National Bank Holdings Corporation (NBHC)

Updated January 28th, 2026, by Kody Kester

Key Metrics

Current Price:	$40	**5 Year CAGR Estimate:**	12.8%	**Market Cap:**	$1.5B
Fair Value Price:	$44	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	02/27/26
% Fair Value:	90%	**5 Year Valuation Multiple Estimate:**	2.1%	**Dividend Payment Date:**	03/13/26
Dividend Yield:	3.2%	**5 Year Price Target**	$65	**Years Of Dividend Growth:**	10
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Founded in 2009, National Bank Holdings Corporation began about the same time that the Great Recession ended. NBHC is the holding company of NBH Bank. NBHC serves customers in Colorado, the Kansas City region, Utah, Wyoming, Texas, New Mexico, Idaho, and Palm Beach, Florida, across more than 100 banking centers. The Denver-based bank holding company operates the following five brand names as divisions of NBH Bank:

1. Community Banks of Colorado and Community Banks Mortgage: Unsurprisingly, these operations are based in Colorado.
2. Bank Midwest and Bank Midwest Mortgage: Operations for this division are based in Kansas and Missouri.
3. Bank of Jackson Hole and Bank of Jackson Hole Mortgage: This division serves customers in Wyoming.
4. Hillcrest Bank and Hillcrest Bank Mortgage: The division operates in Texas, Utah, New Mexico, and Idaho.
5. Vista Bank: The division serves high-growth Texas markets (e.g., Dallas/Fort Worth, Austin, and Lubbock) and Palm Beach, Florida. On January 7th, NBHC closed on its acquisition of Vista Bancshares. Upon this closing, NBHC had $12.6 billion in total assets.

NBHC's savings products include savings accounts, money market accounts, checking accounts, and certificates of deposit. More noteworthy loan products offered are residential real estate loans, consumer loans, small business association loans, and commercial loans.

On January 27th, NBHC released its earnings report for the fourth quarter ended December 31st, 2025. The company's net interest income decreased by 4.1% year-over-year to $88.3 million in the quarter (not including $9.1 million in provision for credit losses recorded in Q4 2025). A 10 basis-point contraction in the net interest margin to 3.89% and a 1.9% dip in total interest-earning assets contributed to these results during the quarter. NBHC's diluted EPS dropped 30.2% over the year-ago period to $0.60 for the quarter. That was $0.22 short of the analyst consensus in the quarter. On the same day, NBHC announced a 3.2% increase in its quarterly dividend per share to $0.32 (the company tends to raise its dividend twice a year). This extended its dividend growth streak to 10 consecutive years.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.73	$1.26	$2.16	$2.55	$2.91	$3.04	$3.05	$3.72	$3.08	$2.85	***$3.40***	***$5.00***
DPS	$0.22	$0.34	$0.54	$0.75	$0.80	$0.87	$0.94	$1.04	$1.12	$1.20	***$1.28***	***$1.80***
Shares[1]	26.4	26.9	30.8	31.2	30.6	30.0	37.6	37.8	38.1	37.8	***37.8***	***47.2***

Over the last decade, NBHC has compounded diluted EPS by 16%-plus annually. NBHC operates in favorable markets. States like Wyoming and Idaho continue to rank among the most business-friendly states in the nation. Looking ahead, we think that the company can carry out more bolt-on acquisitions. In the meantime, the Vista acquisition positions NBHC well in the high-growth Dallas-Fort Worth metroplex, further expanding NBHC's presence in Texas. Management believes its net interest margin can hold around 4%. Along with 7% to 10% loan growth and operational efficiencies, this provides a path to 8% annual diluted EPS growth through 2031, off an anticipated 2026 base of $3.40.

[1] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	43.8	25.8	14.3	14.1	11.3	14.5	13.8	10.0	13.9	11.6	***11.7***	***13.0***
Avg. Yld.	0.7%	1.0%	1.8%	2.1%	2.4%	2.0%	2.2%	2.8%	2.6%	3.2%	***3.2%***	***2.8%***

NBHC's valuation multiple has materially fluctuated over the past decade. Shares were priced as low as a P/E ratio of 10 in 2023 and as much as 43.8 in 2016. Since 2018, the average P/E ratio has been roughly 13. Moving forward, we believe that 13 is still a sensible fair value multiple. This suggests that shares are moderately undervalued at the current P/E ratio of 11.7.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	30%	27%	25%	29%	27%	29%	31%	28%	36%	42%	***38%***	***36%***

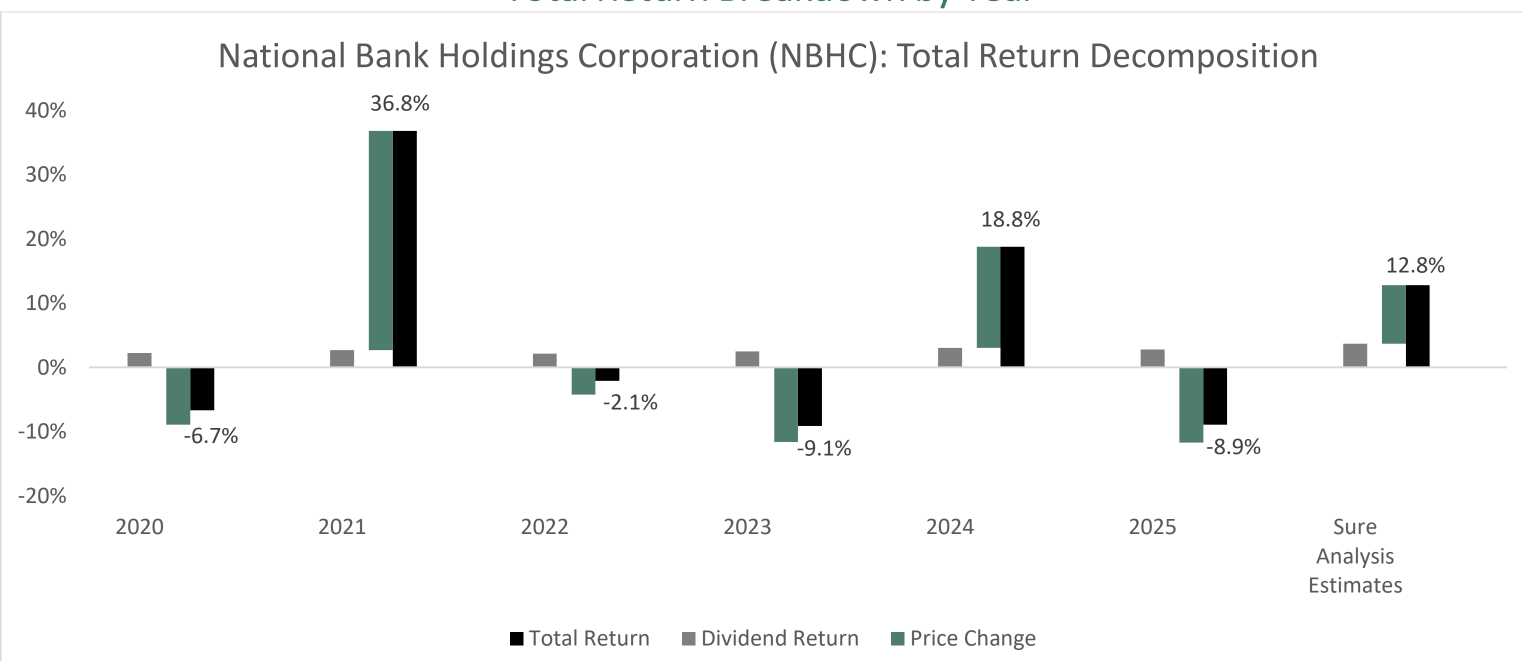
NBHC's business strategy to provide customers with a high level of personalized service is key to retaining existing clients and drawing in new business. This has led to consistent diluted EPS growth over time for the company.

NBHC's asset quality remains respectable. As of December 31st, 2025, the company's total non-performing assets to total loans ratio was 0.34% (a two basis-point improvement sequentially). NBHC's dividend payout ratio is set to be in the high-30% range for 2026. That is within the 30% to 40% payout ratio targeted by the bank. This could set the dividend up for growth close to diluted EPS growth for the foreseeable future.

Final Thoughts & Recommendation

NBHC's 3.2% dividend yield, 8.0% annual diluted EPS growth potential, and 2.1% annual valuation multiple expansion could deliver a 12.8% annual total return over the medium term. As a result, we're maintaining our Buy rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	192	186	186	268	291	329	292	329	420	400
SG&A Exp.	118	92			136	145	132	131	149	138
D&A Exp.	16	14	13	12	15	14	14	16	24	8
Net Profit	5	23	15	61	80	89	94	71	142	118
Net Margin	2.5%	12.4%	7.9%	22.9%	27.6%	26.9%	32.0%	21.7%	33.8%	29.5%
Free Cash Flow	(43)	(4)	53	67	33	(11)	180	202	130	121
Income Tax	3	3	21	12	16	21	21	15	34	26

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	4,684	4,573	4,843	5,677	5,896	6,660	7,214	9,573	9,951	9,808
Cash & Equivalents	166	153	257	110	110	606	846	196	191	128
Accounts Receivable	9	13	14							
Goodwill & Int.	72	67	61	128	126	133	127	339	372	306
Total Liabilities	4,066	4,037	4,311	4,982	5,129	5,839	6,374	8,481	8,738	8,503
Accounts Payable	4	5	6							
Long-Term Debt	40	39	129	302	208	-	39	439	394	105
Shareholder's Equity	618	536	532	695	767	821	840	1,092	1,213	1,305
LTD/E Ratio	0.06	0.07	0.24	0.43	0.27	-	0.05	0.40	0.33	0.08

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.1%	0.5%	0.3%	1.2%	1.4%	1.4%	1.3%	0.8%	1.5%	1.2%
Return on Equity	0.7%	4.0%	2.7%	10.0%	11.0%	11.2%	11.3%	7.4%	12.3%	9.4%
ROIC	0.7%	3.7%	2.4%	7.4%	8.2%	9.9%	11.0%	5.9%	9.1%	-
Shares Out.	30.4	26.4	26.9	30.8	31.2	30.6	30.0	37.6	37.8	38.2
Revenue/Share	5.58	6.38	6.69	8.53	9.23	10.58	9.41	10.06	11.02	10.47
FCF/Share	(1.24)	(0.14)	1.90	2.14	1.05	(0.34)	5.78	6.19	3.41	3.16

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.