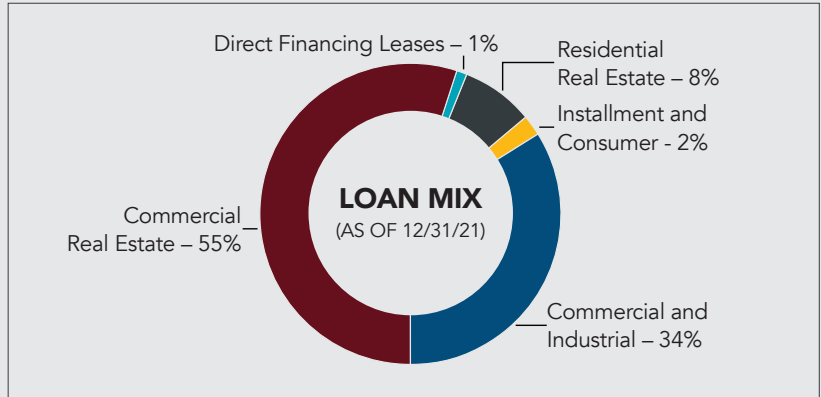
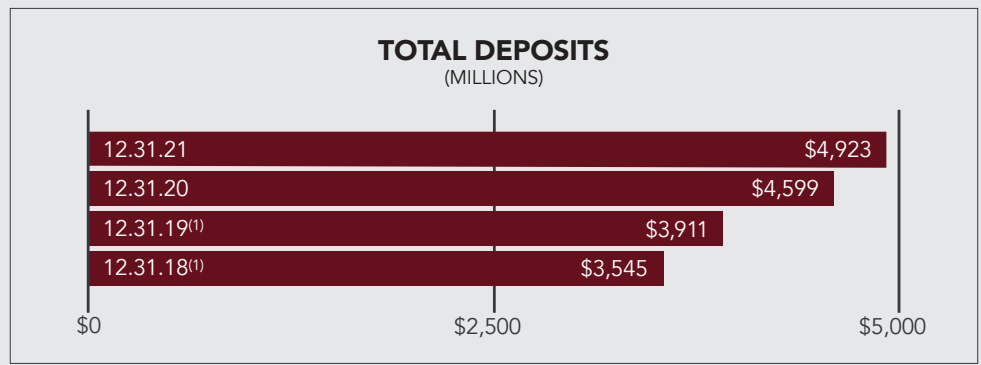
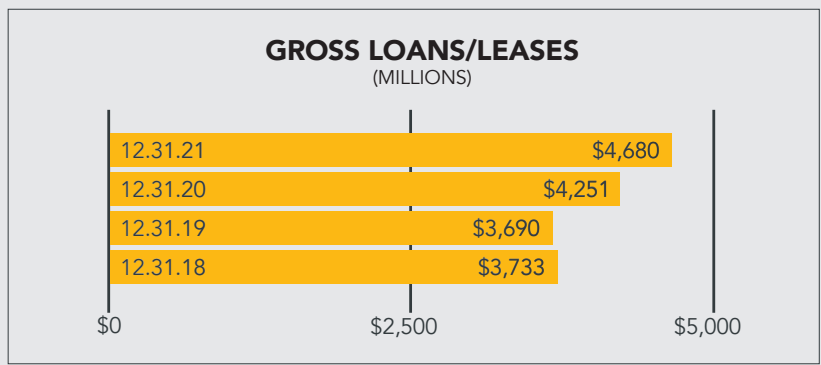
Tangible Book Value Growth
Per Share

18.2%

Summary of Financial Results

(in thousands)

	2017	2018	2019	2020	2021
Net interest income	\$116,065	\$142,395	\$155,559	\$166,950	\$178,233
Non-interest income	\$30,482	\$41,541	\$78,768	\$113,798	\$100,422
Non-interest expense	(\$97,424)	(\$119,143)	(\$155,234)	(\$151,755)	(\$153,702)
Pre-tax pre-provision net income	\$49,123	\$64,793	\$79,093	\$128,993	\$124,953
Provision for credit losses	(\$8,470)	(\$12,658)	(\$7,066)	(\$55,704)	(\$3,486)
Net income before taxes	\$40,653	\$52,135	\$72,027	\$73,289	\$121,467
Income taxes	(\$4,946)	(\$9,015)	(\$14,619)	(\$12,707)	(\$22,562)
Net income	\$35,707	\$43,120	\$57,408	\$60,582	\$98,905



(1) Includes merger with Springfield Bancshares/Acquisition of Bates Companies

A COMPELLING PARTNERSHIP

ACQUISITION OF GUARANTY FEDERAL BANCSHARES, INC. (GFED)

We anticipate the acquisition of Guaranty Federal Bancshares, Inc. in early Q2 and plan to merge Guaranty Bank into SFC Bank, our Springfield, MO-based charter. The new combined bank will operate under the Guaranty Bank name.

We are excited about this transaction as it significantly enhances our market position in the vibrant Springfield and southwest Missouri markets.

Guaranty Bank has a deep-rooted and prominent brand, a long history of profitable growth and a talented team of bankers. Guaranty is also known for its commitment to exceptional client service and relationship banking, including outstanding community support. We share these same values, making the combination a natural fit.

Bringing the two teams together from both banks will enable us to extend our high-performing and profitable niche business lines into those markets, serve our combined client base more effectively, accelerate our earnings growth, and improve shareholder returns.

ATTRACTIVE ECONOMICS

\$2.0 billion in total assets⁽¹⁾

\$1.5 billion in total loans⁽¹⁾

\$1.6 billion in total deposits⁽¹⁾

#4 in deposit market share^{(1) (2)}

First Full Year EPS accretion ~ 13%

Expected IRR ~ 20%

TBV earnback less than 3 years

⁽¹⁾ - Combined for Springfield First Community Bank and Guaranty Bank as of December 31, 2021.

⁽²⁾ - Source: FDIC deposit market share data as provided by S&P Global. Deposit and branch data is as of 6/30/21. Other financial information as of 9/30/21.

The image shows the exterior of a Guaranty Bank building. The word "Guaranty" is prominently displayed in large, blue, illuminated letters on the facade. To the right of the name is a circular logo featuring a stylized eagle or bird. The building has large windows and a modern architectural style.





purpose beyond profit

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Rooted in the importance of relationships, our commitment to long-term growth goes beyond investing in financial futures – it's built on integrity and an investment in our communities and our people.

OUR APPROACH IS SIMPLE:

Using our resources responsibly, fostering inclusive environments, and driving integrity through effective governance – both inside and outside our bank walls – makes us all better.

Using benchmark data and industry insights, our Board oversees ESG programs that translate our values into action, mitigate risks, and ensure safe and sound business practices to move our company and communities forward. It is only with a continued focus that we will ensure future success for our business, shareholders, and neighbors.

ENVIRONMENTAL

Responsible use of our resources with a focus on sustainability

SOCIAL

Commitment to support the communities in which we live and work

GOVERNANCE

Integrity in our business practices

2021 ESG HIGHLIGHTS

81%

Employee engagement score, above the national benchmark of 74%*

*Culture Amp 2021 data

\$570
MILLION

in CRA financing and investments

737
HOURS

of financial literacy classes

\$1.5
MILLION

in financing for solar projects

DIVERSITY OFFICER POSITION
CREATED AND FILLED

to drive the Diversity, Equity and Inclusion strategy company-wide

\$2.2
MILLION

in corporate sponsorships and donations

ONLINE ACCOUNT OPENING
AND LOAN APPLICATIONS

increasing accessibility of banking services

1,600
TREES
PLANTED

through the Monarch Research Project and ReLeaf Cedar Rapids programs

NEARLY
16,000

employee volunteer hours

QCR Holdings board of directors is comprised of

45% WOMEN &
MINORITIES

BOARD OF DIRECTORS



LARRY J. HELLING
Chief Executive Officer,
QCR Holdings, Inc.



MARIE ZELNIO ZIEGLER
Chair of the Board, QCR Holdings, Inc.,
Vice President and Deputy Financial
Officer (retired), Deere & Company



JAMES M. FIELD
Vice Chair of the Board, QCR Holdings,
Inc., President and Chief Financial
Officer (retired), Deere and Company



PATRICK S. BAIRD
President and Chief Executive Officer
(retired), Aegon, USA



MARY KAY BATES
President and Chief Executive
Officer, Bank Midwest



JOHN-PAUL E. BESONG
Executive (retired),
Rockwell Collins



BRENT R. COBB
Chief Executive Officer,
World Class Industries, Inc.



TODD A. GIPPLE
President, Chief Operating Officer
and Chief Financial Officer,
QCR Holdings, Inc.



ELIZABETH S. JACOBS
President, The Jacobs Group, LLC



MARK C. KILMER
President, The Republic Companies



DONNA J. SORENSEN, J.D.
President, Sorensen Consulting

MANAGEMENT CABINET



ANNE E. HOWARD

Senior Vice President, Director of Human Resources,
QCR Holdings, Inc.

TODD A. GIPPLE

President, Chief Operating Officer and Chief Financial Officer,
QCR Holdings, Inc.

LARRY J. HELLING

Chief Executive Officer, QCR Holdings, Inc.
and Cedar Rapids Bank & Trust

JOHN H. ANDERSON

Chief Executive Officer, Quad City Bank & Trust,
Chief Deposit Officer, QCR Holdings, Inc.

DANA L. NICHOLS

Executive Vice President, Chief Lending Officer,
QCR Holdings, Inc.

LEADERSHIP TEAM



STACEY J. BENTLEY

President and Chief
Executive Officer,
Community Bank & Trust



ROBERT M. EBY

Executive Vice President,
Chief Credit Officer,
QCR Holdings, Inc.



KIM K. GARRETT

Vice President, Corporate
Communications and
Investor Relations Manager,
QCR Holdings, Inc.



KURT A. GIBSON

President and Chief
Executive Officer,
Community State Bank



TODD C. KERSKA

Executive Vice President,
Chair, Best-in-Class Initiatives,
QCR Holdings, Inc., Cedar
Rapids Bank & Trust Cashier



JAMES D. KLEIN

President,
Cedar Rapids Bank
& Trust



MONTE C. MCNEW

President and Chief
Executive Officer,
SFC Bank



AARON M. RIOS

Executive Vice President,
Operations,
QCR Holdings, Inc.



REBA K. WINTER

Executive Vice President,
Chief Information Officer,
QCR Holdings, Inc.



	FOR THE YEAR ENDED	
	December 31, 2021	December 31, 2020
	<i>(dollars in thousands)</i>	
CONDENSED BALANCE SHEET	Amount	Amount
Cash and due from banks	\$37,490	\$61,329
Federal funds sold and interest-bearing deposits	87,662	95,676
Securities	810,215	838,131
Net loans/leases	4,601,411	4,166,753
Intangibles	9,349	11,381
Goodwill	74,066	74,066
Derivatives	222,220	222,757
Other assets	253,719	234,950
Total assets	\$6,096,132	\$5,705,043

Total deposits	\$4,922,772	\$4,599,137
Total borrowings	170,805	177,114
Derivatives	225,135	229,270
Other liabilities	100,410	105,729
Total stockholders' equity	677,010	593,793
Total liabilities and stockholders' equity	\$6,096,132	\$5,705,043

ANALYSIS OF LOAN PORTFOLIO

Loan/lease mix: ⁽¹⁾

	FOR THE YEAR ENDED	
	December 31, 2021	December 31, 2020
	<i>(dollars in thousands)</i>	
Commercial and industrial loans	\$1,584,922	\$1,726,723
Commercial real estate loans	2,675,103	2,107,629
Direct financing leases	44,623	66,016
Residential real estate loans	275,552	252,121
Installment and other consumer loans	86,311	91,302
Deferred loan/lease origination costs, net of fees	13,621	7,338
Total loans/leases	\$4,680,132	\$4,251,129
Less allowance for credit losses on loans/lease	78,721	84,376
Net loans/leases	\$4,601,411	\$4,166,753

ANALYSIS OF DEPOSITS

Deposit mix:

Noninterest-bearing demand deposits	\$1,268,788	\$1,145,378
Interest-bearing demand deposits	3,232,633	2,987,469
Time deposits	421,348	460,659
Brokered deposits	3	5,631
Total deposits	\$4,922,772	\$4,599,137

(1) The Company adopted ASU 2016-13 "CECL", effective January 1, 2021, which included a change in class of receivable and segment categories. This table reflects the pre-CECL adoption loan categories for comparability. The allowance reflects CECL for 2021 and incurred loss for 2020.

	FOR THE YEAR ENDED	
	December 31, 2021	December 31, 2020
	<i>(dollars in thousands)</i>	
INCOME STATEMENT	Amount	Amount
Interest income	\$200,155	\$198,373
Interest expense	21,922	31,423
Net interest income	178,233	166,950
Provision for credit losses ⁽²⁾	3,486	55,704
Net interest income after provision for loan/lease losses	\$174,747	\$111,246
Total noninterest income	\$100,422	\$113,798
Total noninterest expense	\$153,702	\$151,755
Net income before taxes	\$121,467	\$73,289
Income tax expense	22,562	12,707
Net income	\$98,905	\$60,582
Basic EPS	\$6.30	\$3.84
Diluted EPS	\$6.20	\$3.80
Weighted average common shares outstanding	15,708,744	15,771,650
Weighted average common and common equivalent shares outstanding	15,944,708	15,952,637

(2) Provision for credit losses only included provision for loans/leases for years prior to 2021.

	FOR THE YEAR ENDED	
	December 31, 2021	December 31, 2020
	<i>(dollars in thousands)</i>	
COMMON SHARE DATA		
Common shares outstanding	15,613,460	15,805,711
Book value per common share ⁽¹⁾	\$43.36	\$37.57
Tangible book value per common share (non-GAAP) ⁽¹⁾⁽²⁾	\$38.02	\$32.16
Closing stock price	\$56.00	\$39.59
Market capitalization	\$874,354	\$625,748
Market price / book value	129.15%	105.38%
Market price / tangible book value	147.30%	123.09%
Earnings per common share (basic) LTM ⁽³⁾	\$6.30	\$3.84
Price earnings ratio LTM ⁽³⁾	8.88 x	10.31 x
TCE / TA (non-GAAP) ⁽¹⁾⁽⁴⁾	9.87%	9.05%

CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Beginning balance	\$593,793	\$535,351
Cumulative effect from the adoption of ASU 2016-13 CECL	(937)	-
Net income	98,905	60,582
Other comprehensive income, net of tax	176	2,474
Common stock cash dividends declared	(3,781)	(3,779)
Repurchase and cancellation of shares of common as a result of a share repurchase program	(14,168)	(3,779)
Other ⁽⁵⁾	3,022	2,944
Ending balance	\$677,010	\$593,793

	FOR THE YEAR ENDED	
	December 31, 2021	December 31, 2020
	<i>(dollars in thousands)</i>	
REGULATORY CAPITAL RATIOS:		
Total risk-based capital ratio	14.77%	14.95%
Tier 1 risk-based capital ratio	11.46%	11.34%
Tier 1 leverage capital ratio	10.46%	9.49%
Common equity tier 1 ratio	10.76%	10.55%

KEY PERFORMANCE RATIOS AND OTHER METRICS

Return on average assets	1.68%	1.08%
Return on average total equity (annualized)	15.52%	10.70%
Net interest margin	3.30%	3.28%
Net interest margin (TEY) (Non-GAAP) ⁽⁶⁾⁽⁷⁾	3.49%	3.44%
Efficiency ratio (Non-GAAP) ⁽⁷⁾	55.16%	54.05%
Gross loans and leases / total assets	76.77%	74.81%
Full-time equivalent employees	726	714

AVERAGE BALANCES

Assets	\$5,873,357	\$5,604,074
Loans/leases	4,456,461	4,031,567
Deposits	4,776,575	4,540,266
Total stockholders' equity	637,190	566,240

(1) Includes accumulated other comprehensive income.

(2) Includes accumulated other comprehensive income and excludes intangible assets.

(3) LTM : Last twelve months.

(4) TCE / TCA : tangible common equity / total tangible assets.

(5) Includes mostly common stock issued for options exercised and the employee stock purchase plan, as well as stock-based compensation.

(6) TEY : Tax equivalent yield.

(7) See GAAP to Non-GAAP reconciliations in the Company's Form 10-K and earnings release.

STOCK LISTING INFORMATION

The common stock of QCR Holdings, Inc. is traded on the Nasdaq Global Market under the symbol "QCRH".

2022 annual meeting of stockholders

We invite you to electronically attend the virtual annual meeting on Thursday, May 19, 2022, at 8:00 a.m. Central Daylight Time. You will be able to attend the annual meeting and vote during the meeting by visiting www.virtualshareholdermeeting.com/QCRH2022. Prior to the meeting, you will be able to vote by visiting www.proxyvote.com.

Stockholders interested in information may contact:

SHELLEE R. SHOWALTER | Senior Vice President, Director of Investor Services and Compensation
QCR Holdings, Inc., 3551 Seventh Street, Moline, IL 61265
309.743.7760

Annual report on Form 10-K

Copies of the QCR Holdings, Inc. annual report on Form 10-K and exhibits filed with the Securities and Exchange Commission are available to stockholders without charge by accessing our website at www.qcrh.com or by contacting:

NICK W. ANDERSON | Senior Vice President, Chief Accounting Officer
QCR Holdings, Inc., 3551 Seventh Street, Moline, IL 61265
319.743.7707

Stock transfer agent

Inquiries related to stockholder records, stock transfers, lost certificates, changes of ownership, changes of address, and dividend payments should be sent to our transfer agent at the following address:

AST Shareholder Services
Attn: Operations Center
6201 15th Avenue, Brooklyn, NY 11219
1.718.921.8124 or 1.800.937.5449

Independent Registered Public Accounting Firm

RSM US LLP, Davenport, IA

Corporate Counsel

Lane & Waterman LLP, Davenport, IA
Barack Ferrazzano Kirschbaum & Nagelberg LLP, Chicago, IL

Analysts or other investors interested in information may contact:

TODD A. GIPPLE | President, Chief Operating Officer and Chief Financial Officer
QCR Holdings, Inc., 3551 Seventh Street, Moline, IL 61265
309.743.7745

KIM K. GARRETT | Vice President, Corporate Communications and Investor Relations Manager
QCR Holdings, Inc., 500 First Avenue NE, Cedar Rapids, IA 52401
319.743.7006

Internet information

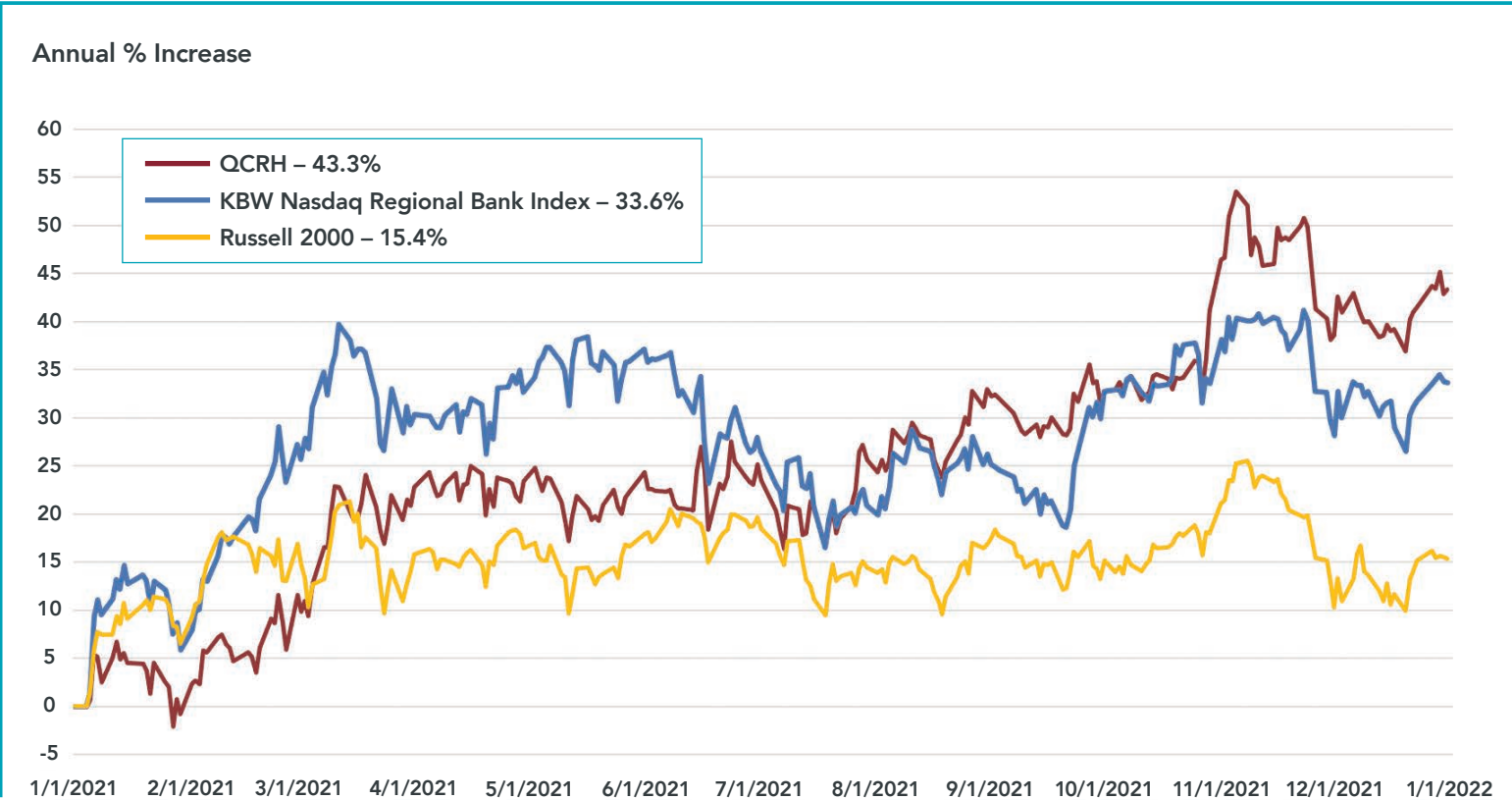
Information on our subsidiaries' history, locations, products and services can be accessed online at www.qcbt.bank, www.crbt.bank, www.communitybt.bank, www.bankcsb.com, www.sfc.bank and www.m2equipmentfinance.com.

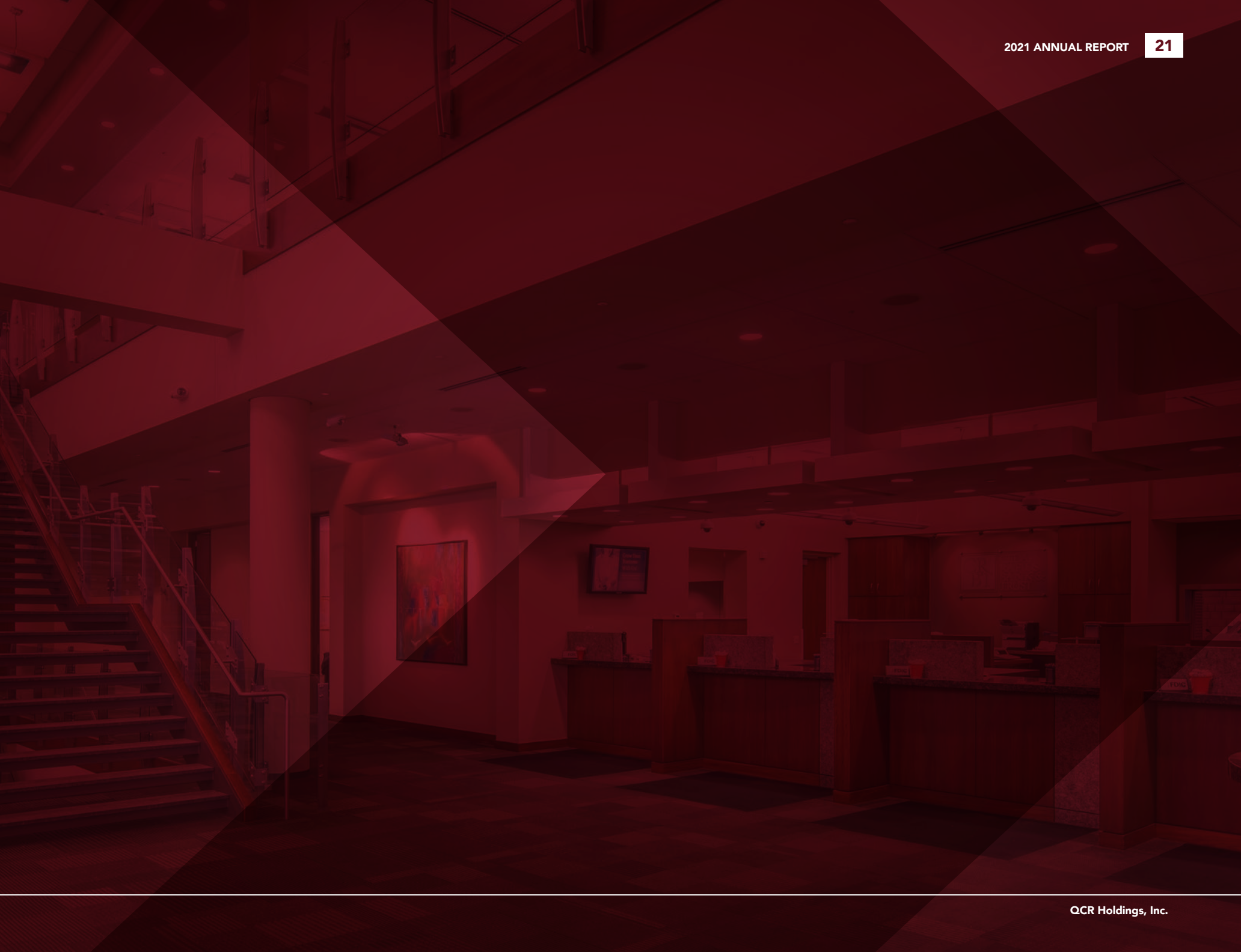
DIVIDEND INFORMATION

RECORD DATE	PAYMENT DATE	CASH AMOUNT
03/19/21	04/07/21	\$0.06
06/18/21	07/07/21	\$0.06
09/17/21	10/06/21	\$0.06
12/17/21	01/05/22	\$0.06



2021 STOCK PRICE PERFORMANCE





QCR HOLDINGS, INC.

