

Q2 2018 Investor Presentation



National Bank Holdings
CORPORATION

Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements contain words such as “anticipate,” “believe,” “can,” “would,” “should,” “could,” “may,” “predict,” “seek,” “potential,” “will,” “estimate,” “target,” “plan,” “project,” “continuing,” “ongoing,” “expect,” “intend” or similar expressions that relate to the Company’s strategy, plans or intentions. Forward-looking statements involve certain important risks, uncertainties and other factors, any of which could cause actual results to differ materially from those in such statements. Such factors include, without limitation, the “Risk Factors” referenced in our most recent Form 10-K filed with the Securities and Exchange Commission (SEC), other risks and uncertainties listed from time to time in our reports and documents filed with the SEC, and the following factors: ability to execute our business strategy; business and economic conditions; economic, market, operational, liquidity, credit and interest rate risks associated with the Company’s business; effects of any changes in trade, monetary and fiscal policies and laws; changes imposed by regulatory agencies to increase capital standards; effects of inflation, as well as, interest rate, securities market and monetary supply fluctuations; changes in the economy or supply-demand imbalances affecting local real estate values; changes in consumer spending, borrowings and savings habits; the Company’s inability to negotiate our fees with investors for the purchase of our loans, our obligation to indemnify purchasers or to repurchase the related loans, higher rate of delinquencies and defaults as a result of the geographic concentration of our servicing portfolio, or the impact of interest rates on the value of our mortgage servicing rights; the Company’s ability to identify potential candidates for, consummate, integrate and realize operating efficiencies from, acquisitions or consolidations; the Company’s ability to realize anticipated benefits from enhancements or updates to its core operating systems from time to time without significant change in client service or risk to the Company’s control environment; the Company’s dependence on information technology and telecommunications systems of third-party service providers and the risk of systems failures, interruptions or breaches of security; the Company’s ability to achieve organic loan and deposit growth and the composition of such growth; changes in sources and uses of funds; increased competition in the financial services industry; the effect of changes in accounting policies and practices; the share price of the Company’s stock; the effects of tax legislation or challenges to our tax position; the Company’s ability to realize deferred tax assets or the need for a valuation allowance; continued consolidation in the financial services industry; ability to maintain or increase market share and control expenses; costs and effects of changes in laws and regulations and of other legal and regulatory developments; technological changes; the timely development and acceptance of new products and services; changes in the Company’s management personnel and the Company’s continued ability to attract and maintain qualified personnel; ability to implement and/or improve operational management and other internal risk controls and processes and reporting system and procedures; regulatory limitations on dividends from the Company’s bank subsidiary; changes in estimates of future loan reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; widespread natural and other disasters, dislocations, political instability, acts of war or terrorist activities, cyberattacks or international hostilities; a cyber-security incident, data breach or a failure of a key information technology system; impact of reputational risk; and success at managing the risks involved in the foregoing items. The Company can give no assurance that any goal or plan or expectation set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements. The forward-looking statements are made as of the date of this presentation, 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 applicable law.

Further Information

This presentation should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the related notes thereto included in our Form 10-K and quarterly reports.

About Non-GAAP Financial Measures

Certain of the financial measures and ratios we present, including “tangible assets,” “return on average tangible assets,” “return on average tangible common equity,” “tangible common book value per share,” “tangible common equity,” “Non-interest expense to average assets, adjusted,” “adjusted non-interest expense to average assets,” “adjusted efficiency ratio,” “adjusted net income,” “adjusted earnings per share,” “adjusted return on average tangible assets,” “adjusted return on average tangible common equity,” and “fully taxable equivalent” metrics, are supplemental measures that are not required by, nor presented in accordance with, U.S. generally accepted accounting principles (GAAP). We refer to these financial measures and ratios as “non-GAAP financial measures.” We consider the use of select non-GAAP financial measures and ratios to be useful for financial and operational decision making and useful in evaluating period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain expenditures or assets that we believe are not indicative of our primary business operating results or by presenting certain metrics on a fully taxable equivalent basis. We believe that management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, analyzing and comparing past, present and future periods.

These non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP and you should not rely on non-GAAP financial measures alone as measures of our performance. The non-GAAP financial measures we present may differ from non-GAAP financial measures used by our peers or other companies. We compensate for these limitations by providing the equivalent GAAP measures whenever we present the non-GAAP financial measures and by including a reconciliation of the impact of the components adjusted for in the non-GAAP financial measure so that both measures and the individual components may be considered when analyzing our performance.

A reconciliation of non-GAAP financial measures to the comparable GAAP financial measures is included in the appendix.

A Foundation for Growth

Company Overview

- **Began banking operation in 2010 with four acquisitions in first 12 months, with six acquisitions to date**
- **Created meaningful scale and market share in attractive markets of Colorado and Greater Kansas City Region**
- **Closed Peoples, Inc. acquisition on January 1, 2018 and added \$842 million in total assets, with approximately 2 years TBV crossover payback and greater than 20% IRR**
- **Growing a granular and well diversified loan portfolio with self-imposed concentration limits to protect against downside risk to any particular industry or real estate sector**
- **Attractive low-cost deposit base**
- **Strong expense management, decreasing expenses 36% during the past five years, adjusted for acquisition expenses⁽¹⁾**
- **Opportunistic manager of capital**
 - **Successfully repurchased 50.9% of shares or \$534 million since early 2013 at a weighted average price of \$20.03**
 - **Steadily increased dividend to \$0.14 per share, a 180% increase in past 2 years**

NBHC Snapshot

Stock Price/52-Week Range	\$39.58 / \$30.25-\$40.98
Total Shareholder Return ⁽²⁾	
- NBHC	22.82%
- KRX Index	4.30%
BV/Share	\$21.49
TBV/Share ⁽³⁾	\$17.61
TBV/Share with Excess Accretable Yield ⁽³⁾⁽⁴⁾	\$18.41
Market Capitalization	\$1.2bn
Assets	\$5.6bn
Loans	\$3.8bn
Deposits	\$4.6bn
Banking Centers	104
YTD18 ROAA/YTD18 ROATA Adjusted ⁽³⁾	0.93% / 1.22%
FY17 ROAA/FY17 ROATA Adjusted ⁽³⁾	0.31% / 0.82%
YTD18 ROAE/YTD18 ROATCE Adjusted ⁽³⁾	8.08% / 12.71%
FY17 ROAE/FY17 ROATCE Adjusted ⁽³⁾	2.67% / 7.75%
Strong Capital – Leverage Ratio/Total Risk-based Capital Ratio	9.92% / 13.47%

Note: Market and share repurchase data through 31-July-2018; financial information as of and for the year ended 30-June-18

(1) Adjusted for acquisition-related expenses through 31-December-17.

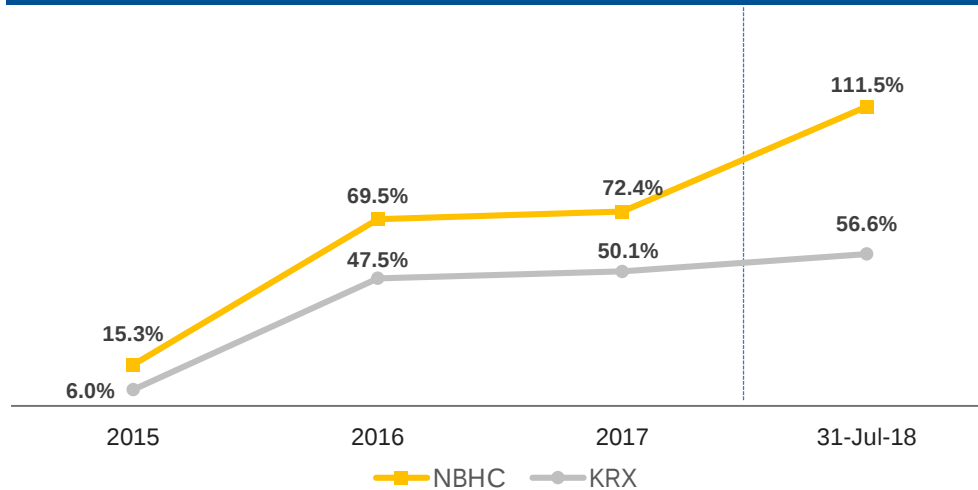
(2) Total shareholder return period 31-December-2017 through 31-July-2018.

(3) Please see the appendix for a reconciliation to this non-GAAP measure including the adjustments to the most directly comparable GAAP measure.

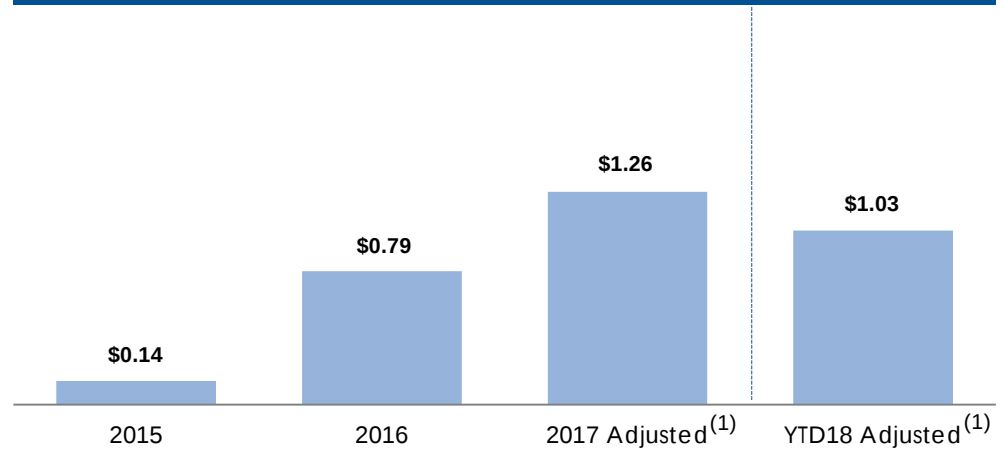
(4) TBV / share + net present value (5% discount rate) of excess after-tax accretable yield share as of June 30, 2018. Excess after-tax accretable yield defined as total accretable yield less 5.0%. This results in an additional \$0.80 after-tax to our TBV. TBV also adjusted for the deferred tax liability related to tax deductible goodwill. Please refer to the appendix for a reconciliation of non-GAAP financial metrics.

Steady Progress Towards Long-term Profitability Targets

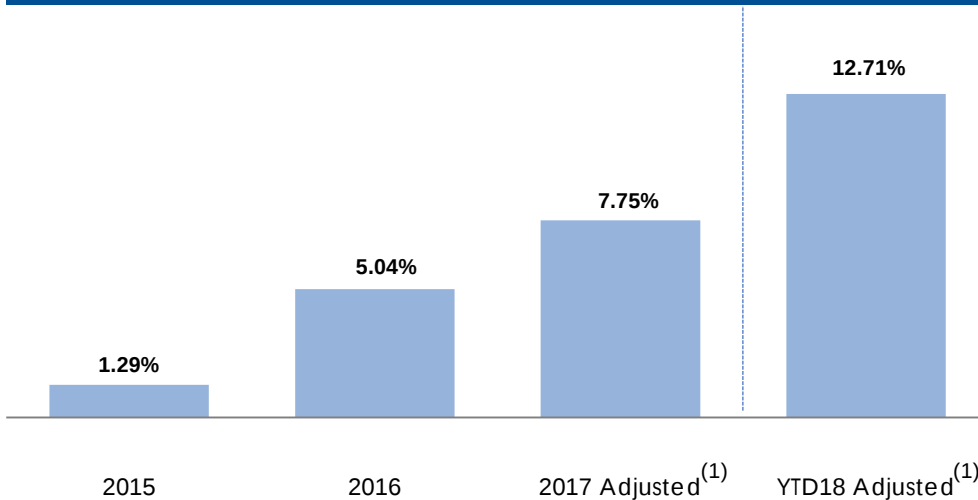
Cumulative Total Shareholder Return



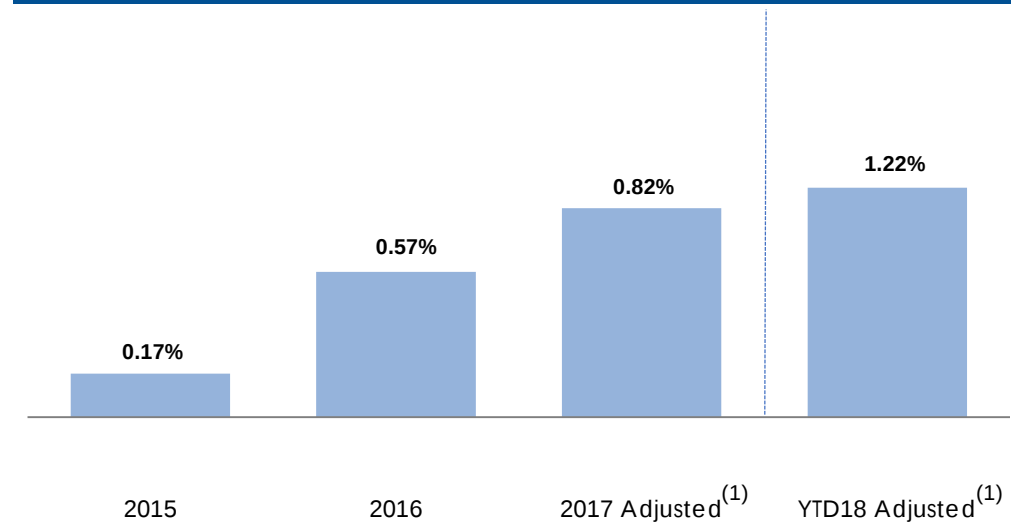
Fully Diluted EPS



ROATCE



ROATA



(1) Adjusted for Peoples acquisition-related costs and 4Q 2017 deferred tax asset re-measurement charge. See the Appendix for a reconciliation to this non-GAAP measure.

Key Actions and Results

- Accelerated growth
 - Record new commercial loan originations of \$737 million over the past twelve months
 - Grew revenue \$20 million, or 39%, year-over-year
 - Originated and acquired⁽⁴⁾ loans grew 17.0% annualized, linked quarter, due to organic loan growth
 - Cost of deposits increased just 0.01% year-over-year
 - Expanded NIM 0.41% to 3.90% year-over-year
 - Increased fee income 81.1% year-over-year with the addition of an in-market mortgage origination business
 - Average transaction deposits of \$3.5 billion, increasing \$40.5 million, or 4.7%, annualized, linked quarter
 - Relationship banking focused strategies
- Expanded efficiency initiatives
 - Strong expense management culture
 - Consolidated or sold 18 banking centers, or 17% of our franchise, since mid-2015
 - On pace to achieve, if not exceed, announced cost saves from the Peoples merger
- Managed capital opportunistically
 - Closed \$146 million acquisition of Peoples, Inc. on January 1, 2018
 - Steadily increased dividend to \$0.14 per share, a 180% increase in past 2 years
 - Repurchased \$534 million of shares at a weighted average price of \$20.03 since early 2013

**Record \$737 million
in commercial loan
originations (TTM⁽³⁾)**

2017: \$605 million
2016: \$498 million
2015: \$552 million

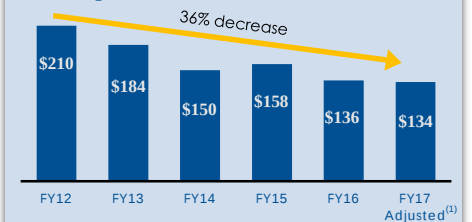
**Originated and
Acquired⁽⁴⁾
Loan Growth**

26.7% (YoY)

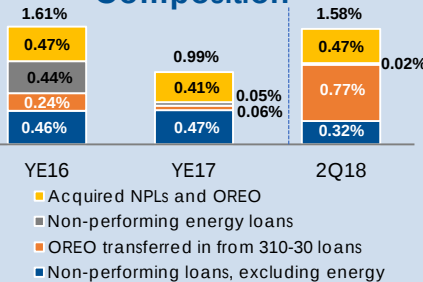
\$789 million
originated and acquired loan growth⁽⁴⁾

**Average Q2 2018
Transaction
Deposit
Growth 4.7%⁽²⁾
(linked QTD)**

**Non-Interest
Expense Reduction**



**Non-Performing Asset
Composition⁽⁵⁾**



**Buybacks
\$534 million**

- 51% Shares repurchased since early 2013 @ average price of \$20.03
- Increased dividend 180% in past two years

(1) Adjusted for \$2.7mm Peoples acquisition-related expenses

(2) Q2 2018 annualized

(3) TTM – Trailing Twelve Months

(4) Acquired loans not accounted for under 310-30

(5) Ratio of non-performing assets to total loans and OREO totaled 1.58%, or 0.82% excluding OREO transferred from 310-30 loans. During Q2-18, one large acquired 310-30 problem loan was transferred to OREO as part of the asset resolution process.

Investment Highlights

1 Attractive Markets⁽¹⁾

Colorado

- 2nd strongest state economy
- 3rd best state for business
- Colorado Springs/Denver:
 - #2/#3 Best Place to Live

Kansas City Region

- #2 Best City for Jobs
- 4th “Hot Startup” City

Texas

- Dallas: #3 fastest growing city
- Austin: #1 Best Place to Live

2 Focused Relationship Banking Model

- Business model focused on small-to-medium sized businesses and individuals
- Relationship banking strategies driving new loan originations and low-cost deposit growth

3 Track Record of Growth and Improving Profitability

- Granular and diversified loan portfolio well positioned to absorb future stress
- Sustained improvement in ROATA and ROATCE profitability with a strong outlook
- Strong capital structure with sufficient excess capital to support growth

4 Demonstrated Steward of Shareholder Capital

- Outsized total shareholder returns vs. KRX Index
- Proven ability to be disciplined in accretive acquisitions and opportunistic in share buybacks
- History of increasing dividends

5 Experienced Management Team

- Experienced and respected management team and board of directors

(1) Sources: U.S. Census Bureau, Business Insider, CBS Money Watch, Entrepreneur Magazine, Forbes, WalletHub, CNBC, U.S. News and World Report

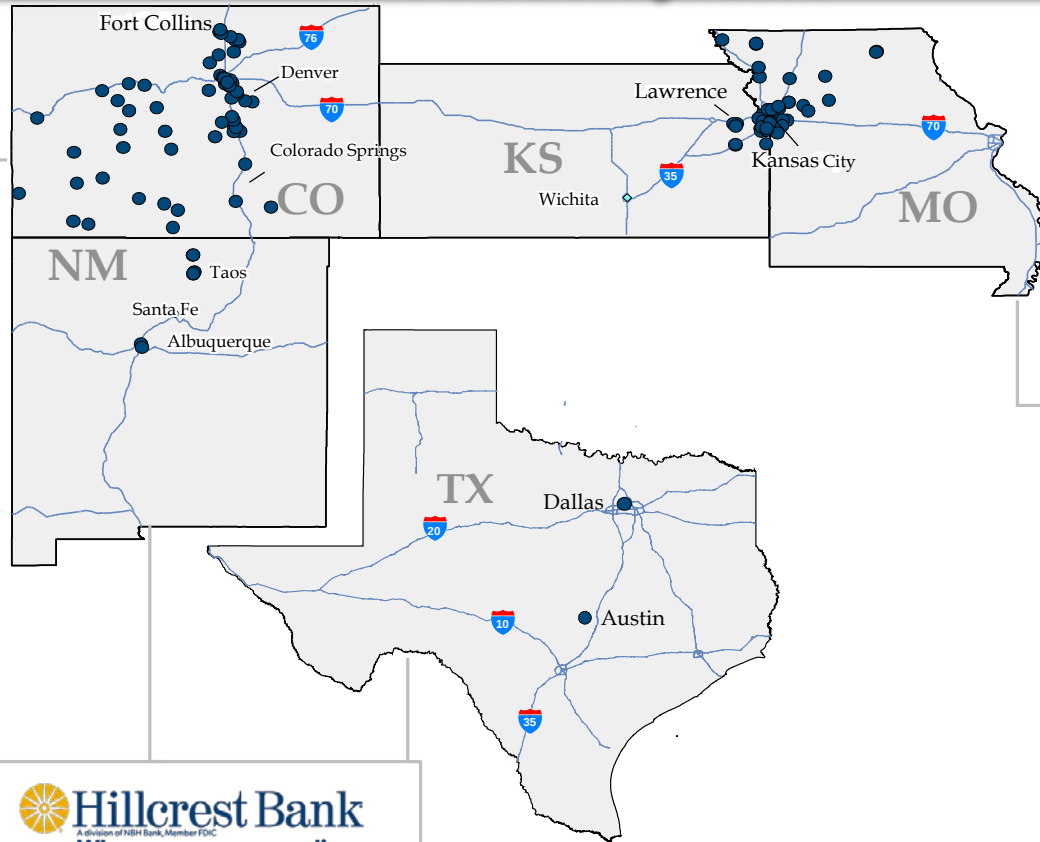
NBHC Markets and Family of Brands

ONE Charter, THREE Flags

Attractive and Growing Markets



- 50 banking centers
- Ranks #3 in deposit market share in the state of Colorado for local banks
- #3 market share in the fast growing Colorado Springs MSA for local banks
- Population: Front Range – 4.6 million
- The Front Range contributed 96% of Colorado's population growth between 2010 and 2015⁽¹⁾
- Business Climate & Recognition
 - 2nd Strongest State Economy in the U.S. (Business Insider)
 - #1 in Labor Supply (*Forbes*)
 - 3rd Best State for Business (*CNBC*)



- 3 commercial banking locations in Texas
- 6 banking centers in New Mexico
- Business Climate & Recognition
 - Dallas: #3 Fastest Growing City (*Forbes*)
 - Austin: #1 “2015 Best Large City to Live In” (*WalletHub*)



- 47 banking centers
- Ranks #5 in deposit market share in Kansas City MSA for local banks
- Expanded presence in Overland Park, KS - central hub for the #1 county in Kansas by household income and projected population growth⁽²⁾
 - Overland Park experienced 20% population growth from 2000 to 2015⁽³⁾
 - 7.5% projected employment growth⁽³⁾
 - Low unemployment rate of 3.6%⁽³⁾
- Expansion into college town markets of Lawrence, KS and Ottawa, KS
- Population: Metro KC – 2.1 million
- Favorable demographics vs. national levels
- Business Climate & Recognition
 - #2 Best City for Jobs (*CBS MoneyWatch*)
 - 4th “Hot Startup” City (*Entrepreneur Magazine*)
 - #15 on “50 Best Cities to Live” List (*Bloomberg*)
 - #2 “Top Five Cities with Up-and-Coming Downtown” (*Fortune*)

External source: SNL Financial. Deposit data as of 30-June-2017

(1) Colorado State Demography Office – “Colorado’s 2016 Population & Economic Overview”

(2) Ranking based on aggregate population growth for 2017 – 2022

(3) Overland Park Chamber of Commerce, June 2017

We Operate in Very Attractive Markets

Key Statistics by MSA

		U.S.	Denver, CO	Front Range	Kansas City, MO
Demographics	2018 Population (mm)	326.5	2.9	4.6	2.1
	Projected Population 5yr CAGR ('18-'23E)	0.7 %	✓1.5 %	✓1.5 %	0.6 %
	2018 Median Household Income	\$61.0K	✓\$75.5K	✓\$73.7K	✓\$65.7K
	Projected Household Income Growth ('18-'23E) ⁽¹⁾	8.9 %	✓12.2 %	✓11.5 %	✓9.6 %
	# of Businesses (000s)	-	114.9	182.7	76.0
Economics	Unemployment Rate (May-18)	3.6 %	✓2.3 %	✓2.3 %	✓3.6 %
	2016 Real GDP per Capita	\$60.6K	✓\$69.4K	✓\$62.0K	✓\$61.4K
	Real GDP 5yr CAGR ('11-'16)	3.8 %	✓4.2 %	✓4.4 %	3.4 %
	Home Price Index 5yr Δ ⁽²⁾	34.3 %	✓69.1 %	✓63.4 %	29.3 %
	Building Permit 5yr CAGR ('12-'17)	9.4 %	✓10.4 %	✓11.3 %	✓14.9 %
Banks	Branch Penetration (per 100k people)	27.3	✓22.0	✓22.9	32.7
	Top 3 Combined Deposit Market Share	55 % ⁽³⁾	✓55 %	✓54 %	✓43 %



Equal or Better Than U.S. Average

Source: FHFA, SNL Financial, U.S. Census, U.S. Bureau of Economic Analysis

Note: "Front Range" statistics include populated weighted values for Denver, Boulder, Colorado Springs, Fort Collins, and Greeley MSAs. Deposit data as of 30-Jun-17. Front Range unemployment based on a weighted average unemployment and 2018 population for each MSA.

(1) HHI projections based on current dollar values (inflation adjusted)

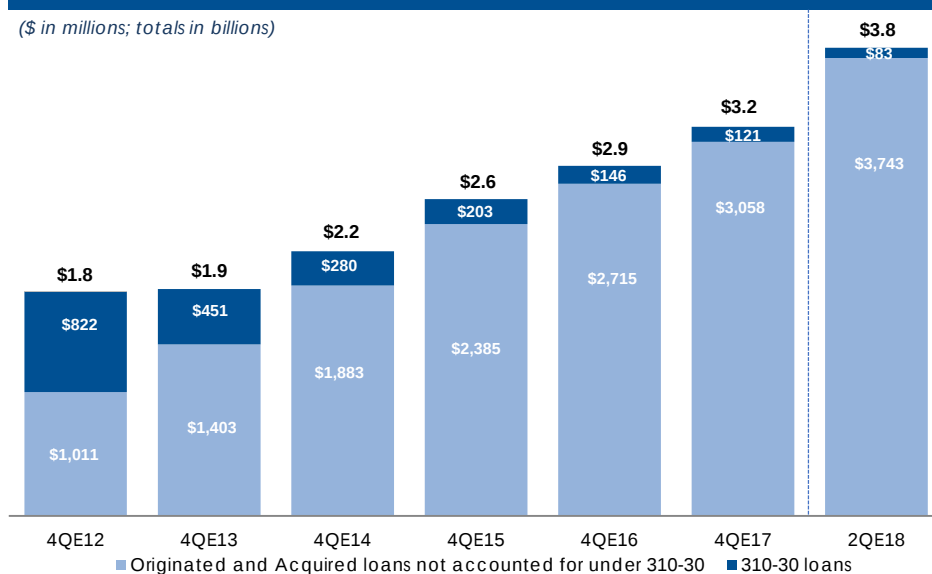
(2) FHFA home price index based on quarterly all-transaction data as of 31-Mar-18

(3) Based on U.S. Top 20 MSAs, population weighted (determined by population)

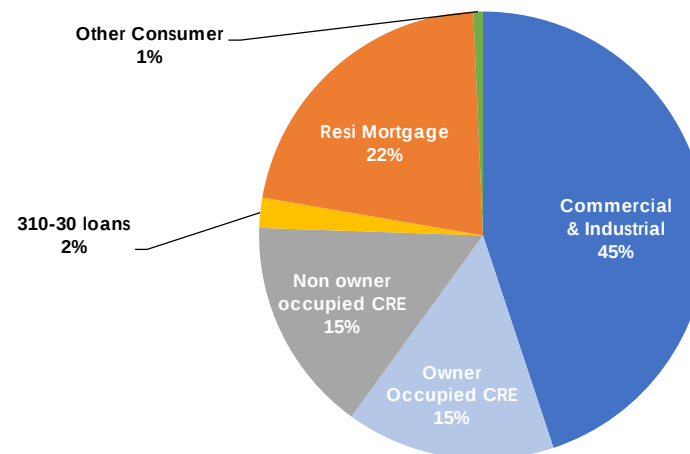
Organic Loan Growth is Accelerating

Total Loans⁽¹⁾

(\$ in millions; totals in billions)

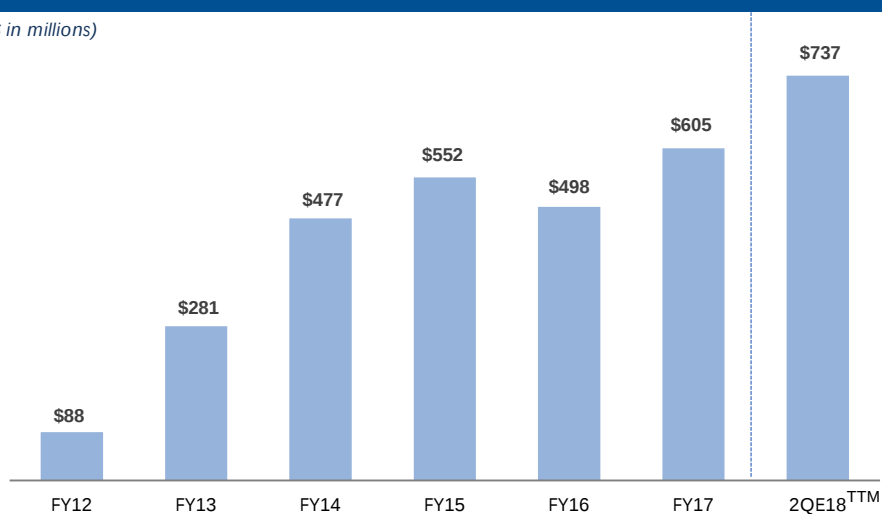


Total Loan Composition



New Commercial Loan Originations

(\$ in millions)



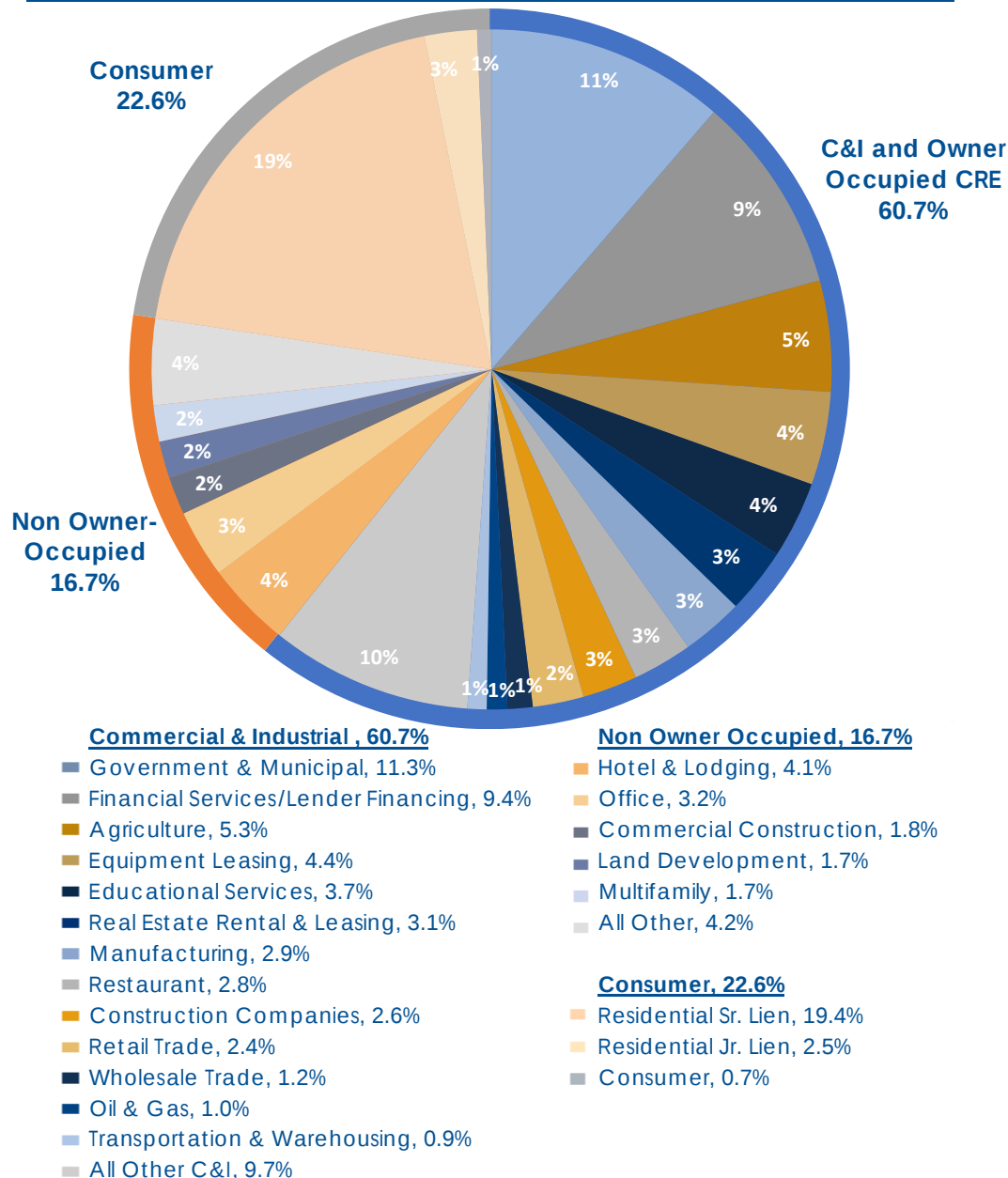
(1) Excludes loans held-for-sale

Comments

- Portfolio built on a relationship banking strategy targeted at full-service lending, depository and treasury management relationships
- Commercial loan originations totaled \$737.2 million for the trailing twelve months
- Acquired ASC 310-30 loans decreased 38.3% from the prior year to \$83 million

Uniquely Diversified \$3.8 Billion Loan Portfolio

Loan Concentrations¹



(1) Includes 310-30 loans

Granular and Well Diversified Loan Portfolio

- Self-imposed concentration limits ensure a granular and diverse loan portfolio and protects against downside risk to any particular industry or real estate sector
- Individual lending segments are limited to no more than 15% of total loan commitments, with the majority being 10% or less
- Non owner-occupied CRE is 110% of risk-based capital and no specific property type exceeds 5%

Portfolio Characteristics

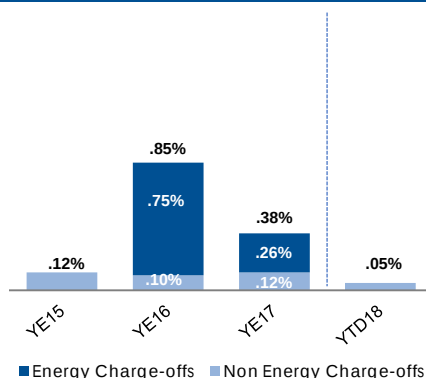
- New Commercial loans originated YTD:
 - Average funding of \$968K
 - Weighted average commitment, including unused, of \$1.17 million
- Total Residential portfolio:
 - Average FICO of 755
 - Average LTV of 65%
- Top 25 originated relationships as of June 2018:
 - Average funded balance of \$17.5 million
 - Average commitment of \$22.7 million

Stable Credit Quality

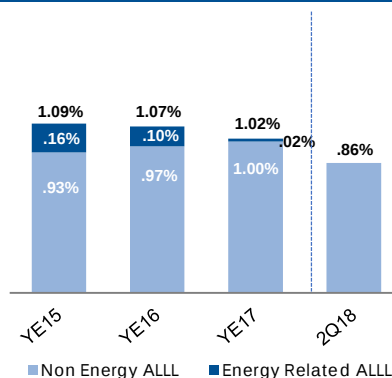
(\$ in millions)

Strong Credit Quality on \$3.7 Billion of Originated and Acquired⁽¹⁾ Loans

Annualized Net Charge-offs

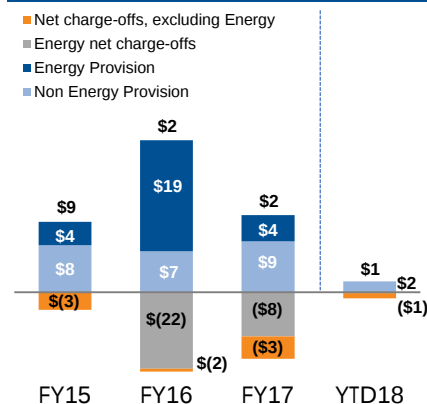


Allowance for Loan Losses⁽²⁾

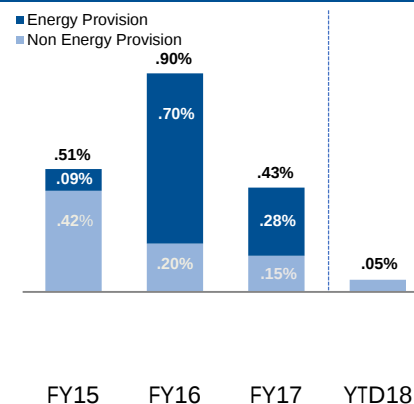


Provision for Loan Losses on Originated and Acquired⁽¹⁾ Loans

Change in Allowance⁽²⁾

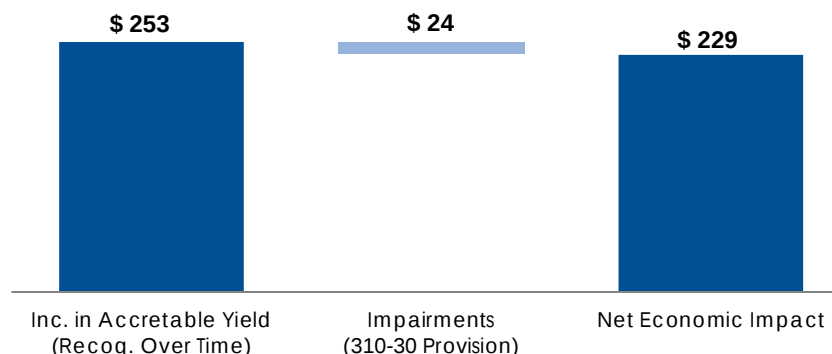


Provision for Loan Losses as a % of Originated and Acquired⁽¹⁾ Loans



High Yielding \$83 Million 310-30 Loan Pools

Accretable Yield Reclassification Life-to-Date



(1) Acquired loans not accounted for under 310-30

(2) Does not include \$13.3 million of purchase accounting marks

(3) Annualized

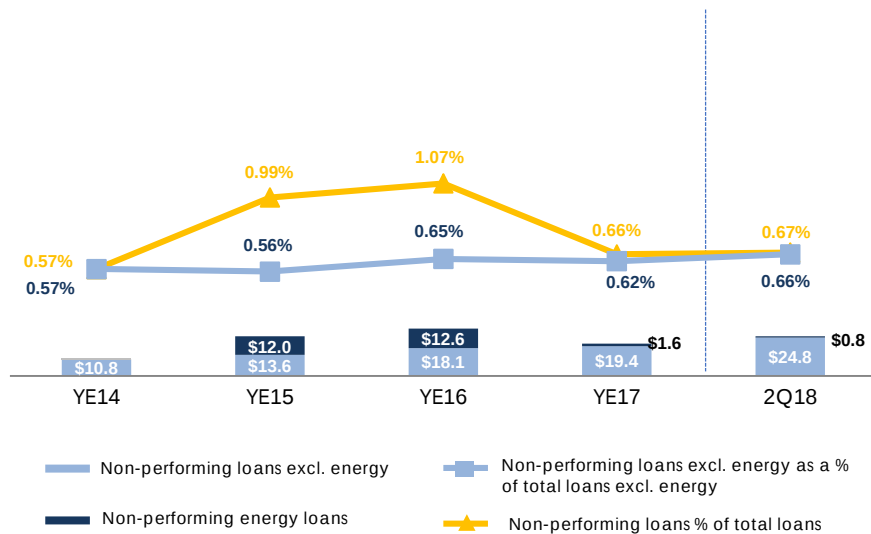
Stable Asset Credit Quality

- Low historical originated and acquired net charge offs – 2015: 0.12%, 2016: 0.85% / 0.10% (excluding energy), 2017: 0.38% / 0.12% (excluding energy), and 2018 YTD: 0.05% ⁽³⁾
- Allowance for loan losses as a percentage of originated and acquired⁽¹⁾ loans at 0.86% compared to 1.02% at Q4 2017, and decreased as the acquired loans from the Peoples acquisition were recorded at fair value
- Added a net \$6.3 million to accretable yield for the acquired loans accounted for under ASC 310-30 during first six months 2018

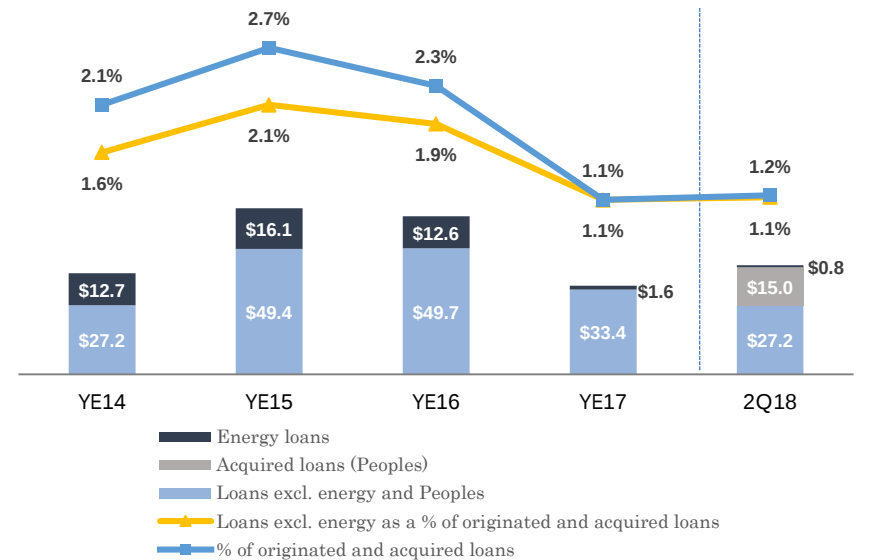
Credit Quality Remains Strong

(\$ in millions)

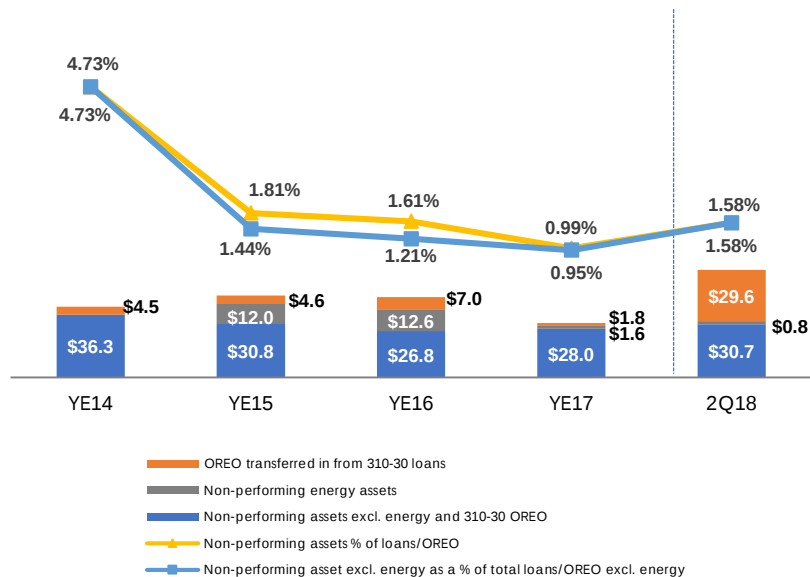
Non-performing Loans



Originated and Acquired Classified Loans

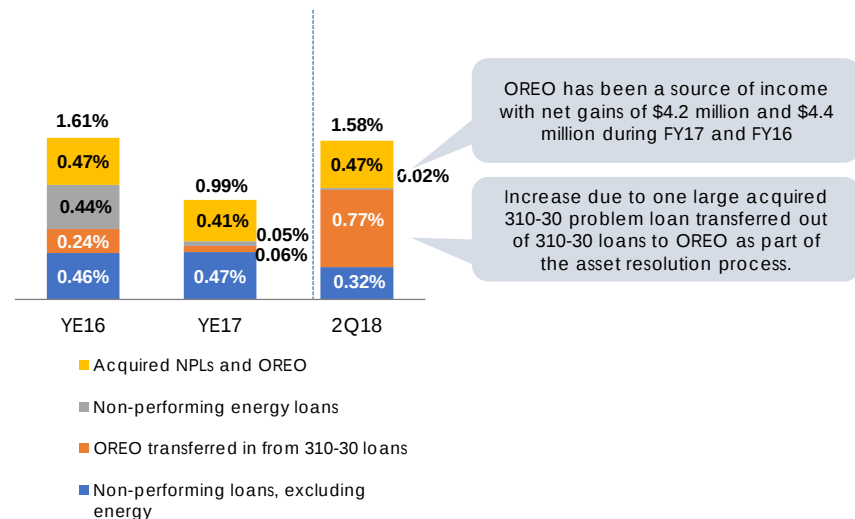


Non-performing Assets



Non-performing Asset Composition

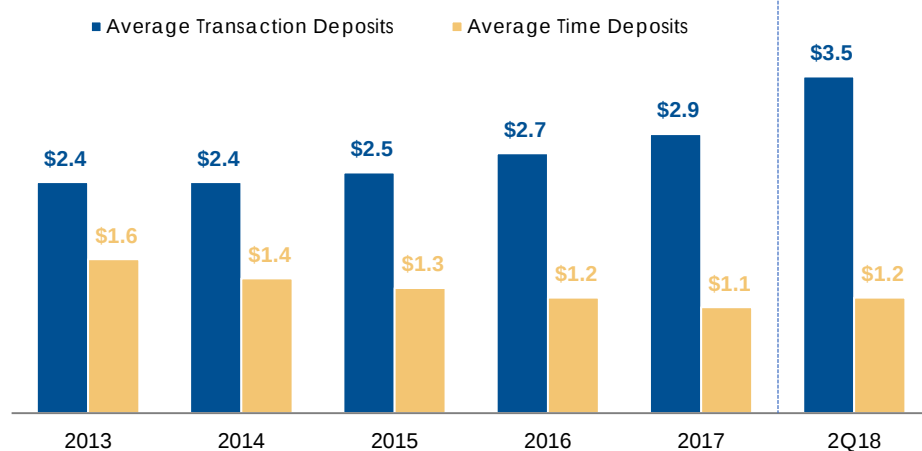
- Ratio of non-performing assets to total loans and OREO totaled 1.58%, or 0.32% excluding acquired loans/OREO and energy loans as of June 30, 2018



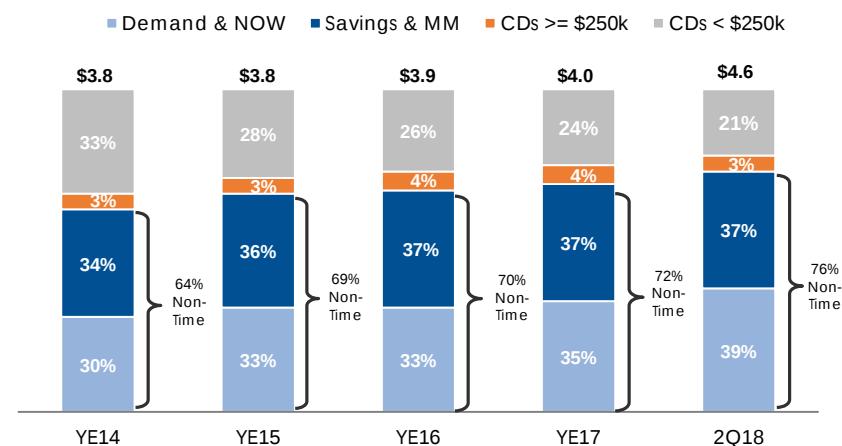
Growing Low Cost Transaction Accounts

(\$ in billions)

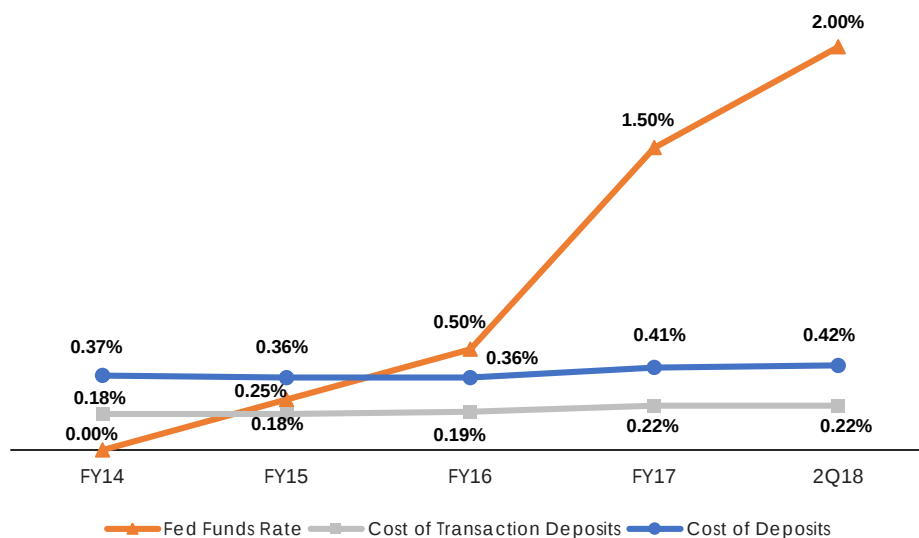
Growing Low Cost Transaction Accounts



Deposit Composition



Low Cost Deposits



Strong Transaction Deposit Growth

- Average transaction deposits remain strong in attractive markets of Colorado, Greater Kansas City Region and Texas. Peoples added attractive low cost deposit presence in New Mexico as well
- Average transaction deposits totaled \$3.5 billion, increasing 3.9% YoY, adjusting for Peoples deposits
- Cost of Deposits increased just 1 basis point YTD YoY
- Mix of deposits continues to improve

Financial Overview

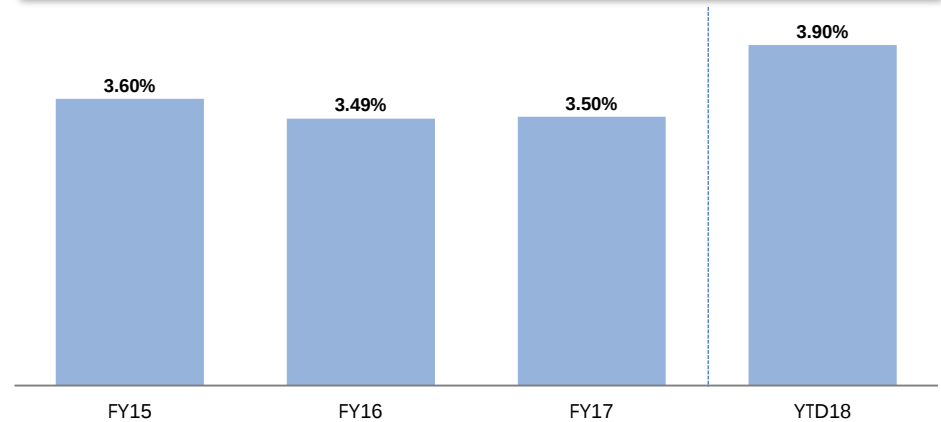
2Q18 Review

Net Interest Income

Net Interest Income⁽¹⁾

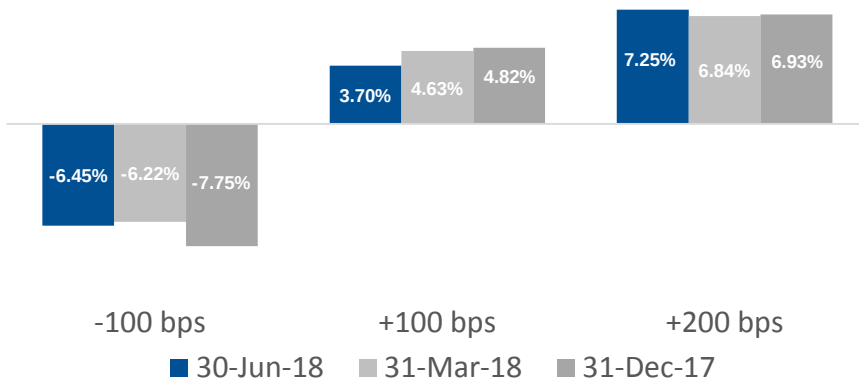


Net Interest Margin⁽¹⁾



Net Interest Income Sensitivity⁽²⁾

Well positioned to benefit from rising rate environment



Comments

- Fully taxable equivalent net interest income totaled \$99.2 million, increasing \$24.9 million YoY, driven by average earning assets growth of \$849.4 million due to originated loan growth and acquired earnings assets from the Peoples acquisition
- The YTD 2018 net interest margin (FTE) widened 0.41% to 3.90% YoY, due to a 0.42% increase in the earning assets yield, partially offset by an increase in cost of deposits of 0.01%
- Variable pricing loans set to reset within 3 months make up approximately 50% of total loans

(1) Presented on a fully taxable equivalent basis using the statutory rate of 35% for periods prior to 2018 and 21% for 2018.

(2) 12-month simulated net interest income impact using management projected balance sheet and an immediate parallel shift in the yield curve. Rate risk measures are adjusted to reflect less excess cash as a result of reducing excess capital to 9% leverage ratio.

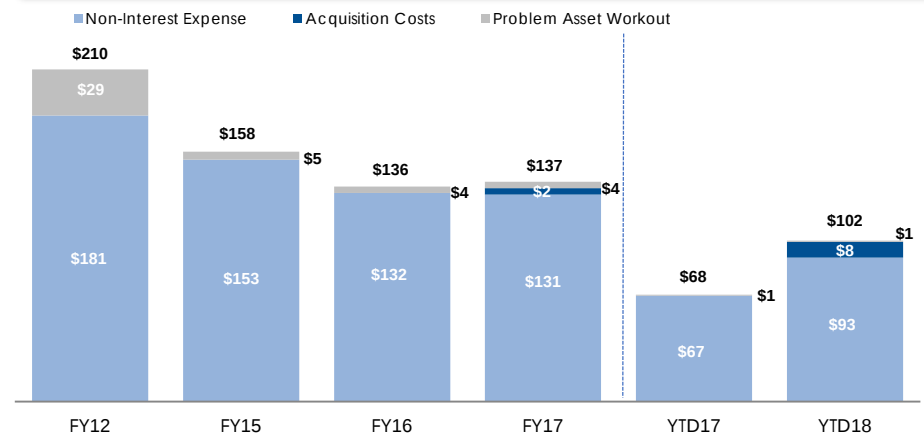
2Q18 Review (cont'd)

Non-Interest Income and Expense

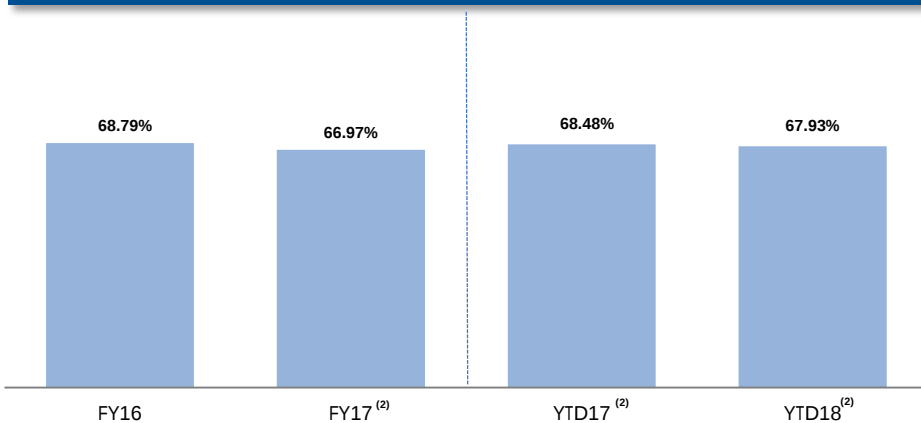
Non-Interest Income



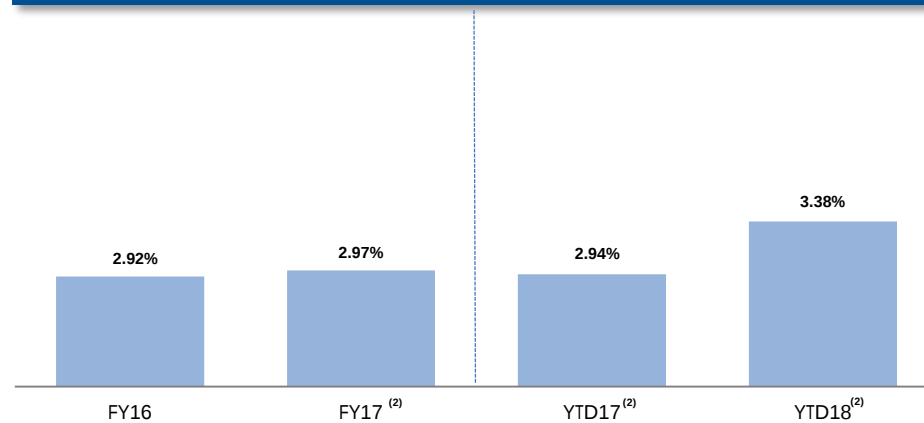
Non-Interest Expense



Efficiency Ratio⁽¹⁾



NIE / Average Assets



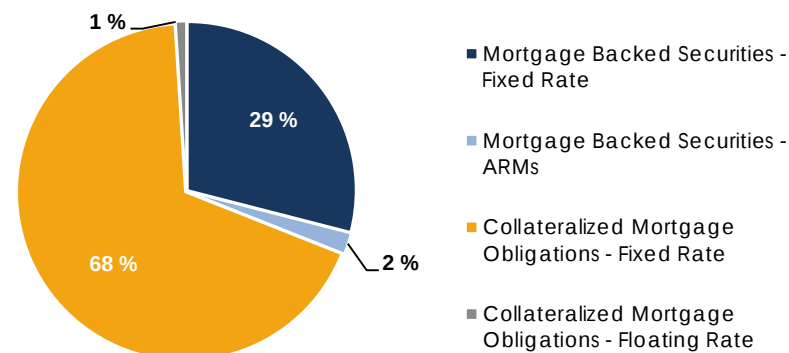
(1) Ratio represents non-GAAP financial measure. See Appendix for a reconciliation to this non-GAAP measure. The efficiency ratio represents non-interest expense, less intangible asset amortization, as a percentage of net interest income on a FTE basis plus non-interest income.

(2) Adjusted for Peoples acquisition-related costs and 4Q 2017 deferred tax asset re-measurement charge. See Appendix for a reconciliation to this non-GAAP measure.

Conservative Investment Portfolio

Investments by Asset Class⁽¹⁾ (2Q18)

- 99.9% of portfolio is U.S. agency backed
- Duration contained at 3.1 years
- OCI fluctuations minimized by 23% of portfolio in Held-To-Maturity
- Investment portfolio mainly in run-off mode since Q4-13; using cash flows to fund loan growth
- Stable yields helped by limited price premium



Portfolio Summary⁽¹⁾

(\$ in millions)	31-Mar 18	30-Jun 18
Book Value		
Available-for-Sale	\$942	\$884
Held-to-Maturity	278	261
"Locked-in" Gains (HTM)	5	5
Total Book Value	\$1,225	\$1,150
Available-for-Sale Unrealized Gains / (Losses)	(25)	(27)
Held-to-Maturity Unrealized Gains / (Losses)	(5)	(6)
Fair Market Value of Portfolio	\$1,197	\$1,117
Portfolio Yield (Spot)	2.22%	2.32%
Portfolio Duration	3.0	3.1
Weighted-Average Life	3.3	3.4

(1) Excludes \$14mm and \$15mm of FHLB / FRB stock as of 31-Mar-18 and 30-Jun-18, respectively.

Long-Term Financial Goals

Assets	~\$6bn–\$8bn
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Efficiency Ratio (Excludes Residential Mortgage Business)	<60%
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ROATA	≥1.00%
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ROATCE	12%–14%
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Dividend Payout Ratio Approximation	30%
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Tier 1 Leverage	9%
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Appendix

NBHC Management Team

Tim Laney

Chairman, President & Chief Executive Officer (35 years in banking)

- Head of Business Services at Regions Financial, where he also led the transformation of wholesale lines of business
- Senior management roles in small business, commercial banking, private banking, corporate marketing and change management, and Management Operating Committee member at Bank of America; also served as President, Bank of America, Florida

Aldis Birkans*

Chief Financial Officer (19 years in financial industry)

- Senior Vice President, Treasurer at NBHC (7 years)
- Vice President, Assistant Treasurer at M&I Bank
- Senior Vice President, Corporate and Investment Bank Treasury at Citigroup

Richard Newfield

Chief Risk Management Officer (32 years in banking)

- Head of Business Services Credit at Regions Financial
- Senior roles in risk management, credit, commercial banking, global bank debt and corporate marketing at Bank of America

Zsolt Bessko

Chief Administrative Officer & General Counsel (21 years in legal and banking)

- Partner with law firm Stinson Leonard Street LLP
- Executive Vice President, General Counsel and Secretary at Guaranty Bancorp

*Effective August 10, 2018

Accomplished Board of Directors

Name	Title	Experience
Tim Laney	Chairman, President and CEO	▪ Former Senior EVP and Head of Business Services of Regions Financial ▪ Former EVP and Management Operating Committee member at Bank of America
Ralph Clermont	Lead Director / Chairman of the Audit and Risk Committee	▪ Former Managing Partner of the St. Louis office of KPMG LLP
Robert Dean	Director / Chairman of the Nominating and Governance Committee	▪ Former Senior Managing Director at Ernst & Young Corporate Finance LLC ▪ Former Co-Chair of Gibson, Dunn & Crutcher LLP's banking practice
Fred Joseph	Director	▪ Former Banking and Securities Commissioner for the State of Colorado ▪ Former President of the North American Securities Administrators Association
Micho Spring	Director	▪ Chair of Global Corporate Practice of Weber Shandwick ▪ Former CEO of Boston Communications Company
Burney Warren	Director / Chairman of the Compensation Committee	▪ Former EVP and Director of Mergers and Acquisitions of BB&T ▪ Former President and Chief Executive Officer of First Federal Savings Bank
Art Zeile	Director	▪ CEO of DHI Group, Inc. (NYSE: DHX) ▪ Former CEO and Co-Founder of HOSTING, a pioneer in the cloud hosting space ▪ Member of the University of Delaware Cyber Security Initiative Advisory Council

Management & Directors

Beneficial Ownership

(as of 6/30/18)

NBHC Management and Directors	Beneficial Ownership ⁽¹⁾	Percent of Class ⁽²⁾
G. Timothy Laney	1,101,392	3.57%
Brian Lilly	131,157	0.44%
Aldis Birkans	37,475	0.12%
Richard U. Newfield, Jr.	239,038	0.77%
Zsolt K. Besskó	51,464	0.17%
Ralph W. Clermont	74,167	0.24%
Robert E. Dean	55,564	0.18%
Fred J. Joseph	11,359	0.04%
Micho F. Spring	58,198	0.19%
Burney S. Warren, III	51,306	0.17%
Art Zeile	6,537	0.02%
All current NBHC management and directors as a group (11 persons)	1,823,657	5.73%

(1) Includes unvested restricted shares for which the director or officer has voting power and shares issuable upon the exercise of options. Does not include unvested PSUs.

(2) Calculated in accordance with Item 403 of Regulation S-K, and based on 30,726,789 shares of Class A common stock outstanding and entitled to vote and 156,083 shares of unvested restricted stock entitled to vote.

GUIDE TO COMMON SENSE BANKING

OUR PROMISE BANK WITH COMMON SENSE

NBH Bank champions a new era of common sense banking by building relationships with local communities as the accountable, straight-shooting and insightful alternative to big box banking-as-usual.

HOW WE DELIVER ON OUR PROMISE

WE PUT PEOPLE FIRST

Our people are our greatest asset. Our clients are at the heart of everything we do. Knowing our clients, their names, their visions, their dreams and realities.

WE FOCUS ON NEEDS-BASED SOLUTIONS

Helping clients find the products and services they need rather than just the ones the bank wants to sell. Building long-term relationships to serve the total client.

WE VALUE SIMPLICITY

Decisions made quickly and clearly with a local team and not a lot of rigmarole. Streamlined processes that champion innovation.

WE BELIEVE IN COMMUNITY BUILDING

Acting with local insight into individuals and businesses. Giving back through financial education, workforce development and quality housing.

WE DELIVER STRAIGHT TALK

No jibber jabber or bank babble. No smoke and mirrors or passing the buck. Common sense conversations that add value.

WHO WE'RE HERE TO SERVE

BIG BOX BANK REFUGEES: Discontent, defiant and self-reliant, our clients are savvy enough to reject the sad state of banking today, and find the bank where they know they count. They may remember a time when banking was different or just instinctively know that they deserve better. They are determined to succeed, and know they will have a much better chance of doing so somewhere where they are not just a number.

HOW WE TALK

WE'RE STRAIGHT-SHOOTING AND FRIENDLY WITH A TOUCH OF WIT.

OUR CORE VALUES

■ INTEGRITY ■ TEAMWORK ■ MERITOCRACY ■ CITIZENSHIP ■



NBH Bank
Member FDIC
Where common sense lives.



Reconciliation of Non-GAAP Measures

(\$ in millions, except per share)

	As of and for the six months ended		As of and for the year ended	
	30-Jun-18		31-Dec-17	
Net income	\$	26.0	\$	14.6
Add: impact of core deposit intangible amortization expense, after tax		1.0		3.2
Net income adjusted for impact of core deposit intangible amortization expense, after tax	\$	27.0	\$	17.8
Average assets	\$	5,616.8	\$	4,705.2
Less: average goodwill and core deposit intangible, net of deferred tax asset related to goodwill		(119.6)		(52.9)
Average tangible assets (non-GAAP)	\$	5,497.2	\$	4,652.3
Average shareholders' equity	\$	648.0	\$	546.7
Less: average goodwill and core deposit intangible, net of deferred tax asset related to goodwill		(119.6)		(52.9)
Average tangible common equity (non-GAAP)	\$	528.4	\$	493.8
Return on average assets		0.93%		0.31%
Return on average tangible assets (non-GAAP)		0.99%		0.38%
Return on average equity		8.08%		2.67%
Return on average tangible common equity (non-GAAP)		10.29%		3.61%
Fully Taxable Equivalent Yield on Earning Assets and Net Interest Margin:				
Interest income	\$	107.7	\$	164.4
Add: impact of taxable equivalent adjustment		2.2		5.9
Interest income, fully taxable equivalent (non-GAAP)	\$	109.9	\$	170.3
Net interest income	\$	97.0	\$	146.3
Add: impact of taxable equivalent adjustment		2.2		5.9
Net interest income, fully taxable equivalent (non-GAAP)	\$	99.2	\$	152.2
Average earning assets	\$	5,134.9	\$	4,353.3
Yield on earning assets		4.23%		3.78%
Yield on earning assets, fully taxable equivalent (non-GAAP)		4.31%		3.91%
Net interest margin		3.81%		3.36%
Net interest margin, fully taxable equivalent (non-GAAP)		3.90%		3.50%

Reconciliation of Non-GAAP Measures

(\$ in millions, except per share)

Adjusted Financial Results	As of and for the six months ended		As of and for the year ended	
	30-Jun-18		31-Dec-17	
Adjustments to net income:				
Net income	\$	26.0	\$	14.6
Adjustments (non-GAAP)(1)		6.3		20.4
Adjusted net income (non-GAAP)	\$	32.3	\$	35.0
Adjustments to earnings per share:				
Earnings per share	\$	0.83	\$	0.53
Adjustments (non-GAAP)(1)		0.20		0.73
Adjusted earnings per share - diluted (non-GAAP)(1)	\$	1.03	\$	1.26
Adjustments to return on average tangible assets:				
Adjusted net income (non-GAAP)(1)	\$	32.3	\$	35.0
Add: impact of core deposit intangible amortization expense, after tax		1.0		3.3
Net income adjusted for impact of core deposit intangible amortization expense, after tax(1)		33.3		38.3
Average tangible assets (non-GAAP)		5,497.2		4,652.3
Adjusted return on average tangible assets (non-GAAP)		1.22%		0.82%
Adjustments to return on average tangible common equity:				
Net income adjusted for impact of core deposit intangible amortization expense, after tax(1)		33.3		38.3
Average tangible common equity (non-GAAP)		528.4		493.8
Adjusted return on average tangible common equity (non-GAAP)		12.71%		7.75%
(1) Adjustments:				
Non-interest expense adjustments:				
Acquisition-related	\$	8.0	\$	2.7
Bonus accrual		—		0.5
Total pre-tax adjustments (non-GAAP)		8.0		3.2
Collective tax expense impact		(1.7)		(1.2)
Deferred tax asset re-measurement		—		18.4
Adjustments (non-GAAP)	\$	6.3	\$	20.4

Reconciliation of Non-GAAP Measures (cont'd)

(\$ in millions, except per share)

Adjusted Financial Results, continued

	As of and for the six months ended		As of and for the year ended
	30-Jun-18	30-Jun-17	31-Dec-17
Adjustments to efficiency ratio:			
Efficiency ratio, FTE	73.75%	68.80%	68.63%
Adjustments (non-GAAP)(1)	8.0	0.3	3.2
Efficiency ratio, FTE, adjusted for acquisition costs (non-GAAP)	67.93%	68.48%	66.97%
Adjustments to non-interest expense:			
Non-interest expense	\$ 102.0	\$ 68.0	\$ 136.7
Adjustments (non-GAAP)(1)	8.0	0.3	3.2
Adjusted non-interest expense (non-GAAP)	94.0	67.7	133.5
Non-interest expense to average assets, adjusted (non-GAAP)	3.38%	2.94%	2.97%

(1) Adjustments:

Non-interest expense adjustments:

Acquisition-related	\$ 8.0	\$ 0.3	\$ 2.7
Bonus accrual	—	-	0.5
Total pre-tax adjustments (non-GAAP)	8.0	0.3	3.2
Collective tax expense impact	(1.7)	(0.1)	(1.2)
Deferred tax asset re-measurement	—	-	18.4
Adjustments (non-GAAP)	\$ 6.3	\$ 0.2	\$ 20.4

Reconciliation of Non-GAAP Measures (cont'd)

(\$ in millions, except per share)

30-Jun-18

Tangible common equity calculations:

Total shareholders' equity	\$	660.2
Less: goodwill and intangible assets, net		(125.8)
Add: deferred tax liability related to goodwill		6.8
Tangible common equity (non-GAAP)	\$	541.2

Tangible common book value per share calculations:

Tangible common equity (non-GAAP)	\$	541.2
Divided by: ending shares outstanding		30,726,789
Tangible common book value per share (non-GAAP)	\$	17.61