

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>NATIONAL BANK HOLDINGS CORPORATION 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/2010</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>10/01/2010</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>10/01/2010</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>NATIONAL BANK HOLDINGS CORPORATION</u> <u>7800 EAST ORCHARD ROAD - SUITE 300</u> <u>GREENWOOD VILLAGE, CO 80111</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>27-0563799</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>720-554-6680</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>551111</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>27-0563799</u>	2c Plan Sponsor's telephone number <u>720-554-6680</u>	2d Business code (see instructions) <u>551111</u>	
2b Employer Identification Number (EIN) <u>27-0563799</u>					
2c Plan Sponsor's telephone number <u>720-554-6680</u>					
2d Business code (see instructions) <u>551111</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2022	SARA RUSH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2022	SARA RUSH
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	1389
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	1213
a(2) Total number of active participants at the end of the plan year		6a(2)	1142
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	196
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	1338
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	1338
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	951
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	26
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 3H 2T 3D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan NATIONAL BANK HOLDINGS CORPORATION 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL BANK HOLDINGS CORPORATION	D Employer Identification Number (EIN) 27-0563799	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	041649	1338	01/01/2021	12/31/2021

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	0
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	8937784

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year	7b	0
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c	Additions: (1) Contributions deposited during the year	7c(1)		
	(2) Dividends and credits.....	7c(2)		
	(3) Interest credited during the year.....	7c(3)		
	(4) Transferred from separate account.....	7c(4)		
	(5) Other (specify below)	7c(5)		
	▶			

(6) Total additions	7c(6)	0
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d Total of balance and additions (add lines 7b and 7c(6))	7d	0
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e Deductions:			
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
(2) Administration charge made by carrier.....	7e(2)		
(3) Transferred to separate account.....	7e(3)		
(4) Other (specify below)	7e(4)		
▶			

(5) Total deductions	7e(5)	0
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan NATIONAL BANK HOLDINGS CORPORATION 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL BANK HOLDINGS CORPORATION	D Employer Identification Number (EIN) 27-0563799	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND
06-1050034

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 37 50 64	NONE	108749	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

LOCKTON INVESTMENT ADVISORS, LLC

20-8874282

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
14 27	NONE	42500	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

GRANT THORNTON LLP

36-6055558

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	21630	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL INSURANCE COMPANY OF AME	15 60 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL INVESTMENTS, LLC 22-3468527	22.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2021 TO 12/31/2021 PGIM JENN MID GROWTH A	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration		DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2021 This Form is Open to Public Inspection.	
For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021					
A Name of plan NATIONAL BANK HOLDINGS CORPORATION 401(K) PLAN				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 NATIONAL BANK HOLDINGS CORPORATION				D Employer Identification Number (EIN) 27-0563799	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: CORE PLUS BOND / PGIM FD					
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.					
c EIN-PN 06-1050034-299		d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4263231		
a Name of MTIA, CCT, PSA, or 103-12 IE: LG CAP VALUE I (JPMORGAN)					
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.					
c EIN-PN 06-1050034-129		d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4674553		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		

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Schedule D (Form 5500) 2021 v. 201209

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan NATIONAL BANK HOLDINGS CORPORATION 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL BANK HOLDINGS CORPORATION	D Employer Identification Number (EIN) 27-0563799	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	931406	1047046
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	8166837	8937784
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	36686982	42567434
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	9365819	10331218

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1)	
(2)	Employer real property.....	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	55151044 62883482
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness.....	1i	
j	Other liabilities.....	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	55151044 62883482

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	1816043
	(B) Participants	2a(1)(B)	4910786
	(C) Others (including rollovers).....	2a(1)(C)	834456
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	7561285
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	48940
	(F) Other	2b(1)(F)	154467
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	203407
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	423194
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	423194
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		1014354
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		5820271
c Other income.....	2c		-51773
d Total income. Add all income amounts in column (b) and enter total.....	2d		14970738
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	7064724	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		7064724
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	173576	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		173576
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		7238300
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		7732438
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: GRANT THORNTON LLP

(2) EIN: 36-6055558

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan NATIONAL BANK HOLDINGS CORPORATION 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL BANK HOLDINGS CORPORATION	D Employer Identification Number (EIN) 27-0563799

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1	Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2	Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 22-1211670		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.			
3	Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4	Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.				
5	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6	a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
	b Enter the amount contributed by the employer to the plan for this plan year	6b		
	c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.				
7	Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8	If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9	If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
---------	--

10	Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11	a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
	b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12	Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Financial Statements and Report of
Independent Certified Public
Accountants

National Bank Holdings Corporation
401(k) Plan

December 31, 2021 and 2020

Contents

Page

Report of Independent Certified Public Accountants 3

Financial Statements

Statements of net assets available for benefits as of
December 31, 2021 and 2020 7

Statement of changes in net assets available for benefits
for the year ended December 31, 2021 8

Notes to financial statements 9

Supplemental Schedules

Schedule H, line 4a - schedule of delinquent participant
contributions for the year ended December 31, 2021 17

Schedule H, item 4i - schedule of assets (held at end of
year) as of December 31, 2021 18

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

National Bank Holdings Corporation 401(k) Plan

Scope and nature of the ERISA Section 103(a)(3)(C) audit for the 2021 financial statements

We have performed an audit of the financial statements of National Bank Holdings Corporation 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements ("2021 financial statements").

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note D the financial statements, is complete and accurate.

Opinion on the 2021 financial statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for opinion on the 2021 financial statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of management for the 2021 financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's responsibilities for the audit of the 2021 financial statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other matters

2021 supplemental schedules required by ERISA

The supplemental schedules of delinquent participant contributions for the year ended December 31, 2021 and assets (held at end of year) as of December 31, 2021 are presented for purposes of additional analysis and, are not a required part of the financial statements but, are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the 2021 supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to the auditing procedures applied in the audit of the 2021 financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 financial statements or to the 2021 financial statements themselves, and other additional procedures in accordance with US GAAS. For information included in the 2021 supplemental, schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the 2021 supplemental schedules, we evaluated whether the 2021 supplemental schedules, other than the information agreed to or derived from the certified investment information, including, their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- The form and content of the 2021 supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the 2021 supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's report on the 2020 financial statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 15, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Grant Thornton LLP

St. Louis, Missouri
October 17, 2022

National Bank Holdings Corporation 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Investments, at fair value	\$ 61,836,436	\$ 54,219,638
Receivables		
Employer contributions	1,730,897	1,865,173
Participant contributions	120,931	105,726
Notes receivable from participants	<u>1,047,046</u>	<u>931,406</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 64,735,310</u></u>	<u><u>\$ 57,121,943</u></u>

The accompanying notes are an integral part of these financial statements.

National Bank Holdings Corporation 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2021

Additions

Investment income	
Net appreciation in fair value of investments	\$ 6,834,625
Interest and dividend income	<u>577,661</u>
Net investment income	7,412,286
Interest income on notes receivable from participants	48,940
Other income (expenses)	(51,773)
Contributions	
Participant	4,876,861
Employer	1,730,897
Rollover	<u>834,456</u>
Total contributions	<u>7,442,214</u>
Total additions	14,851,667

Deductions

Benefits paid to participants	7,064,724
Administrative expenses	<u>173,576</u>

Total deductions	<u>7,238,300</u>
------------------	------------------

NET INCREASE	7,613,367
---------------------	-----------

Net assets available for benefits at beginning of year	<u>57,121,943</u>
--	-------------------

Net assets available for benefits at end of year	<u><u>\$ 64,735,310</u></u>
--	-----------------------------

The accompanying notes are an integral part of this financial statement.

National Bank Holdings Corporation 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE A - DESCRIPTION OF PLAN

The following brief description of the National Bank Holdings Corporation 401(k) Plan (the "Plan") is provided for general information purposes. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan became effective as of October 1, 2010. National Bank Holdings Corporation (the "Company") serves as the Plan's sponsor and administrator. The term Company refers collectively to National Bank Holdings Corporation; Dickinson Financial Corporation and its affiliates; Hillcrest Bank, N.A.; Bank of Choice; Community Banks of Colorado; and Pine River Valley Bank, Peoples, Inc., Peoples Bank, Peoples National Bank and Interbank One LLC. The Plan is a defined contribution plan, which is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. Prudential Bank & Trust, FSB and Prudential Retirement Insurance and Annuity Company (the "Custodians") are responsible for holding the investment assets and notes receivable from participants of the Plan, making investment decisions and making distributions to participants and former participants.

During 2020, the United States and global economies were adversely affected by the coronavirus ("COVID-19") pandemic, which was declared a global pandemic by the World Health Organization in March 2020. The pandemic caused significant fluctuations in financial markets. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law on March 27, 2020. The CARES Act includes several retirement plan provisions that offer relief for participants. The Plan implemented the RMD provision of this Act and participants who were set to receive a RMD payment in 2020 were notified by the Plan that they were eligible to waive their payment for the 2020 calendar year and were required to contact the Custodians if they wished to defer. No additional CARES Act provisions were adopted by the Plan.

Eligibility

Employees are eligible to participate in the Plan as of the first day of the pay period following the completion of 30 days of service. Participants become eligible for membership for purposes of Company matching contributions as of the first day of the pay period following the completion of 30 days of service and 1,000 hours of service. Participants become eligible for membership in the Plan for purposes of Company discretionary profit-sharing contributions as of the first day of the pay period following the completion of six months of eligibility service, 1,000 hours of service, and be employed on the last day of the year.

Under the terms of the amendment and in determining eligibility under the Plan, years of vesting service with Hillcrest Bank, N.A. are taken into account for purposes of determining the participants' interest in Company contributions under the Plan.

For employees of Peoples, Inc., Peoples Bank, Peoples National Bank and Interbank One LLC., under the amendment, credit is given for service with the bank for purposes of vesting and eligibility requirements in determining the participant's interest in Company contributions under the Plan.

For employees of Pine River Valley Bank, under the amendment, credit is given for service with the bank for purposes of vesting and eligibility requirements in determining the participant's interest in Company contributions under the Plan.

For employees of Dickinson Financial Corporation and its affiliates, Bank of Choice, and Community Banks of Colorado, under the amendment, credit is given for service with the bank for purposes of vesting, eligibility, and allocation requirements for Company contributions under the Plan.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

Contributions

Participants may make pre-tax contributions up to the annual limit of \$19,500 for the year ended December 31, 2021, through uniform payroll deductions. Participants may also make after-tax contributions to the Plan. In addition, participants who have attained age 50 by the end of the plan year, and who are making contributions to the Plan, may make additional catch-up contributions to the Plan in the amount of \$6,500 for the year ended December 31, 2021.

The Company has the option of making both matching contributions and discretionary profit-sharing contributions. These contributions are at the discretion of the Board of Directors. To be eligible for the Company's matching contribution, an employee must have made a pre-tax or Roth contribution for the Plan year. For the year ended December 31, 2021, the matching contribution is limited to 75% of elective employee deferrals up to 4% and is participant-directed. The Company's Board of Directors elected to make no discretionary profit-sharing contributions to the Plan for the year ended December 31, 2021.

Vesting

Participants are immediately 100% vested in employee contributions and any amounts rolled over into the Plan. Participants vest in Company contributions in 20% annual increments, becoming 100% vested in Company contributions after completing five years of vesting service.

Participant Accounts

The contributions made on behalf of each participant are invested by the Custodians at the direction of each participant. Contributions may be invested in any of several mutual funds, stable value fund, and pooled separate accounts. An account is established for each eligible participant. Each participant's account is credited with participant contributions and allocations of Company contributions and Plan earnings and is charged with allocations of administrative expenses and Plan losses. Allocations of Plan earnings and administrative expenses are based on participants' account balances. Participant accounts are valued based on fair value. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Payment of Benefits

Participants receive lump-sum distributions or installment distributions upon the employee's death, disability, retirement, or termination of employment. The Plan will make a mandatory distribution following severance from employment for participants with a balance of \$5,000 or less. A participant with a vested account balance in excess of \$5,000 may elect to defer payment of their vested account until a date selected by the participant. A participant may withdraw all or any portion of their salary deferral contributions in the event of an undue financial hardship, as defined in the Plan document. Required Minimum Distributions ("RMD") from participant accounts may not be deferred past April 1 following the year in which the participant reaches the age of 72.

Notes Receivable from Participants

Participants may borrow from the Plan in amounts of 50% of the vested interest, but never more than \$50,000, with a \$1,000 minimum. A participant may only have one loan currently outstanding from the Plan. The loans are secured by the balance in the participant's account and bear interest at a reasonable rate similar to the rate charged for a note made under similar circumstances by persons in the business of lending money. Loans are repaid through payroll deductions over a period of time, which may not be longer than five years.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

Forfeited Accounts

Forfeited amounts are used to reduce future Company contributions and pay Plan expenses. Forfeitures of approximately \$49,000 were used to reduce Company contributions. Unallocated forfeitures were \$134,566 and \$49,092 at December 31, 2021 and 2020, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The accompanying financial statements have been prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted market prices, if available, are used to value investments. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Management fees and operating expenses charged to the Plan for investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded at December 31, 2021 or 2020. Delinquent loans are reclassified as distributions based upon the terms of the plan document.

Payments of Benefits

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

Risks and Uncertainties

The Plan provides for investments in various securities that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefit.

Income Taxes

The prototype plan, utilized by the Company to adopt its plan, received its latest opinion letter on April 29, 2014 in which the Internal Revenue Service ("IRS") stated that the prototype plan, as then designed, was in compliance with Section 401(a) of the Internal Revenue Code ("IRC"). The Plan has not received a determination letter specific to the Plan itself. The Plan has been amended since receiving the opinion letter; however, the Plan administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that, more likely than not, would not be sustained upon examination by the IRS. Currently the Department of Labor ("DOL") is conducting an examination on the Plan. The years under examination are January 1, 2017, through the present. The Plan complied with all the DOL's request and awaits the resolution of the examination.

Subsequent Events

The Plan has evaluated subsequent events through October 17, 2022, the date the financial statements were available to be issued, and noted no other events requiring recognition or disclosure.

NOTE C - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below.

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in inactive markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts and Stable value fund - Valued at the NAV of shares held by the Plan at year-end. The Plan measures the fair value of its investments that do not have a quoted market price but calculates NAV per share. The Plan applied the practical expedient to determine the fair values of pooled separate accounts and stable value fund of the Plan based on the NAV at December 31, 2021 and 2020. The Plan's pooled separate accounts and stable value fund are issued and redeemed daily at NAV dollar amount per share. There are no unfunded commitments or redemption requirements.

The Plan's Stable value fund, the Principal Preservation Separate Account (the "Fund") seeks safety of principal and consistent returns while attempting to maintain minimal volatility. The Fund invests in investment contracts issued by financial companies including guaranteed investment contracts ("GICs"), separate account GICs, and security backed investment contracts.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 42,567,434	\$ -	\$ -	\$ 42,567,434
Total assets in the fair value hierarchy	<u>\$ 42,567,434</u>	<u>\$ -</u>	<u>\$ -</u>	42,567,434
Investments measured at NAV				<u>19,269,002</u>
Investments at fair value				<u>\$ 61,836,436</u>

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 36,686,982	\$ -	\$ -	\$ 36,686,982
Total assets in the fair value hierarchy	<u>\$ 36,686,982</u>	<u>\$ -</u>	<u>\$ -</u>	36,686,982
Investments measured at NAV				<u>17,532,656</u>
Investments at fair value				<u>\$ 54,219,638</u>

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

NOTE D - INFORMATION CERTIFIED BY CUSTODIANS

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Custodians certified that the following information included in the financial statements and the supplemental schedules are complete and accurate:

- Investments, at fair value and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2021 and 2020.
- Investment income and interest income on notes receivable from participants, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2021.
- Schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2021.

NOTE E - RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Custodians of the Plan with services performed by the investment advisor of the Plan. Fees paid by the Plan for the services provided amounted to \$173,576 the year ended December 31, 2021. The Plan has notes receivable from certain of its participants. These transactions qualify as party-in interest transactions, as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

For the year ended December 31, 2020, the Company did not remit certain participant contributions to the Plan on a timely basis as defined by the DOL's Rules and Regulations for Reporting and Delinquent Participant Contributions Disclosure under ERISA. Untimely remittances identified on the Schedule of Delinquent Participant Contributions consisted of \$45 in participant contributions. The amounts have been fully corrected in 2021.

NOTE F - PLAN TERMINATION

Although the Company has no present intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Should the Plan terminate, participants will become 100% vested in their account balances.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

NOTE G - RECONCILIATION TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 64,735,310	\$ 57,121,943
Less: employer contributions receivable	(1,730,897)	(1,865,173)
Less: participant contributions receivable	<u>(120,931)</u>	<u>(105,726)</u>
Net assets per Form 5500	<u>\$ 62,883,482</u>	<u>\$ 55,151,044</u>

The following is a reconciliation of contributions to participants per the financial statements to the Form 5500 for the year ended December 31, 2021:

Total contributions per the financial statements	\$ 7,442,214
Plus: prior year employer contribution receivable	1,865,173
Plus: prior year participant contribution receivable	105,726
Less: current year employer contribution receivable	(120,931)
Less: current year participant contribution receivable	<u>(1,730,897)</u>
Total contributions per Form 5500	<u>\$ 7,561,285</u>

SUPPLEMENTAL SCHEDULES

National Bank Holdings Corporation 401(k) Plan

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

For the year ended December 31, 2021

EIN: 27-0563799; PLAN NO. 001

Participant Contributions Transferred Late to the Plan	Check Here if Late Participant Loan Repayments are Included	Total That Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program ("VFCP") and Prohibited Transaction Exemption 2002-51
		Contributions not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$ 45 *		\$ -	\$ 45 *	\$ -	\$ -

* Late remittance is from 2020 plan year. The amounts have been fully corrected in 2021.

National Bank Holdings Corporation 401(k) Plan

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2021

EIN: 27-0563799; PLAN NO. 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	** (d) Cost	(e) Current Value
		Mutual funds		
	American Beacon	American Beacon Small Cap Value Fund Class A		\$ 1,507,718
	American Funds	American Funds EuroPacific Growth Fund Class R2		5,427,505
	Fidelity	Fidelity Mid Cap Index Fund		1,885,192
	Fidelity	Fidelity Small Cap Index Fund		1,858,510
	John Hancock	John Hancock Funds Disciplined Value Mid Cap Fund Class I		1,782,860
	Janus Henderson	Janus Henderson Venture Fund Class A		1,901,187
	MFS	MFS Growth Fund Class R3		6,921,363
	Nuveen	Nuveen Real Estate Securities Fund Class		569,220
	Invesco	Invesco Developing Markets Fund R5 Class		592,916
	Vanguard	Vanguard Developed Markets Index Fund Admiral Shares		4,146,156
	Vanguard	Vanguard Total Bond Market Index Fund Admiral Shares		3,564,888
	Fidelity	Fidelity 500 Index Fund		9,583,744
	MFS	MFS Mid Cap Index Fund		2,826,175
				<u>42,567,434</u>
		Pooled separate accounts		
*	Prudential	Core Plus Bond/PIM Fund Total		4,263,231
*	Prudential	Large Cap Value I Fund		4,674,553
				<u>8,937,784</u>
		Stable value fund		
*	Prudential	Principal Preservation Separate Account		10,331,218
				<u>61,836,436</u>
		Notes receivable from participants		
*	Prudential	Participant loans, interest rates from 4.25% to 8.75%		1,047,046
				<u>\$ 62,883,482</u>

* Represents a party-in-interest

** Cost information is not required to be disclosed for participant-directed investments

Financial Statements and Report of
Independent Certified Public
Accountants

National Bank Holdings Corporation
401(k) Plan

December 31, 2021 and 2020

Contents

Page

Report of Independent Certified Public Accountants 3

Financial Statements

Statements of net assets available for benefits as of
December 31, 2021 and 2020 7

Statement of changes in net assets available for benefits
for the year ended December 31, 2021 8

Notes to financial statements 9

Supplemental Schedules

Schedule H, line 4a - schedule of delinquent participant
contributions for the year ended December 31, 2021 17

Schedule H, item 4i - schedule of assets (held at end of
year) as of December 31, 2021 18

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

National Bank Holdings Corporation 401(k) Plan

Scope and nature of the ERISA Section 103(a)(3)(C) audit for the 2021 financial statements

We have performed an audit of the financial statements of National Bank Holdings Corporation 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements ("2021 financial statements").

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note D the financial statements, is complete and accurate.

Opinion on the 2021 financial statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for opinion on the 2021 financial statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of management for the 2021 financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's responsibilities for the audit of the 2021 financial statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other matters

2021 supplemental schedules required by ERISA

The supplemental schedules of delinquent participant contributions for the year ended December 31, 2021 and assets (held at end of year) as of December 31, 2021 are presented for purposes of additional analysis and, are not a required part of the financial statements but, are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the 2021 supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to the auditing procedures applied in the audit of the 2021 financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 financial statements or to the 2021 financial statements themselves, and other additional procedures in accordance with US GAAS. For information included in the 2021 supplemental, schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the 2021 supplemental schedules, we evaluated whether the 2021 supplemental schedules, other than the information agreed to or derived from the certified investment information, including, their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- The form and content of the 2021 supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the 2021 supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's report on the 2020 financial statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 15, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Grant Thornton LLP

St. Louis, Missouri
October 17, 2022

National Bank Holdings Corporation 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Investments, at fair value	\$ 61,836,436	\$ 54,219,638
Receivables		
Employer contributions	1,730,897	1,865,173
Participant contributions	120,931	105,726
Notes receivable from participants	<u>1,047,046</u>	<u>931,406</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 64,735,310</u></u>	<u><u>\$ 57,121,943</u></u>

The accompanying notes are an integral part of these financial statements.

National Bank Holdings Corporation 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2021

Additions

Investment income	
Net appreciation in fair value of investments	\$ 6,834,625
Interest and dividend income	<u>577,661</u>
Net investment income	7,412,286
Interest income on notes receivable from participants	48,940
Other income (expenses)	(51,773)
Contributions	
Participant	4,876,861
Employer	1,730,897
Rollover	<u>834,456</u>
Total contributions	<u>7,442,214</u>
Total additions	14,851,667

Deductions

Benefits paid to participants	7,064,724
Administrative expenses	<u>173,576</u>

Total deductions	<u>7,238,300</u>
------------------	------------------

NET INCREASE	7,613,367
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Net assets available for benefits at beginning of year	<u>57,121,943</u>
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Net assets available for benefits at end of year	<u><u>\$ 64,735,310</u></u>
--	-----------------------------

The accompanying notes are an integral part of this financial statement.

National Bank Holdings Corporation 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE A - DESCRIPTION OF PLAN

The following brief description of the National Bank Holdings Corporation 401(k) Plan (the "Plan") is provided for general information purposes. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan became effective as of October 1, 2010. National Bank Holdings Corporation (the "Company") serves as the Plan's sponsor and administrator. The term Company refers collectively to National Bank Holdings Corporation; Dickinson Financial Corporation and its affiliates; Hillcrest Bank, N.A.; Bank of Choice; Community Banks of Colorado; and Pine River Valley Bank, Peoples, Inc., Peoples Bank, Peoples National Bank and Interbank One LLC. The Plan is a defined contribution plan, which is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. Prudential Bank & Trust, FSB and Prudential Retirement Insurance and Annuity Company (the "Custodians") are responsible for holding the investment assets and notes receivable from participants of the Plan, making investment decisions and making distributions to participants and former participants.

During 2020, the United States and global economies were adversely affected by the coronavirus ("COVID-19") pandemic, which was declared a global pandemic by the World Health Organization in March 2020. The pandemic caused significant fluctuations in financial markets. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law on March 27, 2020. The CARES Act includes several retirement plan provisions that offer relief for participants. The Plan implemented the RMD provision of this Act and participants who were set to receive a RMD payment in 2020 were notified by the Plan that they were eligible to waive their payment for the 2020 calendar year and were required to contact the Custodians if they wished to defer. No additional CARES Act provisions were adopted by the Plan.

Eligibility

Employees are eligible to participate in the Plan as of the first day of the pay period following the completion of 30 days of service. Participants become eligible for membership for purposes of Company matching contributions as of the first day of the pay period following the completion of 30 days of service and 1,000 hours of service. Participants become eligible for membership in the Plan for purposes of Company discretionary profit-sharing contributions as of the first day of the pay period following the completion of six months of eligibility service, 1,000 hours of service, and be employed on the last day of the year.

Under the terms of the amendment and in determining eligibility under the Plan, years of vesting service with Hillcrest Bank, N.A. are taken into account for purposes of determining the participants' interest in Company contributions under the Plan.

For employees of Peoples, Inc., Peoples Bank, Peoples National Bank and Interbank One LLC., under the amendment, credit is given for service with the bank for purposes of vesting and eligibility requirements in determining the participant's interest in Company contributions under the Plan.

For employees of Pine River Valley Bank, under the amendment, credit is given for service with the bank for purposes of vesting and eligibility requirements in determining the participant's interest in Company contributions under the Plan.

For employees of Dickinson Financial Corporation and its affiliates, Bank of Choice, and Community Banks of Colorado, under the amendment, credit is given for service with the bank for purposes of vesting, eligibility, and allocation requirements for Company contributions under the Plan.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

Contributions

Participants may make pre-tax contributions up to the annual limit of \$19,500 for the year ended December 31, 2021, through uniform payroll deductions. Participants may also make after-tax contributions to the Plan. In addition, participants who have attained age 50 by the end of the plan year, and who are making contributions to the Plan, may make additional catch-up contributions to the Plan in the amount of \$6,500 for the year ended December 31, 2021.

The Company has the option of making both matching contributions and discretionary profit-sharing contributions. These contributions are at the discretion of the Board of Directors. To be eligible for the Company's matching contribution, an employee must have made a pre-tax or Roth contribution for the Plan year. For the year ended December 31, 2021, the matching contribution is limited to 75% of elective employee deferrals up to 4% and is participant-directed. The Company's Board of Directors elected to make no discretionary profit-sharing contributions to the Plan for the year ended December 31, 2021.

Vesting

Participants are immediately 100% vested in employee contributions and any amounts rolled over into the Plan. Participants vest in Company contributions in 20% annual increments, becoming 100% vested in Company contributions after completing five years of vesting service.

Participant Accounts

The contributions made on behalf of each participant are invested by the Custodians at the direction of each participant. Contributions may be invested in any of several mutual funds, stable value fund, and pooled separate accounts. An account is established for each eligible participant. Each participant's account is credited with participant contributions and allocations of Company contributions and Plan earnings and is charged with allocations of administrative expenses and Plan losses. Allocations of Plan earnings and administrative expenses are based on participants' account balances. Participant accounts are valued based on fair value. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Payment of Benefits

Participants receive lump-sum distributions or installment distributions upon the employee's death, disability, retirement, or termination of employment. The Plan will make a mandatory distribution following severance from employment for participants with a balance of \$5,000 or less. A participant with a vested account balance in excess of \$5,000 may elect to defer payment of their vested account until a date selected by the participant. A participant may withdraw all or any portion of their salary deferral contributions in the event of an undue financial hardship, as defined in the Plan document. Required Minimum Distributions ("RMD") from participant accounts may not be deferred past April 1 following the year in which the participant reaches the age of 72.

Notes Receivable from Participants

Participants may borrow from the Plan in amounts of 50% of the vested interest, but never more than \$50,000, with a \$1,000 minimum. A participant may only have one loan currently outstanding from the Plan. The loans are secured by the balance in the participant's account and bear interest at a reasonable rate similar to the rate charged for a note made under similar circumstances by persons in the business of lending money. Loans are repaid through payroll deductions over a period of time, which may not be longer than five years.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

Forfeited Accounts

Forfeited amounts are used to reduce future Company contributions and pay Plan expenses. Forfeitures of approximately \$49,000 were used to reduce Company contributions. Unallocated forfeitures were \$134,566 and \$49,092 at December 31, 2021 and 2020, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The accompanying financial statements have been prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted market prices, if available, are used to value investments. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Management fees and operating expenses charged to the Plan for investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded at December 31, 2021 or 2020. Delinquent loans are reclassified as distributions based upon the terms of the plan document.

Payments of Benefits

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

Risks and Uncertainties

The Plan provides for investments in various securities that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefit.

Income Taxes

The prototype plan, utilized by the Company to adopt its plan, received its latest opinion letter on April 29, 2014 in which the Internal Revenue Service ("IRS") stated that the prototype plan, as then designed, was in compliance with Section 401(a) of the Internal Revenue Code ("IRC"). The Plan has not received a determination letter specific to the Plan itself. The Plan has been amended since receiving the opinion letter; however, the Plan administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that, more likely than not, would not be sustained upon examination by the IRS. Currently the Department of Labor ("DOL") is conducting an examination on the Plan. The years under examination are January 1, 2017, through the present. The Plan complied with all the DOL's request and awaits the resolution of the examination.

Subsequent Events

The Plan has evaluated subsequent events through October 17, 2022, the date the financial statements were available to be issued, and noted no other events requiring recognition or disclosure.

NOTE C - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below.

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in inactive markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts and Stable value fund - Valued at the NAV of shares held by the Plan at year-end. The Plan measures the fair value of its investments that do not have a quoted market price but calculates NAV per share. The Plan applied the practical expedient to determine the fair values of pooled separate accounts and stable value fund of the Plan based on the NAV at December 31, 2021 and 2020. The Plan's pooled separate accounts and stable value fund are issued and redeemed daily at NAV dollar amount per share. There are no unfunded commitments or redemption requirements.

The Plan's Stable value fund, the Principal Preservation Separate Account (the "Fund") seeks safety of principal and consistent returns while attempting to maintain minimal volatility. The Fund invests in investment contracts issued by financial companies including guaranteed investment contracts ("GICs"), separate account GICs, and security backed investment contracts.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 42,567,434	\$ -	\$ -	\$ 42,567,434
Total assets in the fair value hierarchy	<u>\$ 42,567,434</u>	<u>\$ -</u>	<u>\$ -</u>	42,567,434
Investments measured at NAV				<u>19,269,002</u>
Investments at fair value				<u>\$ 61,836,436</u>

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 36,686,982	\$ -	\$ -	\$ 36,686,982
Total assets in the fair value hierarchy	<u>\$ 36,686,982</u>	<u>\$ -</u>	<u>\$ -</u>	36,686,982
Investments measured at NAV				<u>17,532,656</u>
Investments at fair value				<u>\$ 54,219,638</u>

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

NOTE D - INFORMATION CERTIFIED BY CUSTODIANS

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Custodians certified that the following information included in the financial statements and the supplemental schedules are complete and accurate:

- Investments, at fair value and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2021 and 2020.
- Investment income and interest income on notes receivable from participants, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2021.
- Schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2021.

NOTE E - RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Custodians of the Plan with services performed by the investment advisor of the Plan. Fees paid by the Plan for the services provided amounted to \$173,576 the year ended December 31, 2021. The Plan has notes receivable from certain of its participants. These transactions qualify as party-in interest transactions, as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

For the year ended December 31, 2020, the Company did not remit certain participant contributions to the Plan on a timely basis as defined by the DOL's Rules and Regulations for Reporting and Delinquent Participant Contributions Disclosure under ERISA. Untimely remittances identified on the Schedule of Delinquent Participant Contributions consisted of \$45 in participant contributions. The amounts have been fully corrected in 2021.

NOTE F - PLAN TERMINATION

Although the Company has no present intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Should the Plan terminate, participants will become 100% vested in their account balances.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

NOTE G - RECONCILIATION TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 64,735,310	\$ 57,121,943
Less: employer contributions receivable	(1,730,897)	(1,865,173)
Less: participant contributions receivable	<u>(120,931)</u>	<u>(105,726)</u>
Net assets per Form 5500	<u>\$ 62,883,482</u>	<u>\$ 55,151,044</u>

The following is a reconciliation of contributions to participants per the financial statements to the Form 5500 for the year ended December 31, 2021:

Total contributions per the financial statements	\$ 7,442,214
Plus: prior year employer contribution receivable	1,865,173
Plus: prior year participant contribution receivable	105,726
Less: current year employer contribution receivable	(120,931)
Less: current year participant contribution receivable	<u>(1,730,897)</u>
Total contributions per Form 5500	<u>\$ 7,561,285</u>

SUPPLEMENTAL SCHEDULES

National Bank Holdings Corporation 401(k) Plan

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

For the year ended December 31, 2021

EIN: 27-0563799; PLAN NO. 001

Participant Contributions Transferred Late to the Plan	Check Here if Late Participant Loan Repayments are Included	Total That Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program ("VFCP") and Prohibited Transaction Exemption 2002-51
		Contributions not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$ 45 *		\$ -	\$ 45 *	\$ -	\$ -

* Late remittance is from 2020 plan year. The amounts have been fully corrected in 2021.

National Bank Holdings Corporation 401(k) Plan

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2021

EIN: 27-0563799; PLAN NO. 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	** (d) Cost	(e) Current Value
		Mutual funds		
	American Beacon	American Beacon Small Cap Value Fund Class A		\$ 1,507,718
	American Funds	American Funds EuroPacific Growth Fund Class R2		5,427,505
	Fidelity	Fidelity Mid Cap Index Fund		1,885,192
	Fidelity	Fidelity Small Cap Index Fund		1,858,510
	John Hancock	John Hancock Funds Disciplined Value Mid Cap Fund Class I		1,782,860
	Janus Henderson	Janus Henderson Venture Fund Class A		1,901,187
	MFS	MFS Growth Fund Class R3		6,921,363
	Nuveen	Nuveen Real Estate Securities Fund Class		569,220
	Invesco	Invesco Developing Markets Fund R5 Class		592,916
	Vanguard	Vanguard Developed Markets Index Fund Admiral Shares		4,146,156
	Vanguard	Vanguard Total Bond Market Index Fund Admiral Shares		3,564,888
	Fidelity	Fidelity 500 Index Fund		9,583,744
	MFS	MFS Mid Cap Index Fund		<u>2,826,175</u>
				42,567,434
		Pooled separate accounts		
*	Prudential	Core Plus Bond/PIM Fund Total		4,263,231
*	Prudential	Large Cap Value I Fund		<u>4,674,553</u>
				8,937,784
		Stable value fund		
*	Prudential	Principal Preservation Separate Account		<u>10,331,218</u>
				61,836,436
		Notes receivable from participants		
*	Prudential	Participant loans, interest rates from 4.25% to 8.75%		<u>1,047,046</u>
				<u><u>\$ 62,883,482</u></u>

* Represents a party-in-interest

** Cost information is not required to be disclosed for participant-directed investments

Financial Statements and Report of
Independent Certified Public
Accountants

National Bank Holdings Corporation
401(k) Plan

December 31, 2021 and 2020

Contents

Page

Report of Independent Certified Public Accountants 3

Financial Statements

Statements of net assets available for benefits as of
December 31, 2021 and 2020 7

Statement of changes in net assets available for benefits
for the year ended December 31, 2021 8

Notes to financial statements 9

Supplemental Schedules

Schedule H, line 4a - schedule of delinquent participant
contributions for the year ended December 31, 2021 17

Schedule H, item 4i - schedule of assets (held at end of
year) as of December 31, 2021 18

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

National Bank Holdings Corporation 401(k) Plan

Scope and nature of the ERISA Section 103(a)(3)(C) audit for the 2021 financial statements

We have performed an audit of the financial statements of National Bank Holdings Corporation 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements ("2021 financial statements").

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note D the financial statements, is complete and accurate.

Opinion on the 2021 financial statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for opinion on the 2021 financial statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of management for the 2021 financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's responsibilities for the audit of the 2021 financial statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other matters

2021 supplemental schedules required by ERISA

The supplemental schedules of delinquent participant contributions for the year ended December 31, 2021 and assets (held at end of year) as of December 31, 2021 are presented for purposes of additional analysis and, are not a required part of the financial statements but, are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the 2021 supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to the auditing procedures applied in the audit of the 2021 financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 financial statements or to the 2021 financial statements themselves, and other additional procedures in accordance with US GAAS. For information included in the 2021 supplemental, schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the 2021 supplemental schedules, we evaluated whether the 2021 supplemental schedules, other than the information agreed to or derived from the certified investment information, including, their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- The form and content of the 2021 supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the 2021 supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's report on the 2020 financial statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 15, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Grant Thornton LLP

St. Louis, Missouri
October 17, 2022

National Bank Holdings Corporation 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Investments, at fair value	\$ 61,836,436	\$ 54,219,638
Receivables		
Employer contributions	1,730,897	1,865,173
Participant contributions	120,931	105,726
Notes receivable from participants	<u>1,047,046</u>	<u>931,406</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 64,735,310</u></u>	<u><u>\$ 57,121,943</u></u>

The accompanying notes are an integral part of these financial statements.

National Bank Holdings Corporation 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2021

Additions

Investment income	
Net appreciation in fair value of investments	\$ 6,834,625
Interest and dividend income	<u>577,661</u>
Net investment income	7,412,286
Interest income on notes receivable from participants	48,940
Other income (expenses)	(51,773)
Contributions	
Participant	4,876,861
Employer	1,730,897
Rollover	<u>834,456</u>
Total contributions	<u>7,442,214</u>
Total additions	14,851,667

Deductions

Benefits paid to participants	7,064,724
Administrative expenses	<u>173,576</u>

Total deductions	<u>7,238,300</u>
------------------	------------------

NET INCREASE	7,613,367
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Net assets available for benefits at beginning of year	<u>57,121,943</u>
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Net assets available for benefits at end of year	<u><u>\$ 64,735,310</u></u>
--	-----------------------------

The accompanying notes are an integral part of this financial statement.

National Bank Holdings Corporation 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE A - DESCRIPTION OF PLAN

The following brief description of the National Bank Holdings Corporation 401(k) Plan (the "Plan") is provided for general information purposes. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan became effective as of October 1, 2010. National Bank Holdings Corporation (the "Company") serves as the Plan's sponsor and administrator. The term Company refers collectively to National Bank Holdings Corporation; Dickinson Financial Corporation and its affiliates; Hillcrest Bank, N.A.; Bank of Choice; Community Banks of Colorado; and Pine River Valley Bank, Peoples, Inc., Peoples Bank, Peoples National Bank and Interbank One LLC. The Plan is a defined contribution plan, which is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. Prudential Bank & Trust, FSB and Prudential Retirement Insurance and Annuity Company (the "Custodians") are responsible for holding the investment assets and notes receivable from participants of the Plan, making investment decisions and making distributions to participants and former participants.

During 2020, the United States and global economies were adversely affected by the coronavirus ("COVID-19") pandemic, which was declared a global pandemic by the World Health Organization in March 2020. The pandemic caused significant fluctuations in financial markets. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law on March 27, 2020. The CARES Act includes several retirement plan provisions that offer relief for participants. The Plan implemented the RMD provision of this Act and participants who were set to receive a RMD payment in 2020 were notified by the Plan that they were eligible to waive their payment for the 2020 calendar year and were required to contact the Custodians if they wished to defer. No additional CARES Act provisions were adopted by the Plan.

Eligibility

Employees are eligible to participate in the Plan as of the first day of the pay period following the completion of 30 days of service. Participants become eligible for membership for purposes of Company matching contributions as of the first day of the pay period following the completion of 30 days of service and 1,000 hours of service. Participants become eligible for membership in the Plan for purposes of Company discretionary profit-sharing contributions as of the first day of the pay period following the completion of six months of eligibility service, 1,000 hours of service, and be employed on the last day of the year.

Under the terms of the amendment and in determining eligibility under the Plan, years of vesting service with Hillcrest Bank, N.A. are taken into account for purposes of determining the participants' interest in Company contributions under the Plan.

For employees of Peoples, Inc., Peoples Bank, Peoples National Bank and Interbank One LLC., under the amendment, credit is given for service with the bank for purposes of vesting and eligibility requirements in determining the participant's interest in Company contributions under the Plan.

For employees of Pine River Valley Bank, under the amendment, credit is given for service with the bank for purposes of vesting and eligibility requirements in determining the participant's interest in Company contributions under the Plan.

For employees of Dickinson Financial Corporation and its affiliates, Bank of Choice, and Community Banks of Colorado, under the amendment, credit is given for service with the bank for purposes of vesting, eligibility, and allocation requirements for Company contributions under the Plan.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

Contributions

Participants may make pre-tax contributions up to the annual limit of \$19,500 for the year ended December 31, 2021, through uniform payroll deductions. Participants may also make after-tax contributions to the Plan. In addition, participants who have attained age 50 by the end of the plan year, and who are making contributions to the Plan, may make additional catch-up contributions to the Plan in the amount of \$6,500 for the year ended December 31, 2021.

The Company has the option of making both matching contributions and discretionary profit-sharing contributions. These contributions are at the discretion of the Board of Directors. To be eligible for the Company's matching contribution, an employee must have made a pre-tax or Roth contribution for the Plan year. For the year ended December 31, 2021, the matching contribution is limited to 75% of elective employee deferrals up to 4% and is participant-directed. The Company's Board of Directors elected to make no discretionary profit-sharing contributions to the Plan for the year ended December 31, 2021.

Vesting

Participants are immediately 100% vested in employee contributions and any amounts rolled over into the Plan. Participants vest in Company contributions in 20% annual increments, becoming 100% vested in Company contributions after completing five years of vesting service.

Participant Accounts

The contributions made on behalf of each participant are invested by the Custodians at the direction of each participant. Contributions may be invested in any of several mutual funds, stable value fund, and pooled separate accounts. An account is established for each eligible participant. Each participant's account is credited with participant contributions and allocations of Company contributions and Plan earnings and is charged with allocations of administrative expenses and Plan losses. Allocations of Plan earnings and administrative expenses are based on participants' account balances. Participant accounts are valued based on fair value. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Payment of Benefits

Participants receive lump-sum distributions or installment distributions upon the employee's death, disability, retirement, or termination of employment. The Plan will make a mandatory distribution following severance from employment for participants with a balance of \$5,000 or less. A participant with a vested account balance in excess of \$5,000 may elect to defer payment of their vested account until a date selected by the participant. A participant may withdraw all or any portion of their salary deferral contributions in the event of an undue financial hardship, as defined in the Plan document. Required Minimum Distributions ("RMD") from participant accounts may not be deferred past April 1 following the year in which the participant reaches the age of 72.

Notes Receivable from Participants

Participants may borrow from the Plan in amounts of 50% of the vested interest, but never more than \$50,000, with a \$1,000 minimum. A participant may only have one loan currently outstanding from the Plan. The loans are secured by the balance in the participant's account and bear interest at a reasonable rate similar to the rate charged for a note made under similar circumstances by persons in the business of lending money. Loans are repaid through payroll deductions over a period of time, which may not be longer than five years.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

Forfeited Accounts

Forfeited amounts are used to reduce future Company contributions and pay Plan expenses. Forfeitures of approximately \$49,000 were used to reduce Company contributions. Unallocated forfeitures were \$134,566 and \$49,092 at December 31, 2021 and 2020, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The accompanying financial statements have been prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted market prices, if available, are used to value investments. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Management fees and operating expenses charged to the Plan for investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded at December 31, 2021 or 2020. Delinquent loans are reclassified as distributions based upon the terms of the plan document.

Payments of Benefits

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

Risks and Uncertainties

The Plan provides for investments in various securities that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefit.

Income Taxes

The prototype plan, utilized by the Company to adopt its plan, received its latest opinion letter on April 29, 2014 in which the Internal Revenue Service ("IRS") stated that the prototype plan, as then designed, was in compliance with Section 401(a) of the Internal Revenue Code ("IRC"). The Plan has not received a determination letter specific to the Plan itself. The Plan has been amended since receiving the opinion letter; however, the Plan administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that, more likely than not, would not be sustained upon examination by the IRS. Currently the Department of Labor ("DOL") is conducting an examination on the Plan. The years under examination are January 1, 2017, through the present. The Plan complied with all the DOL's request and awaits the resolution of the examination.

Subsequent Events

The Plan has evaluated subsequent events through October 17, 2022, the date the financial statements were available to be issued, and noted no other events requiring recognition or disclosure.

NOTE C - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below.

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in inactive markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts and Stable value fund - Valued at the NAV of shares held by the Plan at year-end. The Plan measures the fair value of its investments that do not have a quoted market price but calculates NAV per share. The Plan applied the practical expedient to determine the fair values of pooled separate accounts and stable value fund of the Plan based on the NAV at December 31, 2021 and 2020. The Plan's pooled separate accounts and stable value fund are issued and redeemed daily at NAV dollar amount per share. There are no unfunded commitments or redemption requirements.

The Plan's Stable value fund, the Principal Preservation Separate Account (the "Fund") seeks safety of principal and consistent returns while attempting to maintain minimal volatility. The Fund invests in investment contracts issued by financial companies including guaranteed investment contracts ("GICs"), separate account GICs, and security backed investment contracts.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 42,567,434	\$ -	\$ -	\$ 42,567,434
Total assets in the fair value hierarchy	<u>\$ 42,567,434</u>	<u>\$ -</u>	<u>\$ -</u>	42,567,434
Investments measured at NAV				<u>19,269,002</u>
Investments at fair value				<u>\$ 61,836,436</u>

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 36,686,982	\$ -	\$ -	\$ 36,686,982
Total assets in the fair value hierarchy	<u>\$ 36,686,982</u>	<u>\$ -</u>	<u>\$ -</u>	36,686,982
Investments measured at NAV				<u>17,532,656</u>
Investments at fair value				<u>\$ 54,219,638</u>

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

NOTE D - INFORMATION CERTIFIED BY CUSTODIANS

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Custodians certified that the following information included in the financial statements and the supplemental schedules are complete and accurate:

- Investments, at fair value and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2021 and 2020.
- Investment income and interest income on notes receivable from participants, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2021.
- Schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2021.

NOTE E - RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Custodians of the Plan with services performed by the investment advisor of the Plan. Fees paid by the Plan for the services provided amounted to \$173,576 the year ended December 31, 2021. The Plan has notes receivable from certain of its participants. These transactions qualify as party-in interest transactions, as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

For the year ended December 31, 2020, the Company did not remit certain participant contributions to the Plan on a timely basis as defined by the DOL's Rules and Regulations for Reporting and Delinquent Participant Contributions Disclosure under ERISA. Untimely remittances identified on the Schedule of Delinquent Participant Contributions consisted of \$45 in participant contributions. The amounts have been fully corrected in 2021.

NOTE F - PLAN TERMINATION

Although the Company has no present intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Should the Plan terminate, participants will become 100% vested in their account balances.

National Bank Holdings Corporation 401(k) Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

NOTE G - RECONCILIATION TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 64,735,310	\$ 57,121,943
Less: employer contributions receivable	(1,730,897)	(1,865,173)
Less: participant contributions receivable	<u>(120,931)</u>	<u>(105,726)</u>
Net assets per Form 5500	<u>\$ 62,883,482</u>	<u>\$ 55,151,044</u>

The following is a reconciliation of contributions to participants per the financial statements to the Form 5500 for the year ended December 31, 2021:

Total contributions per the financial statements	\$ 7,442,214
Plus: prior year employer contribution receivable	1,865,173
Plus: prior year participant contribution receivable	105,726
Less: current year employer contribution receivable	(120,931)
Less: current year participant contribution receivable	<u>(1,730,897)</u>
Total contributions per Form 5500	<u>\$ 7,561,285</u>

SUPPLEMENTAL SCHEDULES

National Bank Holdings Corporation 401(k) Plan

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

For the year ended December 31, 2021

EIN: 27-0563799; PLAN NO. 001

Participant Contributions Transferred Late to the Plan	Check Here if Late Participant Loan Repayments are Included	Total That Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program ("VFCP") and Prohibited Transaction Exemption 2002-51
		Contributions not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$ 45 *		\$ -	\$ 45 *	\$ -	\$ -

* Late remittance is from 2020 plan year. The amounts have been fully corrected in 2021.

National Bank Holdings Corporation 401(k) Plan

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2021

EIN: 27-0563799; PLAN NO. 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	** (d) Cost	(e) Current Value
		Mutual funds		
	American Beacon	American Beacon Small Cap Value Fund Class A		\$ 1,507,718
	American Funds	American Funds EuroPacific Growth Fund Class R2		5,427,505
	Fidelity	Fidelity Mid Cap Index Fund		1,885,192
	Fidelity	Fidelity Small Cap Index Fund		1,858,510
	John Hancock	John Hancock Funds Disciplined Value Mid Cap Fund Class I		1,782,860
	Janus Henderson	Janus Henderson Venture Fund Class A		1,901,187
	MFS	MFS Growth Fund Class R3		6,921,363
	Nuveen	Nuveen Real Estate Securities Fund Class		569,220
	Invesco	Invesco Developing Markets Fund R5 Class		592,916
	Vanguard	Vanguard Developed Markets Index Fund Admiral Shares		4,146,156
	Vanguard	Vanguard Total Bond Market Index Fund Admiral Shares		3,564,888
	Fidelity	Fidelity 500 Index Fund		9,583,744
	MFS	MFS Mid Cap Index Fund		<u>2,826,175</u>
				42,567,434
		Pooled separate accounts		
*	Prudential	Core Plus Bond/PIM Fund Total		4,263,231
*	Prudential	Large Cap Value I Fund		<u>4,674,553</u>
				8,937,784
		Stable value fund		
*	Prudential	Principal Preservation Separate Account		<u>10,331,218</u>
				61,836,436
		Notes receivable from participants		
*	Prudential	Participant loans, interest rates from 4.25% to 8.75%		<u>1,047,046</u>
				<u><u>\$ 62,883,482</u></u>

* Represents a party-in-interest

** Cost information is not required to be disclosed for participant-directed investments