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**FIRST QUARTER 2020  
NATIONAL BANK HOLDINGS CORPORATION**

*COVID-19 RELATED SUPPLEMENTAL DISCLOSURE*

*APRIL 21, 2020*

# SUPPORTING ASSOCIATES, CLIENTS & COMMUNITIES



## ASSOCIATES

Implemented company-wide remote working arrangements

Issued premium pay for banking center and operations teams

Implemented appointment-only services in lobbies, and maintained drive-thru services

Providing two weeks paid time off for COVID-19 illness and quarantines

Waived medical plan cost-sharing and co-pays for COVID-19 testing and treatment



## CLIENTS

To date, have obtained SBA approval for \$333 million in Paycheck Protection Program loans for 1,460 clients, saving an estimated 32,000 jobs in our communities

Assisted clients with direct deposit set-up to expedite CARES Act Economic Stimulus Payments

Working with business and consumer clients who have requested payment relief, customized to their needs and circumstances



## COMMUNITIES

Donated to nonprofits making masks and hand sanitizer for healthcare workers and first responders

Supporting nonprofits whose fundraising events are negatively impacted due to social distancing

Sponsoring the National Financial Bee for students, enriching virtual learning that will improve their financial acumen

# FIRST QUARTER 2020 FINANCIAL HIGHLIGHTS

## CAPITAL RATIOS

11.1% Tier 1 Leverage

12.9% Common Equity Tier 1

## LIQUIDITY

Loan to deposit ratio of 95%

## PRE-PROVISION NET REVENUE

\$26.5 million

## NET INTEREST MARGIN

3.87%

## LOAN GROWTH

8.2% annualized

on linked quarter basis

## ACL / LOANS

1.13%

- Strong capital levels with \$270 million in excess capital over 7.0% common equity tier 1 risk based regulatory requirement with the capital conservation buffer
- Ample liquidity with access to \$1 billion in readily available funds
- 9.7% annualized linked quarter growth in PPNR
- Linked quarter NIM expanded 10 bps
- Grew loans and average transaction deposits in a difficult economic environment
- Strong credit metrics with just 3 basis points of net charge offs and decreasing levels of criticized and classified loan ratios; credit loss allowance increased by 30% since 12/31/19

# UNIQUELY DIVERSIFIED \$4.5 BILLION LOAN PORTFOLIO

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## COMMERCIAL

68% of portfolio

- Granular and well diversified loan portfolio
  - Self imposed concentration limits; majority of industry sectors limited to 5% or less of total loan commitments
  - Industries requiring in-depth knowledge are managed by specialty banking teams, with dedicated specialist underwriters
  - First quarter average loan funding of \$952 thousand
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## RESIDENTIAL REAL ESTATE

17% of portfolio

- Seasoned portfolio with average current LTV of 46% and average current FICO of 749
  - First quarter average funding of \$317 thousand; average FICO of 756
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## CRE NON-OWNER OCCUPIED

14% of portfolio

- Non-owner occupied CRE just 94.7% of risk-based capital
  - No property type composes more than 5% of total loans
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## CONSUMER

1% of portfolio




- Only \$3.2 million of unsecured consumer loans
- Minimal boat and RV exposure—less than \$400 thousand

# COVID-19 HIGH IMPACT INDUSTRIES

## COMMERCIAL

	<b>RESTAURANTS</b>	<b>\$223.1 MILLION</b> LOAN OUTSTANDINGS	<b>5.0%</b> OF TOTAL LOANS	<b>93</b> CLIENTS	<b>77%</b> QUICK SERVICE	TACO BELL POPEYE'S WENDY'S BURGER KING
	<b>RETAILERS</b>	<b>\$120.8 MILLION</b> LOAN OUTSTANDINGS	<b>2.7%</b> OF TOTAL LOANS	<b>160</b> CLIENTS	<b>52%</b> ESSENTIAL BUSINESSES	GAS/AUTO GROCERIES STAPLES
	<b>HOSPITALS/ MEDICAL</b>	<b>\$202.3 MILLION</b> LOAN OUTSTANDINGS	<b>4.5%</b> OF TOTAL LOANS	<b>169</b> CLIENTS	<b>57%</b> MUNICIPAL CRITICAL ACCESS HOSPITALS	<b>\$357K</b> AVG. LOAN SIZE TO DOCTORS AND DENTISTS
	<b>OIL &amp; GAS</b> NO NEW LOANS IN 5 YEARS	<b>\$30.6 MILLION</b> LOAN OUTSTANDINGS	<b>0.7%</b> OF TOTAL LOANS	<b>5</b> CLIENTS	<b>34%</b> AVERAGE SR DEBT TO CAP	<b>97%</b> MIDSTREAM & NAT GAS

## CRE NON-OWNER OCCUPIED

	<b>HOTEL &amp; LODGING</b>	<b>\$181.4 MILLION</b> LOAN OUTSTANDINGS	<b>4.0%</b> OF TOTAL LOANS	<b>43</b> CLIENTS	<b>56%</b> AVERAGE LTV	<b>1.67X</b> AVERAGE DSC
	<b>MULTIFAMILY</b>	<b>\$77.3 MILLION</b> LOAN OUTSTANDINGS	<b>1.5%</b> OF TOTAL LOANS	<b>37</b> CLIENTS	<b>65%</b> AVERAGE LTV	<b>1.35X</b> AVERAGE DSC
	<b>RETAIL</b>	<b>\$55.5 MILLION</b> LOAN OUTSTANDINGS	<b>1.2%</b> OF TOTAL LOANS	<b>68</b> CLIENTS	<b>66%</b> AVERAGE LTV	<b>1.33X</b> AVERAGE DSC

## INDUSTRIES AND LOAN TYPES WITH NO DIRECT EXPOSURE

Aviation

Cruise Lines

Energy Services

Auto Manufacturing/  
Dealer Floor Plans

Indirect Auto

Car Leasing

Hedge Funds

Gaming & Casinos

Convention Centers

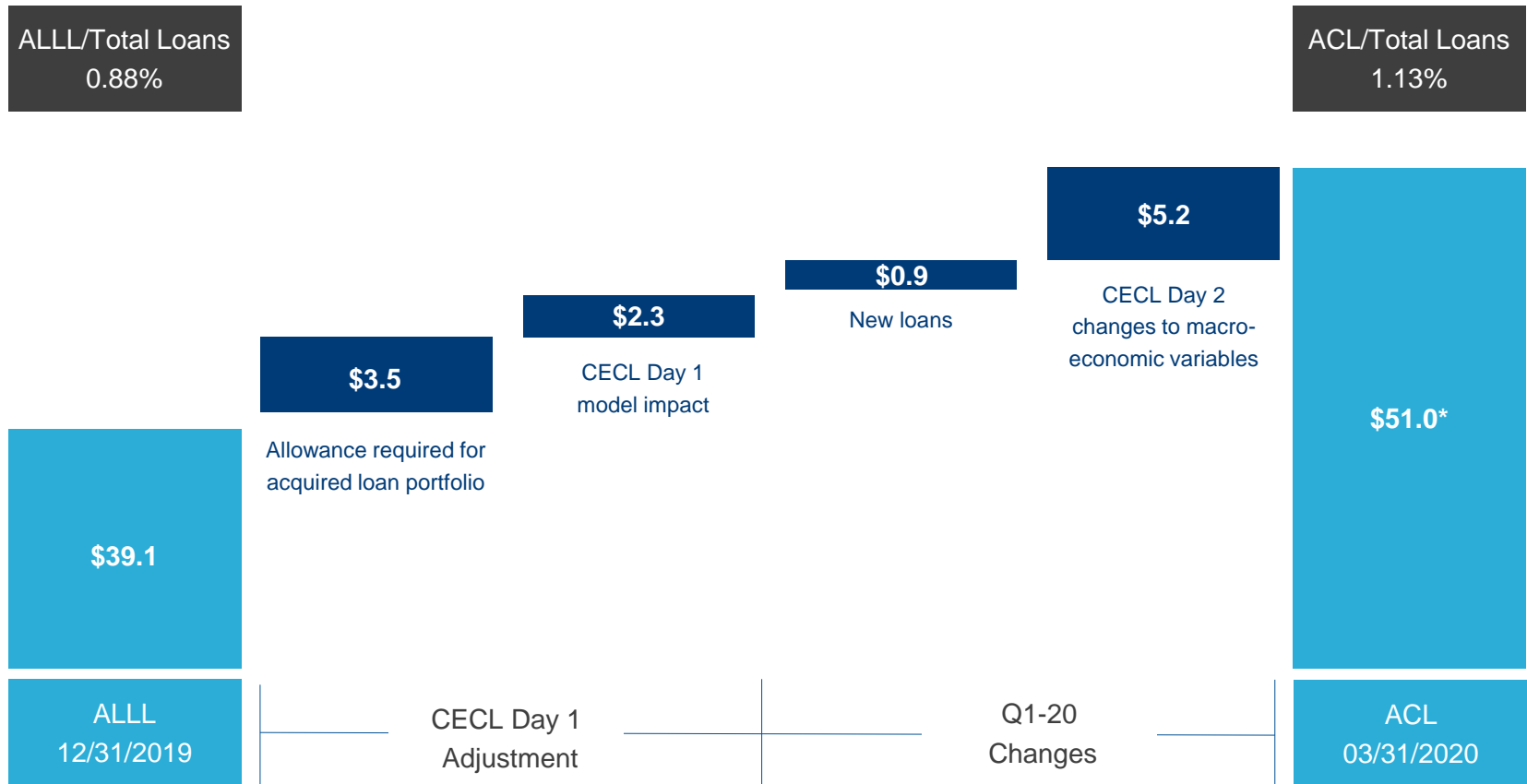
Credit Cards

Malls

Taxi/Ride Share

# DRIVERS OF ALLOWANCE FOR CREDIT LOSSES

## First Quarter 2020 Primary Changes



All dollars in millions

\* Investment securities portfolio consists of U.S. agency mortgage backed securities requiring no ACL