



**National Bank Holdings Corporation Announces  
Second Quarter 2023 Financial Results**

Denver, Colorado - (Globe Newswire) – National Bank Holdings Corporation (NYSE: NBHC) reported:

|   | For the quarter |           |           | For the year |           | For the year - adjusted <sup>(1)</sup> |           |
|---|-----------------|-----------|-----------|--------------|-----------|--|-----------|
|   | 2Q23            | 1Q23      | 2Q22      | 2023         | 2022      | 2023                                   | 2022      |
| Net income (\$000's)                                    | \$ 32,557       | \$ 40,283 | \$ 20,362 | \$ 72,840    | \$ 38,714 | \$ 72,840                              | \$ 39,682 |
| Earnings per share - diluted                            | \$ 0.85         | \$ 1.06   | \$ 0.67   | \$ 1.91      | \$ 1.27   | \$ 1.91                                | \$ 1.30   |
| Return on average tangible assets <sup>(2)</sup>        | 1.45%           | 1.80%     | 1.16%     | 1.63%        | 1.11%     | 1.63%                                  | 1.14%     |
| Return on average tangible common equity <sup>(2)</sup> | 17.24%          | 20.86%    | 11.64%    | 19.05%       | 10.97%    | 19.05%                                 | 11.24%    |

- (1) See non-GAAP reconciliations starting on page 13.
- (2) Ratios are annualized.

In announcing these results, Chief Executive Officer Tim Laney shared, “We are pleased to deliver quarterly earnings of \$0.85 per diluted share and a solid return on average tangible common equity of 17.24%. Year-to-date net income increased \$34.1 million or 88% over the prior year period to \$72.8 million, or \$1.91 per diluted share. We continue to adhere to solid, disciplined approaches that limit concentrations in our loan book and our depositor base. Our credit quality remains strong with just two basis points of annualized net charge-offs. We maintain diversified funding sources and grew our core deposits by 29% annualized during the second quarter.”

Mr. Laney added, “During the quarter, we seamlessly integrated our Cambr acquisition into the NBH family. This strategic acquisition has provided us with a unique funding source of core deposits and further diversified our fee income capabilities. We believe our strong Common Equity Tier 1 capital ratio of 11.08% and our ample liquidity position serve as a source of strength in any economic environment.”

**Second Quarter 2023 Results**

*(All comparisons refer to the first quarter of 2023, except as noted)*

Net income totaled \$32.6 million or \$0.85 per diluted share, compared to net income of \$40.3 million or \$1.06 per diluted share during the first quarter of 2023. Fully taxable equivalent pre-provision net revenue totaled \$44.1 million during the second quarter, compared to \$52.7 million. The return on average tangible assets totaled 1.45%, compared to a return of 1.80% during the first quarter, and the return on average tangible common equity totaled 17.24%, compared to the first quarter return of 20.86%.

**Net Interest Income**

Fully taxable equivalent net interest income totaled \$91.2 million, compared to \$96.3 million in the prior quarter, as an increase in loan interest income was more than offset by an increase in the cost of funds. The fully taxable equivalent net interest margin narrowed 32 basis points to 4.07% as the 22 basis point increase in earning asset yields was more than offset by a 58 basis point increase in the cost of funds. Average earning assets increased \$96.2 million, primarily driven by loan growth. The cost of funds totaled 1.48%, compared to 0.90% during the first quarter.

## **Loans**

Total loans increased \$69.1 million or 3.8% annualized to \$7.4 billion at June 30, 2023. We generated quarterly loan fundings totaling \$362.3 million with a weighted average new loan origination rate of 8.2%.

## **Asset Quality and Provision for Credit Losses**

The Company recorded \$1.7 million of provision expense for credit losses, compared to \$0.9 million in the prior quarter. The current quarter's provision expense was driven by loan growth and higher reserve requirements. Annualized net charge-offs totaled 0.02% of average total loans during the second quarter, compared to 0.01% in the prior quarter. Non-performing loans (comprised of non-accrual loans and non-accrual TDMs) was 0.45% of total loans, compared to 0.13% in the prior quarter, and non-performing assets was 0.50% of total loans and OREO, compared to 0.18%. The allowance for credit losses as a percentage of loans increased two basis points to 1.25% at June 30, 2023.

## **Deposits**

We maintain a granular and well diversified deposit base with no exposure to venture capital or crypto deposits. Average total deposits increased \$272.1 million, or 14.2% annualized, to \$8.0 billion during the second quarter 2023, compared to \$7.7 billion during the first quarter 2023. The loan to deposit ratio totaled 91.3% at June 30, 2023. Average transaction deposits (defined as total deposits less time deposits) increased \$213.4 million to \$7.0 billion.

We improved our balance sheet funding mix during the second quarter and utilized the funding provided by the quarter's deposit growth to pay down \$615.0 million of Federal Home Loan Bank advances. The mix of transaction deposits to total deposits increased eight basis points to 87.9% at June 30, 2023.

## **Non-Interest Income**

Non-interest income totaled \$13.8 million during the second quarter, compared to \$14.7 million. Included in other non-interest income during the quarter was \$4.1 million of impairments related to venture capital investments classified as non-marketable securities. Excluding these impairments, non-interest income increased \$3.3 million largely due to the addition of \$1.2 million of Cambr fee income, \$0.8 million higher service charges and bank card fees and \$0.5 million higher mortgage banking income.

## **Non-Interest Expense**

Non-interest expense totaled \$61.0 million, compared to \$58.3 million in the prior quarter. Salaries and benefits increased \$2.2 million due to payroll tax credits realized in the first quarter 2023. Included in the second quarter were Cambr related acquisition expenses including \$0.5 million higher transaction expenses and Cambr intangible amortization of \$0.6 million. Partially offsetting these increases was a \$0.8 million decrease in data processing expense.

The efficiency ratio totaled 58.9% for the second quarter, compared to 53.2%. The fully taxable equivalent efficiency ratio totaled 56.1% for the second quarter compared to 51.3%, adjusting for other intangible assets amortization.

Income tax expense totaled \$8.4 million during the second quarter, compared to \$10.1 million in the prior quarter. The decrease in income tax expense was due to a decrease in pre-tax income. The effective tax rate was 20.4% and 20.0% for the second and first quarters, respectively.

## **Capital**

Capital ratios continue to be strong and in excess of federal bank regulatory agency "well capitalized" thresholds. The Tier 1 leverage ratio totaled 9.15% at June 30, 2023, and the common equity tier 1 capital ratio totaled 11.08% at June 30, 2023. Shareholders' equity totaled \$1.1 billion at June 30, 2023 increasing \$13.6 million, largely due to higher retained earnings partially offset by an increase in accumulated other comprehensive loss.

Common book value per share increased \$0.30 to \$30.42 at June 30, 2023. Tangible common book value per share decreased \$0.81 to \$20.95 due to the impact of the Cambr acquisition and a \$0.26 per share increase in accumulated other comprehensive loss.

## Year-Over-Year Review

*(All comparisons refer to the first six months of 2022, except as noted)*

Net income increased \$34.1 million or 88.1% to \$72.8 million, or \$1.91 per diluted share, compared to net income of \$38.7 million, or \$1.27 per diluted share, for the first six months of 2022. The increase over the same period prior year was driven by our organic balance sheet growth, strategic acquisition growth and increases in the Federal Reserve's interest rates. Fully taxable equivalent pre-provision net revenue increased \$45.2 million, or 87.8%, to \$96.7 million. The return on average tangible assets was 1.63%, compared to 1.11% in the same period prior year, and the return on average tangible common equity was 19.05%, compared to 10.97%.

The first six months of 2022 included \$1.0 million of non-recurring acquisition-related expenses related to our 2022 acquisitions. Adjusting for these expenses in the prior period, net income for the first six months of 2023 increased \$33.2 million or 83.6%, and fully taxable equivalent pre-provision net revenue increased \$44.0 million, or 83.3%. The adjusted return on average tangible assets was 1.14%, and the adjusted return on average tangible common equity was 11.24% for the first six months of 2022.

Fully taxable equivalent net interest income totaled \$187.5 million, an increase of \$82.2 million or 78.0%. Average earning assets increased \$2.2 billion, or 32.6%, including average originated loan growth of \$1.1 billion and average acquired loan growth of \$1.6 billion. The fully taxable equivalent net interest margin widened 107 basis points to 4.22%, benefitting from a 203 basis point increase in earning asset yields to 5.35%. Average interest bearing liabilities increased \$1.7 billion to \$5.6 billion at June 30, 2023, and the cost of funds totaled 1.20%, compared to 0.18% in the same period prior year.

Loans outstanding totaled \$7.4 billion, increasing \$2.6 billion or 53.9%, and included \$1.7 billion of loans acquired through the Rock Canyon Bank and Bank of Jackson Hole acquisitions in the second half of 2022. New loan fundings over the trailing 12 months totaled \$1.9 billion, led by commercial loan fundings of \$1.0 billion.

The Company recorded \$2.6 million of provision expense for credit losses for the first six months of 2023, compared to provision expense of \$2.2 million in the same period prior year. The current period's provision expense was driven by loan growth and higher reserve requirements. Annualized net charge-offs decreased two basis points to 0.02% of average total loans during the first six months of 2023. Non-performing loans to total loans was 0.45%, compared to 0.20% in the same period prior year, and non-performing assets to total loans and OREO was 0.50% at June 30, 2023, compared to 0.31%. The allowance for credit losses totaled 1.25% of total loans, compared to 1.06% at June 30, 2022.

Average total deposits increased \$1.6 billion or 25.8% to \$7.8 billion, primarily due to higher deposit balances driven by the strategic growth from our recent acquisitions. Average transaction deposits increased \$1.5 billion or 27.0%, and average non-interest bearing demand deposits increased \$400.1 million or 16.3%. The mix of transaction deposits to total deposits was 87.9%, compared to 87.4% at June 30, 2022, and the mix of non-interest bearing demand deposits to total deposits was 32.4%, compared to 39.6% at June 30, 2022.

Non-interest income totaled \$28.5 million, a decrease of \$7.3 million or 20.5%, largely driven by \$9.7 million of lower mortgage banking income due to lower purchase and refinance activity, as well as competition driving tighter gain on sale margins. Service charges and bank card fees increased a combined \$1.9 million compared to the same period prior year. Other non-interest income included \$1.2 million of Cambr income, \$1.0 million of trust income and \$0.7 million from gains on SBA loan sales, all of which are new and diversified sources of fee revenue. Included in other non-interest income during 2023 was \$4.4 million in impairments related to venture capital investments classified as non-marketable securities.

Non-interest expense totaled \$119.3 million, an increase of \$29.6 million, or 33.1%, largely driven by an increase in core operating expenses driven by our 2022 acquisitions. Included in other non-interest expense is \$2.8 million higher FDIC deposit insurance expense as a result of our recent acquisitions and an increase in the FDIC assessment rate effective January 2023. Included in the first six months of 2022 were non-recurring acquisition-related expenses of \$1.0 million related to our 2022 acquisitions.

Income tax expense totaled \$18.4 million, an increase of \$10.5 million from the same period last year, driven by higher pre-tax income. The effective tax rate was 20.2% for the first six months of 2023, compared to 17.1%.

### **Conference Call**

Management will host a conference call to review the results at 11:00 a.m. Eastern Time on Thursday, July 20, 2023. Interested parties may listen to this call by dialing (888) 204-4368 using the participant passcode of 6310514 and asking for the NBHC Q2 2023 Earnings Call. The earnings release and a link to the replay of the call will be available on the Company's website at [www.nationalbankholdings.com](http://www.nationalbankholdings.com) by visiting the investor relations area.

### **About National Bank Holdings Corporation**

National Bank Holdings Corporation is a bank holding company created to build a leading community bank franchise, delivering high quality client service and committed to stakeholder results. Through its bank subsidiaries, NBH Bank and Bank of Jackson Hole Trust, National Bank Holdings Corporation operates a network of over 95 banking centers, serving individual consumers, small, medium and large businesses, and government and non-profit entities. Its banking centers are located in its core footprint of Colorado, the greater Kansas City region, Utah, Wyoming, Texas, New Mexico and Idaho. Its comprehensive residential mortgage banking group primarily serves the bank's core footprint. Its trust and wealth management business is operated in its core footprint under the Bank of Jackson Hole Trust charter. NBH Bank operates under a single state charter through the following brand names as divisions of NBH Bank: in Colorado, Community Banks of Colorado and Community Banks Mortgage; in Kansas and Missouri, Bank Midwest and Bank Midwest Mortgage; in Texas, Utah, New Mexico and Idaho, Hillcrest Bank and Hillcrest Bank Mortgage; and in Wyoming, Bank of Jackson Hole and Bank of Jackson Hole Mortgage. Additional information about National Bank Holdings Corporation can be found at [www.nationalbankholdings.com](http://www.nationalbankholdings.com).

For more information visit: [cobnks.com](http://cobnks.com), [bankmw.com](http://bankmw.com), [hillcrestbank.com](http://hillcrestbank.com), [bankofjacksonhole.com](http://bankofjacksonhole.com), or [nbhbank.com](http://nbhbank.com). Or connect with any of our brands on LinkedIn.

### **About Non-GAAP Financial Measures**

Certain of the financial measures and ratios we present, including "tangible assets," "return on average tangible assets," "tangible common equity," "return on average tangible common equity," "tangible common book value per share," "tangible common book value, excluding accumulated other comprehensive loss, net of tax," "tangible common book value per share, excluding accumulated other comprehensive loss, net of tax," "tangible common equity to tangible assets," "non-interest expense adjusted for other intangible assets amortization and acquisition-related expenses," "non-interest expense adjusted for acquisition-related expenses," "efficiency ratio adjusted for other intangible assets amortization and acquisition-related expenses," "adjusted net income," "adjusted earnings per share – diluted," "net income adjusted for the impact of other intangible assets amortization expense and acquisition-related expenses, after tax," "net income excluding the impact of other intangible assets amortization expense, after tax," "adjusted return on average tangible assets," "adjusted return on average tangible common equity," "pre-provision net revenue," "pre-provision net revenue adjusted for acquisition-related expenses," and "fully taxable equivalent" metrics, are supplemental measures that are not required by, or are not 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 at the end of the financial statement tables.

### **Forward-Looking Statements**

This press release 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: difficulties in integrating the NBHC, Community Bancorporation, Bancshares of Jackson Hole Incorporated, or Cambr Solutions, LLC businesses or fully realizing cost savings and other benefits; business disruption following the mergers; ability to execute our business strategy (including our digital strategy); business and economic conditions; effects of any potential government shutdowns; 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; with respect to our mortgage business, the inability to negotiate fees with investors for the purchase of our loans or our obligation to indemnify purchasers or repurchase related loans; the Company’s ability to identify potential candidates for, consummate, integrate and realize operating efficiencies from, acquisitions, consolidations and other expansion opportunities; 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 Company’s ability to realize deferred tax assets or the need for a valuation allowance; the effects of tax legislation, including the potential of future increases to prevailing tax rules, or challenges to our positions; 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, including in the digital technology space our digital solution 2UniFi; the Company’s continued ability to attract, hire 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 our bank subsidiaries; changes in estimates of future credit reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; widespread natural and other disasters, pandemics, dislocations, political instability, acts of war or terrorist activities, cyberattacks or international hostilities; a cybersecurity 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 press release, 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.

### **Contact:**

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**NATIONAL BANK HOLDINGS CORPORATION**  
**FINANCIAL SUMMARY**

**Consolidated Statements of Operations (Unaudited)**

(Dollars in thousands, except share and per share data)

|  | For the three months ended |                   |                  | For the six months ended |                  |
|--|----------------------------|-------------------|------------------|--------------------------|------------------|
|  | June 30,<br>2023           | March 31,<br>2023 | June 30,<br>2022 | June 30,<br>2023         | June 30,<br>2022 |
| Total interest and dividend income                                       | \$ 121,069                 | \$ 113,533        | \$ 58,836        | \$ 234,602               | \$ 108,361       |
| Total interest expense   | 31,285                     | 18,644            | 2,819            | 49,929                   | 5,683            |
| Net interest income  | 89,784                     | 94,889            | 56,017           | 184,673                  | 102,678          |
| Taxable equivalent adjustment  | 1,442                      | 1,414             | 1,336            | 2,857                    | 2,649            |
| Net interest income FTE <sup>(1)</sup>                                   | 91,226                     | 96,303            | 57,353           | 187,530                  | 105,327          |
| Provision expense for credit losses                                      | 1,700                      | 900               | 2,504            | 2,600                    | 2,182            |
| Net interest income after provision for credit losses FTE <sup>(1)</sup> | 89,526                     | 95,403            | 54,849           | 184,930                  | 103,145          |
| Non-interest income:   |                            |                   |                  |                          |                  |
| Service charges  | 4,444                      | 4,101             | 3,956            | 8,545                    | 7,666            |
| Bank card fees   | 5,091                      | 4,637             | 4,541            | 9,728                    | 8,664            |
| Mortgage banking income  | 3,710                      | 3,216             | 6,948            | 6,926                    | 16,614           |
| Other non-interest income  | 578                        | 2,711             | 1,317            | 3,289                    | 2,872            |
| Total non-interest income  | 13,823                     | 14,665            | 16,762           | 28,488                   | 35,816           |
| Non-interest expense:  |                            |                   |                  |                          |                  |
| Salaries and benefits  | 35,215                     | 32,989            | 28,776           | 68,204                   | 58,112           |
| Occupancy and equipment  | 9,126                      | 9,073             | 6,665            | 18,199                   | 13,061           |
| Professional fees  | 3,146                      | 2,590             | 1,486            | 5,736                    | 2,300            |
| Data processing  | 2,959                      | 3,752             | 2,453            | 6,711                    | 4,834            |
| Other non-interest expense   | 8,528                      | 8,525             | 5,876            | 17,053                   | 10,735           |
| Other intangible assets amortization                                     | 2,007                      | 1,363             | 296              | 3,370                    | 592              |
| Total non-interest expense   | 60,981                     | 58,292            | 45,552           | 119,273                  | 89,634           |
| Income before income taxes FTE <sup>(1)</sup>                            | 42,368                     | 51,776            | 26,059           | 94,145                   | 49,327           |
| Taxable equivalent adjustment  | 1,442                      | 1,414             | 1,336            | 2,857                    | 2,649            |
| Income before income taxes   | 40,926                     | 50,362            | 24,723           | 91,288                   | 46,678           |
| Income tax expense   | 8,369                      | 10,079            | 4,361            | 18,448                   | 7,964            |
| Net income   | \$ 32,557                  | \$ 40,283         | \$ 20,362        | \$ 72,840                | \$ 38,714        |
| Earnings per share - basic   | \$ 0.86                    | \$ 1.06           | \$ 0.67          | \$ 1.92                  | \$ 1.28          |
| Earnings per share - diluted   | 0.85                       | 1.06              | 0.67             | 1.91                     | 1.27             |

(1) Net interest income is presented on a GAAP basis and fully taxable equivalent (FTE) basis, as the Company believes this non-GAAP measure is the preferred industry measurement for this item. The FTE adjustment is for the tax benefit on certain tax exempt loans using the federal tax rate of 21% for each period presented.

**NATIONAL BANK HOLDINGS CORPORATION**  
**Consolidated Statements of Financial Condition (Unaudited)**

(Dollars in thousands, except share and per share data)

|  | June 30, 2023       | March 31, 2023      | December 31, 2022   | June 30, 2022       |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |                     |                     |
| Cash and cash equivalents  | \$ 323,832          | \$ 369,705          | \$ 195,505          | \$ 448,375          |
| Investment securities available-for-sale   | 659,347             | 695,485             | 706,289             | 805,858             |
| Investment securities held-to-maturity   | 619,400             | 637,921             | 651,527             | 582,650             |
| Non-marketable securities  | 88,849              | 120,733             | 89,049              | 59,754              |
| Loans  | 7,414,357           | 7,345,298           | 7,220,469           | 4,817,070           |
| Allowance for credit losses  | (92,581)            | (90,343)            | (89,553)            | (50,860)            |
| Loans, net   | 7,321,776           | 7,254,955           | 7,130,916           | 4,766,210           |
| Loans held for sale  | 25,172              | 24,594              | 22,767              | 48,816              |
| Other real estate owned  | 3,458               | 3,458               | 3,731               | 4,992               |
| Premises and equipment, net  | 147,853             | 140,417             | 136,111             | 103,690             |
| Goodwill   | 306,043             | 279,132             | 279,132             | 115,027             |
| Intangible assets, net   | 74,914              | 58,619              | 59,887              | 14,568              |
| Other assets   | 301,313             | 332,204             | 298,329             | 218,059             |
| Total assets   | <u>\$ 9,871,957</u> | <u>\$ 9,917,223</u> | <u>\$ 9,573,243</u> | <u>\$ 7,167,999</u> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |                     |                     |                     |                     |
| <b>Liabilities:</b>  |                     |                     |                     |                     |
| Non-interest bearing demand deposits   | \$ 2,628,942        | \$ 2,920,891        | \$ 3,134,716        | \$ 2,454,740        |
| Interest bearing demand deposits   | 1,324,292           | 1,098,172           | 913,852             | 597,000             |
| Savings and money market   | 3,183,355           | 2,584,128           | 2,950,658           | 2,364,681           |
| Total transaction deposits   | 7,136,589           | 6,603,191           | 6,999,226           | 5,416,421           |
| Time deposits  | 984,269             | 978,489             | 873,400             | 777,977             |
| Total deposits   | 8,120,858           | 7,581,680           | 7,872,626           | 6,194,398           |
| Securities sold under agreements to repurchase   | 21,422              | 21,492              | 20,214              | 24,396              |
| Long-term debt   | 54,045              | 53,968              | 53,890              | 39,532              |
| Federal Home Loan Bank advances  | 385,000             | 1,000,000           | 385,000             | —                   |
| Other liabilities  | 143,298             | 126,356             | 149,311             | 94,122              |
| Total liabilities  | 8,724,623           | 8,783,496           | 8,481,041           | 6,352,448           |
| <b>Shareholders' equity:</b>   |                     |                     |                     |                     |
| Common stock   | 515                 | 515                 | 515                 | 515                 |
| Additional paid in capital   | 1,158,727           | 1,160,436           | 1,159,508           | 1,014,330           |
| Retained earnings  | 384,094             | 361,440             | 330,721             | 314,616             |
| Treasury stock   | (307,388)           | (310,037)           | (310,338)           | (455,909)           |
| Accumulated other comprehensive loss, net of tax   | (88,614)            | (78,627)            | (88,204)            | (58,001)            |
| Total shareholders' equity   | 1,147,334           | 1,133,727           | 1,092,202           | 815,551             |
| Total liabilities and shareholders' equity   | <u>\$ 9,871,957</u> | <u>\$ 9,917,223</u> | <u>\$ 9,573,243</u> | <u>\$ 7,167,999</u> |
| <b>SHARE DATA</b>  |                     |                     |                     |                     |
| Average basic shares outstanding   | 37,957,287          | 37,785,488          | 37,762,853          | 30,225,898          |
| Average diluted shares outstanding   | 38,107,326          | 38,074,973          | 38,100,155          | 30,493,265          |
| Ending shares outstanding  | 37,719,026          | 37,641,381          | 37,608,519          | 30,075,175          |
| Common book value per share  | \$ 30.42            | \$ 30.12            | \$ 29.04            | \$ 27.12            |
| Tangible common book value per share <sup>(1)</sup> (non-GAAP)   | 20.95               | 21.76               | 20.63               | 23.45               |
| Tangible common book value per share, excluding accumulated other comprehensive income <sup>(1)</sup> (non-GAAP) | 23.30               | 23.85               | 22.98               | 25.38               |
| <b>CAPITAL RATIOS</b>  |                     |                     |                     |                     |
| Average equity to average assets   | 11.78%              | 11.63%              | 11.47%              | 11.32%              |
| Tangible common equity to tangible assets <sup>(1)</sup>   | 8.30%               | 8.53%               | 8.38%               | 9.99%               |
| Tier 1 leverage ratio  | 9.15%               | 9.46%               | 9.29%               | 10.54%              |
| Common equity tier 1 risk-based capital ratio  | 11.08%              | 11.32%              | 10.54%              | 13.75%              |
| Tier 1 risk-based capital ratio  | 11.08%              | 11.32%              | 10.54%              | 13.75%              |
| Total risk-based capital ratio   | 12.95%              | 13.17%              | 12.29%              | 15.35%              |

(1) Represents a non-GAAP financial measure. See non-GAAP reconciliations starting on page 13.

# NATIONAL BANK HOLDINGS CORPORATION

## Loan Portfolio

(Dollars in thousands)

### Period End Loan Balances by Type

|   | June 30, 2023 | March 31, 2023 | June 30, 2023<br>vs. March 31, 2023<br>% Change | June 30, 2022 | June 30, 2023<br>vs. June 30, 2022<br>% Change |
|---|---------------|----------------|---|---------------|--|
| <b>Originated:</b>                        |               |                |   |               |  |
| <b>Commercial:</b>                        |               |                |   |               |  |
| Commercial and industrial                 | \$ 1,788,714  | \$ 1,818,415   | (1.6)%  | \$ 1,588,241  | 12.6%  |
| Municipal and non-profit                  | 1,022,414     | 979,801        | 4.3%  | 996,223       | 2.6%   |
| Owner-occupied commercial real estate     | 710,508       | 674,231        | 5.4%  | 592,334       | 20.0%  |
| Food and agribusiness                     | 263,086       | 270,197        | (2.6)%  | 196,829       | 33.7%  |
| Total commercial                          | 3,784,722     | 3,742,644      | 1.1%  | 3,373,627     | 12.2%  |
| Commercial real estate non-owner occupied | 1,043,999     | 979,150        | 6.6%  | 620,133       | 68.4%  |
| Residential real estate                   | 877,907       | 864,544        | 1.5%  | 682,272       | 28.7%  |
| Consumer                                  | 16,979        | 16,766         | 1.3%  | 17,486        | (2.9)%   |
| Total originated                          | 5,723,607     | 5,603,104      | 2.2%  | 4,693,518     | 21.9%  |
| <b>Acquired:</b>                          |               |                |   |               |  |
| <b>Commercial:</b>                        |               |                |   |               |  |
| Commercial and industrial                 | 163,139       | 172,368        | (5.4)%  | 15,056        | >100%  |
| Municipal and non-profit                  | 310           | 316            | (1.9)%  | 330           | (6.1)%   |
| Owner-occupied commercial real estate     | 245,605       | 248,883        | (1.3)%  | 18,849        | >100%  |
| Food and agribusiness                     | 62,918        | 64,739         | (2.8)%  | 2,849         | >100%  |
| Total commercial                          | 471,972       | 486,306        | (2.9)%  | 37,084        | >100%  |
| Commercial real estate non-owner occupied | 847,946       | 845,374        | 0.3%  | 42,771        | >100%  |
| Residential real estate                   | 367,998       | 407,254        | (9.6)%  | 43,486        | >100%  |
| Consumer                                  | 2,834         | 3,260          | (13.1)%   | 211           | >100%  |
| Total acquired                            | 1,690,750     | 1,742,194      | (3.0)%  | 123,552       | >100%  |
| Total loans                               | \$ 7,414,357  | \$ 7,345,298   | 0.9%  | \$ 4,817,070  | 53.9%  |

### Loan Fundings<sup>(1)</sup>

|   | Second quarter<br>2023 | First quarter<br>2023 | Fourth quarter<br>2022 | Third quarter<br>2022 | Second quarter<br>2022 |
|---|------------------------|-----------------------|------------------------|-----------------------|------------------------|
| <b>Commercial:</b>                        |                        |                       |                        |                       |                        |
| Commercial and industrial                 | \$ 111,717             | \$ 107,013            | \$ 177,693             | \$ 201,106            | \$ 152,550             |
| Municipal and non-profit                  | 39,331                 | 22,526                | 20,393                 | 20,845                | 81,428                 |
| Owner occupied commercial real estate     | 62,649                 | 33,912                | 40,912                 | 65,125                | 78,905                 |
| Food and agribusiness                     | 6,017                  | (6,564)               | 28,518                 | 76,293                | (4,186)                |
| Total commercial                          | 219,714                | 156,887               | 267,516                | 363,369               | 308,697                |
| Commercial real estate non-owner occupied | 99,984                 | 185,875               | 133,271                | 166,739               | 88,612                 |
| Residential real estate                   | 40,814                 | 49,406                | 95,067                 | 99,951                | 93,220                 |
| Consumer                                  | 1,777                  | 1,717                 | 1,396                  | 1,505                 | 1,989                  |
| Total                                     | \$ 362,289             | \$ 393,885            | \$ 497,250             | \$ 631,564            | \$ 492,518             |

(1) Loan fundings are defined as closed end funded loans and net fundings under revolving lines of credit. Net fundings (paydowns) under revolving lines of credit were \$13,766, (\$7,096), \$96,903, \$124,834 and \$21,762 for the periods noted in the table above, respectively.

# NATIONAL BANK HOLDINGS CORPORATION

## Summary of Net Interest Margin

(Dollars in thousands)

|  | For the three months ended<br>June 30, 2023 |                   |                 | For the three months ended<br>March 31, 2023 |                   |                 | For the three months ended<br>June 30, 2022 |                  |                 |
|--|---|-------------------|-----------------|--|-------------------|-----------------|---|------------------|-----------------|
|  | Average<br>balance                          | Interest          | Average<br>rate | Average<br>balance                           | Interest          | Average<br>rate | Average<br>balance                          | Interest         | Average<br>rate |
| <b>Interest earning assets:</b>  |   |                   |                 |  |                   |                 |   |                  |                 |
| Originated loans FTE <sup>(1)(2)</sup>   | \$ 5,649,623                                | \$ 86,547         | 6.14%           | \$ 5,514,704                                 | \$ 79,167         | 5.82%           | \$ 4,594,799                                | \$ 47,787        | 4.17%           |
| Acquired loans   | 1,712,118                                   | 26,388            | 6.18%           | 1,771,224                                    | 27,023            | 6.19%           | 128,107                                     | 4,403            | 13.79%          |
| Loans held for sale  | 26,572                                      | 460               | 6.94%           | 21,753                                       | 346               | 6.45%           | 78,574                                      | 881              | 4.50%           |
| Investment securities available-for-sale   | 786,643                                     | 3,883             | 1.97%           | 810,257                                      | 3,989             | 1.97%           | 898,928                                     | 3,808            | 1.69%           |
| Investment securities held-to-maturity   | 630,547                                     | 2,808             | 1.78%           | 646,646                                      | 2,871             | 1.78%           | 559,712                                     | 2,067            | 1.48%           |
| Other securities   | 49,093                                      | 914               | 7.45%           | 51,366                                       | 898               | 6.99%           | 14,591                                      | 211              | 5.78%           |
| Interest earning deposits  | 144,391                                     | 1,511             | 4.20%           | 86,790                                       | 653               | 3.05%           | 527,589                                     | 1,015            | 0.77%           |
| <b>Total interest earning assets FTE<sup>(2)</sup></b>                           | <b>\$ 8,998,987</b>                         | <b>\$ 122,511</b> | <b>5.46%</b>    | <b>\$ 8,902,740</b>                          | <b>\$ 114,947</b> | <b>5.24%</b>    | <b>\$ 6,802,300</b>                         | <b>\$ 60,172</b> | <b>3.55%</b>    |
| Cash and due from banks  | \$ 109,948                                  |                   |                 | \$ 118,607                                   |                   |                 | \$ 75,616                                   |                  |                 |
| Other assets   | 746,864                                     |                   |                 | 687,940                                      |                   |                 | 402,529                                     |                  |                 |
| Allowance for credit losses  | (90,636)                                    |                   |                 | (89,831)                                     |                   |                 | (49,126)                                    |                  |                 |
| <b>Total assets</b>  | <b>\$ 9,765,163</b>                         |                   |                 | <b>\$ 9,619,456</b>                          |                   |                 | <b>\$ 7,231,319</b>                         |                  |                 |
| <b>Interest bearing liabilities:</b>   |   |                   |                 |  |                   |                 |   |                  |                 |
| Interest bearing demand, savings and money market deposits                       | \$ 4,282,972                                | \$ 20,100         | 1.88%           | \$ 3,766,203                                 | \$ 7,759          | 0.84%           | \$ 2,992,986                                | \$ 1,494         | 0.20%           |
| Time deposits  | 981,201                                     | 5,043             | 2.06%           | 922,521                                      | 3,290             | 1.45%           | 790,998                                     | 991              | 0.50%           |
| Securities sold under agreements to repurchase                                   | 20,264                                      | 5                 | 0.10%           | 20,045                                       | 6                 | 0.12%           | 21,761                                      | 6                | 0.11%           |
| Long-term debt   | 53,997                                      | 518               | 3.85%           | 53,918                                       | 518               | 3.90%           | 39,516                                      | 328              | 3.33%           |
| Federal Home Loan Bank advances  | 435,713                                     | 5,619             | 5.17%           | 597,833                                      | 7,071             | 4.80%           | —   | —                | 0.00%           |
| <b>Total interest bearing liabilities</b>  | <b>\$ 5,774,147</b>                         | <b>\$ 31,285</b>  | <b>2.17%</b>    | <b>\$ 5,360,520</b>                          | <b>\$ 18,644</b>  | <b>1.41%</b>    | <b>\$ 3,845,261</b>                         | <b>\$ 2,819</b>  | <b>0.29%</b>    |
| Demand deposits  | \$ 2,701,306                                |                   |                 | \$ 3,004,643                                 |                   |                 | \$ 2,469,729                                |                  |                 |
| Other liabilities  | 138,936                                     |                   |                 | 135,175                                      |                   |                 | 96,715                                      |                  |                 |
| <b>Total liabilities</b>   | <b>8,614,389</b>                            |                   |                 | <b>8,500,338</b>                             |                   |                 | <b>6,411,705</b>                            |                  |                 |
| Shareholders' equity   | 1,150,774                                   |                   |                 | 1,119,118                                    |                   |                 | 819,614                                     |                  |                 |
| <b>Total liabilities and shareholders' equity</b>                                | <b>\$ 9,765,163</b>                         |                   |                 | <b>\$ 9,619,456</b>                          |                   |                 | <b>\$ 7,231,319</b>                         |                  |                 |
| Net interest income FTE <sup>(2)</sup>   |   | \$ 91,226         |                 |  | \$ 96,303         |                 |   | \$ 57,353        |                 |
| Interest rate spread FTE <sup>(2)</sup>  |   |                   | 3.29%           |  |                   | 3.83%           |   |                  | 3.26%           |
| Net interest earning assets  | \$ 3,224,840                                |                   |                 | \$ 3,542,220                                 |                   |                 | \$ 2,957,039                                |                  |                 |
| Net interest margin FTE <sup>(2)</sup>   |   |                   | 4.07%           |  |                   | 4.39%           |   |                  | 3.38%           |
| Average transaction deposits   | \$ 6,984,278                                |                   |                 | \$ 6,770,846                                 |                   |                 | \$ 5,462,715                                |                  |                 |
| Average total deposits   | 7,965,479                                   |                   |                 | 7,693,367                                    |                   |                 | 6,253,713                                   |                  |                 |
| Ratio of average interest earning assets to average interest bearing liabilities | 155.85%                                     |                   |                 | 166.08%                                      |                   |                 | 176.90%                                     |                  |                 |

(1) Originated loans are net of deferred loan fees, less costs, which are included in interest income over the life of the loan.

(2) Presented on a fully taxable equivalent basis using the statutory tax rate of 21%. The tax equivalent adjustments included above are \$1,442, \$1,414 and \$1,336 for the three months ended June 30, 2023, March 31, 2023 and June 30, 2022, respectively.

# NATIONAL BANK HOLDINGS CORPORATION

## Summary of Net Interest Margin

(Dollars in thousands)

|  | For the six months ended June 30, 2023 |                   |              | For the six months ended June 30, 2022 |                   |              |
|--|--|-------------------|--------------|--|-------------------|--------------|
|  | Average balance                        | Interest          | Average rate | Average balance                        | Interest          | Average rate |
| <b>Interest earning assets:</b>  |  |                   |              |  |                   |              |
| Originated loans FTE <sup>(1)(2)</sup>   | \$ 5,582,536                           | \$ 165,715        | 5.99%        | \$ 4,479,002                           | \$ 89,872         | 4.05%        |
| Acquired loans   | 1,741,508                              | 53,411            | 6.18%        | 137,819                                | 6,971             | 10.20%       |
| Loans held for sale  | 24,176                                 | 806               | 6.72%        | 86,065                                 | 1,637             | 3.84%        |
| Investment securities available-for-sale   | 798,385                                | 7,872             | 1.97%        | 825,694                                | 6,657             | 1.61%        |
| Investment securities held-to-maturity   | 638,552                                | 5,679             | 1.78%        | 574,688                                | 4,079             | 1.42%        |
| Other securities   | 50,223                                 | 1,812             | 7.22%        | 14,590                                 | 420               | 5.76%        |
| Interest earning deposits  | 115,750                                | 2,164             | 3.77%        | 634,818                                | 1,374             | 0.44%        |
| <b>Total interest earning assets FTE<sup>(2)</sup></b>                           | <b>\$ 8,951,130</b>                    | <b>\$ 237,459</b> | <b>5.35%</b> | <b>\$ 6,752,676</b>                    | <b>\$ 111,010</b> | <b>3.32%</b> |
| Cash and due from banks  | \$ 114,254                             |                   |              | \$ 77,489                              |                   |              |
| Other assets   | 717,563                                |                   |              | 422,205                                |                   |              |
| Allowance for credit losses  | (90,235)                               |                   |              | (49,354)                               |                   |              |
| <b>Total assets</b>  | <b>\$ 9,692,712</b>                    |                   |              | <b>\$ 7,203,016</b>                    |                   |              |
| <b>Interest bearing liabilities:</b>   |  |                   |              |  |                   |              |
| Interest bearing demand, savings and money market deposits                       | \$ 4,026,015                           | \$ 27,859         | 1.40%        | \$ 2,964,729                           | \$ 2,931          | 0.20%        |
| Time deposits  | 952,023                                | 8,333             | 1.77%        | 806,321                                | 2,085             | 0.52%        |
| Securities sold under agreements to repurchase                                   | 20,155                                 | 11                | 0.11%        | 22,263                                 | 13                | 0.12%        |
| Long-term debt   | 53,958                                 | 1,036             | 3.87%        | 39,503                                 | 654               | 3.34%        |
| Federal Home Loan Bank advances  | 516,326                                | 12,690            | 4.96%        | —                                      | —                 | 0.00%        |
| <b>Total interest bearing liabilities</b>  | <b>\$ 5,568,477</b>                    | <b>\$ 49,929</b>  | <b>1.81%</b> | <b>\$ 3,832,816</b>                    | <b>\$ 5,683</b>   | <b>0.30%</b> |
| Demand deposits  | \$ 2,852,137                           |                   |              | \$ 2,452,062                           |                   |              |
| Other liabilities  | 137,065                                |                   |              | 87,422                                 |                   |              |
| <b>Total liabilities</b>   | <b>8,557,679</b>                       |                   |              | <b>6,372,300</b>                       |                   |              |
| Shareholders' equity   | 1,135,033                              |                   |              | 830,716                                |                   |              |
| <b>Total liabilities and shareholders' equity</b>                                | <b>\$ 9,692,712</b>                    |                   |              | <b>\$ 7,203,016</b>                    |                   |              |
| Net interest income FTE <sup>(2)</sup>   |  | \$ 187,530        |              |  | \$ 105,327        |              |
| Interest rate spread FTE <sup>(2)</sup>  |  |                   | 3.54%        |  |                   | 3.02%        |
| Net interest earning assets  | \$ 3,382,653                           |                   |              | \$ 2,919,860                           |                   |              |
| Net interest margin FTE <sup>(2)</sup>   |  |                   | 4.22%        |  |                   | 3.15%        |
| Average transaction deposits   | \$ 6,878,152                           |                   |              | \$ 5,416,791                           |                   |              |
| Average total deposits   | 7,830,175                              |                   |              | 6,223,112                              |                   |              |
| Ratio of average interest earning assets to average interest bearing liabilities | 160.75%                                |                   |              | 176.18%                                |                   |              |

(1) Originated loans are net of deferred loan fees, less costs, which are included in interest income over the life of the loan.

(2) Presented on a fully taxable equivalent basis using the statutory tax rate of 21%. The tax equivalent adjustments included above are \$2,857 and \$2,649 for the six months ended June 30, 2023 and June 30, 2022, respectively.

**NATIONAL BANK HOLDINGS CORPORATION**

**Allowance for Credit Losses and Asset Quality**

(Dollars in thousands)

**Allowance for Credit Losses Analysis**

|  | As of and for the three months ended |                  |                  |
|--|--------------------------------------|------------------|------------------|
|  | June 30, 2023                        | March 31, 2023   | June 30, 2022    |
| Beginning allowance for credit losses  | \$ 90,343                            | \$ 89,553        | \$ 48,810        |
| Charge-offs  | (354)                                | (325)            | (451)            |
| Recoveries   | 42                                   | 65               | 115              |
| Provision expense for credit losses  | 2,550                                | 1,050            | 2,386            |
| Ending allowance for credit losses ("ACL")                                   | <u>\$ 92,581</u>                     | <u>\$ 90,343</u> | <u>\$ 50,860</u> |
| Ratio of annualized net charge-offs to average total loans during the period | 0.02%                                | 0.01%            | 0.03%            |
| Ratio of ACL to total loans outstanding at period end                        | 1.25%                                | 1.23%            | 1.06%            |
| Ratio of ACL to total non-performing loans at period end                     | 276.25%                              | 946.40%          | 515.72%          |
| Total loans  | \$ 7,414,357                         | \$ 7,345,298     | \$ 4,817,070     |
| Average total loans during the period  | 7,338,585                            | 7,257,639        | 4,711,416        |
| Total non-performing loans   | 33,514                               | 9,546            | 9,862            |

**Past Due and Non-accrual Loans**

|   | June 30, 2023    | March 31, 2023   | June 30, 2022    |
|---|------------------|------------------|------------------|
| Loans 30-89 days past due and still accruing interest                                   | \$ 7,261         | \$ 2,308         | \$ 1,781         |
| Loans 90 days past due and still accruing interest                                      | 246              | 185              | 194              |
| Non-accrual loans   | 33,514           | 9,546            | 9,862            |
| Total past due and non-accrual loans  | <u>\$ 41,021</u> | <u>\$ 12,039</u> | <u>\$ 11,837</u> |
| Total 90 days past due and still accruing interest and non-accrual loans to total loans | 0.46%            | 0.13%            | 0.21%            |

**Asset Quality Data**

|   | June 30, 2023    | March 31, 2023   | June 30, 2022    |
|---|------------------|------------------|------------------|
| Non-performing loans                                | \$ 33,514        | \$ 9,546         | \$ 9,862         |
| OREO  | 3,458            | 3,458            | 4,992            |
| Total non-performing assets                         | <u>\$ 36,972</u> | <u>\$ 13,004</u> | <u>\$ 14,854</u> |
| Accruing modified loans                             | \$ 18,906        | \$ 4,154         | \$ 7,208         |
| Total non-performing loans to total loans           | 0.45%            | 0.13%            | 0.20%            |
| Total non-performing assets to total loans and OREO | 0.50%            | 0.18%            | 0.31%            |

## NATIONAL BANK HOLDINGS CORPORATION

### Key Metrics<sup>(1)</sup>

|  | As of and for the three months ended |                   |                  | As of and for the six months ended |                  |
|--|--------------------------------------|-------------------|------------------|------------------------------------|------------------|
|  | June 30,<br>2023                     | March 31,<br>2023 | June 30,<br>2022 | June 30,<br>2023                   | June 30,<br>2022 |
| Return on average assets   | 1.34%                                | 1.70%             | 1.13%            | 1.52%                              | 1.08%            |
| Return on average tangible assets <sup>(2)</sup>                                   | 1.45%                                | 1.80%             | 1.16%            | 1.63%                              | 1.11%            |
| Return on average tangible assets, adjusted <sup>(2)</sup>                         | 1.45%                                | 1.80%             | 1.20%            | 1.63%                              | 1.14%            |
| Return on average equity   | 11.35%                               | 14.60%            | 9.96%            | 12.94%                             | 9.40%            |
| Return on average tangible common equity <sup>(2)</sup>                            | 17.24%                               | 20.86%            | 11.64%           | 19.05%                             | 10.97%           |
| Return on average tangible common equity, adjusted <sup>(2)</sup>                  | 17.24%                               | 20.86%            | 12.08%           | 19.05%                             | 11.24%           |
| Loan to deposit ratio (end of period)  | 91.30%                               | 96.88%            | 77.76%           | 91.30%                             | 77.76%           |
| Non-interest bearing deposits to total deposits (end of period)                    | 32.37%                               | 38.53%            | 39.63%           | 32.37%                             | 39.63%           |
| Net interest margin <sup>(3)</sup>   | 4.00%                                | 4.32%             | 3.30%            | 4.16%                              | 3.07%            |
| Net interest margin FTE <sup>(2)(3)</sup>  | 4.07%                                | 4.39%             | 3.38%            | 4.22%                              | 3.15%            |
| Interest rate spread FTE <sup>(2)(4)</sup>   | 3.29%                                | 3.83%             | 3.26%            | 3.54%                              | 3.02%            |
| Yield on earning assets <sup>(5)</sup>   | 5.40%                                | 5.17%             | 3.47%            | 5.29%                              | 3.24%            |
| Yield on earning assets FTE <sup>(2)(5)</sup>                                      | 5.46%                                | 5.24%             | 3.55%            | 5.35%                              | 3.32%            |
| Cost of interest bearing liabilities   | 2.17%                                | 1.41%             | 0.29%            | 1.81%                              | 0.30%            |
| Cost of deposits   | 1.27%                                | 0.58%             | 0.16%            | 0.93%                              | 0.16%            |
| Non-interest income to total revenue FTE <sup>(2)</sup>                            | 13.16%                               | 13.22%            | 22.62%           | 13.19%                             | 25.38%           |
| Non-interest expense to average assets   | 2.50%                                | 2.46%             | 2.53%            | 2.48%                              | 2.51%            |
| Efficiency ratio   | 58.86%                               | 53.21%            | 62.59%           | 55.95%                             | 64.72%           |
| Efficiency ratio excluding other intangible assets amortization FTE <sup>(2)</sup> | 56.14%                               | 51.30%            | 59.70%           | 53.65%                             | 62.19%           |
| Pre-provision net revenue  | \$ 42,626                            | \$ 51,262         | \$ 27,227        | \$ 93,888                          | \$ 48,860        |
| Pre-provision net revenue FTE <sup>(2)</sup>                                       | 44,068                               | 52,676            | 28,563           | 96,745                             | 51,509           |
| Pre-provision net revenue FTE, adjusted <sup>(2)</sup>                             | 44,068                               | 52,676            | 29,569           | 96,745                             | 52,769           |
| <b>Total Loans Asset Quality Data<sup>(6)(7)(8)</sup></b>                          |                                      |                   |                  |                                    |                  |
| Non-performing loans to total loans  | 0.45%                                | 0.13%             | 0.20%            | 0.45%                              | 0.20%            |
| Non-performing assets to total loans and OREO                                      | 0.50%                                | 0.18%             | 0.31%            | 0.50%                              | 0.31%            |
| Allowance for credit losses to total loans   | 1.25%                                | 1.23%             | 1.06%            | 1.25%                              | 1.06%            |
| Allowance for credit losses to non-performing loans                                | 276.25%                              | 946.40%           | 515.72%          | 276.25%                            | 515.72%          |
| Net charge-offs to average loans   | 0.02%                                | 0.01%             | 0.03%            | 0.02%                              | 0.04%            |

(1) Quarterly ratios are annualized.

(2) Ratio represents non-GAAP financial measure. See non-GAAP reconciliations starting on page 13.

(3) Net interest margin represents net interest income, including accretion income on interest earning assets, as a percentage of average interest earning assets.

(4) Interest rate spread represents the difference between the weighted average yield on interest earning assets and the weighted average cost of interest bearing liabilities.

(5) Interest earning assets include assets that earn interest/accretion or dividends. Any market value adjustments on investment securities or loans are excluded from interest earning assets.

(6) Non-performing loans consist of non-accruing loans and modified loans on non-accrual.

(7) Non-performing assets include non-performing loans and other real estate owned.

(8) Total loans are net of unearned discounts and fees.

**NATIONAL BANK HOLDINGS CORPORATION**  
**NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS**  
(Dollars in thousands, except share and per share data)

**Tangible Common Book Value Ratios**

|   | <b>June 30, 2023</b> | March 31, 2023      | December 31, 2022   | June 30, 2022       |
|---|----------------------|---------------------|---------------------|---------------------|
| Total shareholders' equity  | \$ 1,147,334         | \$ 1,133,727        | \$ 1,092,202        | \$ 815,551          |
| Less: goodwill and other intangible assets, net   | (368,732)            | (325,828)           | (327,191)           | (120,800)           |
| Add: deferred tax liability related to goodwill   | 11,544               | 11,212              | 10,984              | 10,527              |
| Tangible common equity (non-GAAP)   | <u>\$ 790,146</u>    | <u>\$ 819,111</u>   | <u>\$ 775,995</u>   | <u>\$ 705,278</u>   |
| Total assets  | \$ 9,871,957         | \$ 9,917,223        | \$ 9,573,243        | \$ 7,167,999        |
| Less: goodwill and other intangible assets, net   | (368,732)            | (325,828)           | (327,191)           | (120,800)           |
| Add: deferred tax liability related to goodwill   | 11,544               | 11,212              | 10,984              | 10,527              |
| Tangible assets (non-GAAP)  | <u>\$ 9,514,769</u>  | <u>\$ 9,602,607</u> | <u>\$ 9,257,036</u> | <u>\$ 7,057,726</u> |
| <b>Tangible common equity to tangible assets calculations:</b>  |                      |                     |                     |                     |
| Total shareholders' equity to total assets  | 11.62%               | 11.43%              | 11.41%              | 11.38%              |
| Less: impact of goodwill and other intangible assets, net   | (3.32)%              | (2.90)%             | (3.03)%             | (1.39)%             |
| Tangible common equity to tangible assets (non-GAAP)  | <u>8.30%</u>         | <u>8.53%</u>        | <u>8.38%</u>        | <u>9.99%</u>        |
| <b>Tangible common book value per share calculations:</b>   |                      |                     |                     |                     |
| Tangible common equity (non-GAAP)   | \$ 790,146           | \$ 819,111          | \$ 775,995          | \$ 705,278          |
| Divided by: ending shares outstanding   | 37,719,026           | 37,641,381          | 37,608,519          | 30,075,175          |
| Tangible common book value per share (non-GAAP)   | <u>\$ 20.95</u>      | <u>\$ 21.76</u>     | <u>\$ 20.63</u>     | <u>\$ 23.45</u>     |
| <b>Tangible common book value per share, excluding accumulated other comprehensive loss calculations:</b>   |                      |                     |                     |                     |
| Tangible common equity (non-GAAP)   | \$ 790,146           | \$ 819,111          | \$ 775,995          | \$ 705,278          |
| Accumulated other comprehensive loss, net of tax  | 88,614               | 78,627              | 88,204              | 58,001              |
| Tangible common book value, excluding accumulated other comprehensive loss, net of tax (non-GAAP)           | 878,760              | 897,738             | 864,199             | 763,279             |
| Divided by: ending shares outstanding   | 37,719,026           | 37,641,381          | 37,608,519          | 30,075,175          |
| Tangible common book value per share, excluding accumulated other comprehensive loss, net of tax (non-GAAP) | <u>\$ 23.30</u>      | <u>\$ 23.85</u>     | <u>\$ 22.98</u>     | <u>\$ 25.38</u>     |

## NATIONAL BANK HOLDINGS CORPORATION

(Dollars in thousands, except share and per share data)

### Return on Average Tangible Assets and Return on Average Tangible Equity

|  | As of and for the three months ended |                     |                     | As of and for the six months ended |                     |
|--|--------------------------------------|---------------------|---------------------|------------------------------------|---------------------|
|  | June 30,<br>2023                     | March 31,<br>2023   | June 30,<br>2022    | June 30,<br>2023                   | June 30,<br>2022    |
| Net income   | \$ 32,557                            | \$ 40,283           | \$ 20,362           | \$ 72,840                          | \$ 38,714           |
| Add: impact of other intangible assets amortization expense, after tax   | 1,546                                | 1,049               | 227                 | 2,596                              | 455                 |
| Net income excluding the impact of other intangible assets amortization expense, after tax (non-GAAP)  | <u>\$ 34,103</u>                     | <u>\$ 41,332</u>    | <u>\$ 20,589</u>    | <u>\$ 75,436</u>                   | <u>\$ 39,169</u>    |
| Net income excluding the impact of other intangible assets amortization expense, after tax   | \$ 34,103                            | \$ 41,332           | \$ 20,589           | \$ 75,436                          | \$ 39,169           |
| Add: acquisition-related adjustments, after tax (non-GAAP) <sup>(1)</sup>  | —                                    | —                   | 773                 | —                                  | 968                 |
| Net income adjusted for the impact of other intangible assets amortization expense and acquisition-related expenses, after tax (non-GAAP) <sup>(1)</sup> | <u>\$ 34,103</u>                     | <u>\$ 41,332</u>    | <u>\$ 21,362</u>    | <u>\$ 75,436</u>                   | <u>\$ 40,137</u>    |
| Average assets   | \$ 9,765,163                         | \$ 9,619,456        | \$ 7,231,319        | \$ 9,692,712                       | \$ 7,203,016        |
| Less: average goodwill and other intangible assets, net of deferred tax liability related to goodwill  | (357,446)                            | (315,493)           | (110,446)           | (336,420)                          | (110,594)           |
| Average tangible assets (non-GAAP)   | <u>\$ 9,407,717</u>                  | <u>\$ 9,303,963</u> | <u>\$ 7,120,873</u> | <u>\$ 9,356,292</u>                | <u>\$ 7,092,422</u> |
| Average shareholders' equity   | \$ 1,150,774                         | \$ 1,119,118        | \$ 819,614          | \$ 1,135,033                       | \$ 830,716          |
| Less: average goodwill and other intangible assets, net of deferred tax liability related to goodwill  | (357,446)                            | (315,493)           | (110,446)           | (336,420)                          | (110,594)           |
| Average tangible common equity (non-GAAP)  | <u>\$ 793,328</u>                    | <u>\$ 803,625</u>   | <u>\$ 709,168</u>   | <u>\$ 798,613</u>                  | <u>\$ 720,122</u>   |
| Return on average assets   | 1.34%                                | 1.70%               | 1.13%               | 1.52%                              | 1.08%               |
| Return on average tangible assets (non-GAAP)   | 1.45%                                | 1.80%               | 1.16%               | 1.63%                              | 1.11%               |
| Adjusted return on average tangible assets (non-GAAP)  | 1.45%                                | 1.80%               | 1.20%               | 1.63%                              | 1.14%               |
| Return on average equity   | 11.35%                               | 14.60%              | 9.96%               | 12.94%                             | 9.40%               |
| Return on average tangible common equity (non-GAAP)  | 17.24%                               | 20.86%              | 11.64%              | 19.05%                             | 10.97%              |
| Adjusted return on average tangible common equity (non-GAAP)   | 17.24%                               | 20.86%              | 12.08%              | 19.05%                             | 11.24%              |

#### (1) Acquisition-related adjustments:

##### Non-interest expense adjustments:

|   |             |             |               |             |               |
|---|-------------|-------------|---------------|-------------|---------------|
| Acquisition-related expenses (non-GAAP)               | \$ —        | \$ —        | \$ 1,006      | \$ —        | \$ 1,260      |
| Tax expense impact                                    | —           | —           | (233)         | —           | (292)         |
| Acquisition-related adjustments, after tax (non-GAAP) | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 773</u> | <u>\$ —</u> | <u>\$ 968</u> |

### Fully Taxable Equivalent Yield on Earning Assets and Net Interest Margin

|  | As of and for the three months ended |                   |                  | As of and for the six months ended |                   |
|--|--------------------------------------|-------------------|------------------|------------------------------------|-------------------|
|  | June 30,<br>2023                     | March 31,<br>2023 | June 30,<br>2022 | June 30,<br>2023                   | June 30,<br>2022  |
| Interest income                              | \$ 121,069                           | \$ 113,533        | \$ 58,836        | \$ 234,602                         | \$ 108,361        |
| Add: impact of taxable equivalent adjustment | 1,442                                | 1,414             | 1,336            | 2,857                              | 2,649             |
| Interest income FTE (non-GAAP)               | <u>\$ 122,511</u>                    | <u>\$ 114,947</u> | <u>\$ 60,172</u> | <u>\$ 237,459</u>                  | <u>\$ 111,010</u> |
| Net interest income                          | \$ 89,784                            | \$ 94,889         | \$ 56,017        | \$ 184,673                         | \$ 102,678        |
| Add: impact of taxable equivalent adjustment | 1,442                                | 1,414             | 1,336            | 2,857                              | 2,649             |
| Net interest income FTE (non-GAAP)           | <u>\$ 91,226</u>                     | <u>\$ 96,303</u>  | <u>\$ 57,353</u> | <u>\$ 187,530</u>                  | <u>\$ 105,327</u> |
| Average earning assets                       | \$ 8,998,987                         | \$ 8,902,740      | \$ 6,802,300     | \$ 8,951,130                       | \$ 6,752,676      |
| Yield on earning assets                      | 5.40%                                | 5.17%             | 3.47%            | 5.29%                              | 3.24%             |
| Yield on earning assets FTE (non-GAAP)       | 5.46%                                | 5.24%             | 3.55%            | 5.35%                              | 3.32%             |
| Net interest margin                          | 4.00%                                | 4.32%             | 3.30%            | 4.16%                              | 3.07%             |
| Net interest margin FTE (non-GAAP)           | 4.07%                                | 4.39%             | 3.38%            | 4.22%                              | 3.15%             |

## Efficiency Ratio and Pre-Provision Net Revenue

|  | As of and for the three months ended |                   |                  | As of and for the six months ended |                  |
|--|--------------------------------------|-------------------|------------------|------------------------------------|------------------|
|  | June 30,<br>2023                     | March 31,<br>2023 | June 30,<br>2022 | June 30,<br>2023                   | June 30,<br>2022 |
| Net interest income  | \$ 89,784                            | \$ 94,889         | \$ 56,017        | \$ 184,673                         | \$ 102,678       |
| Add: impact of taxable equivalent adjustment   | 1,442                                | 1,414             | 1,336            | 2,857                              | 2,649            |
| Net interest income FTE (non-GAAP)   | \$ 91,226                            | \$ 96,303         | \$ 57,353        | \$ 187,530                         | \$ 105,327       |
| Non-interest income  | \$ 13,823                            | \$ 14,665         | \$ 16,762        | \$ 28,488                          | \$ 35,816        |
| Non-interest expense   | \$ 60,981                            | \$ 58,292         | \$ 45,552        | \$ 119,273                         | \$ 89,634        |
| Less: other intangible assets amortization   | (2,007)                              | (1,363)           | (296)            | (3,370)                            | (592)            |
| Less: acquisition-related expenses (non-GAAP)  | —                                    | —                 | (1,006)          | —                                  | (1,260)          |
| Non-interest expense adjusted for other intangible assets amortization and acquisition-related expenses (non-GAAP) | \$ 58,974                            | \$ 56,929         | \$ 44,250        | \$ 115,903                         | \$ 87,782        |
| Non-interest expense   | \$ 60,981                            | \$ 58,292         | \$ 45,552        | \$ 119,273                         | \$ 89,634        |
| Less: acquisition-related expenses (non-GAAP)  | —                                    | —                 | (1,006)          | —                                  | (1,260)          |
| Non-interest expense, adjusted for acquisition-related expenses (non-GAAP)   | \$ 60,981                            | \$ 58,292         | \$ 44,546        | \$ 119,273                         | \$ 88,374        |
| Efficiency ratio   | 58.86%                               | 53.21%            | 62.59%           | 55.95%                             | 64.72%           |
| Efficiency ratio excluding other intangible assets amortization and acquisition-related expenses FTE (non-GAAP)    | 56.14%                               | 51.30%            | 59.70%           | 53.65%                             | 62.19%           |
| Pre-provision net revenue (non-GAAP)   | \$ 42,626                            | \$ 51,262         | \$ 27,227        | \$ 93,888                          | \$ 48,860        |
| Pre-provision net revenue, FTE (non-GAAP)  | 44,068                               | 52,676            | 28,563           | 96,745                             | 51,509           |
| Pre-provision net revenue FTE, adjusted for acquisition-related expenses (non-GAAP)                                | 44,068                               | 52,676            | 29,569           | 96,745                             | 52,769           |

## Adjusted Net Income and Earnings Per Share

|   | As of and for the three months ended |                   |                  | As of and for the six months ended |                  |
|---|--------------------------------------|-------------------|------------------|------------------------------------|------------------|
|   | June 30,<br>2023                     | March 31,<br>2023 | June 30,<br>2022 | June 30,<br>2023                   | June 30,<br>2022 |
| <b>Adjustments to net income:</b>                               |                                      |                   |                  |                                    |                  |
| Net income  | \$ 32,557                            | \$ 40,283         | \$ 20,362        | \$ 72,840                          | \$ 38,714        |
| Add: Acquisition-related adjustments, after tax (non-GAAP)      | —                                    | —                 | 773              | —                                  | 968              |
| Adjusted net income (non-GAAP)                                  | \$ 32,557                            | \$ 40,283         | \$ 21,135        | \$ 72,840                          | \$ 39,682        |
| <b>Adjustments to earnings per share:</b>                       |                                      |                   |                  |                                    |                  |
| Earnings per share diluted                                      | \$ 0.85                              | \$ 1.06           | \$ 0.67          | \$ 1.91                            | \$ 1.27          |
| Add: Acquisition-related adjustments, after tax (non-GAAP)      | —                                    | —                 | 0.02             | —                                  | 0.03             |
| Adjusted earnings per share - diluted (non-GAAP) <sup>(1)</sup> | \$ 0.85                              | \$ 1.06           | \$ 0.69          | \$ 1.91                            | \$ 1.30          |