UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): September 28, 2020

VERITEX HOLDINGS, INC.
(Exact name of Registrant as specified in its charter)

Texas	**001-36682**	**27-0973566**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

8214 Westchester Drive, Suite 800
Dallas, Texas 75225
(Address of principal executive offices)

(972) 349-6200
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.01 per share	VBTX	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure

The attached presentation materials contains updated information that the members of Veritex Holdings, Inc. (the "Company" or "Veritex") management will use during visits with investors, analysts, and other interested parties to assist their understanding of the Company from time to time throughout the third quarter of 2020.

As provided in General Instruction B.2 to Form 8-K, the information furnished in Item 7.01 and Exhibit 99.1 of this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and such information shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
99.1	Presentation materials, dated September 28, 20200
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Veritex Holdings, Inc.

By:	/s/ C. Malcolm Holland, III
	C. Malcolm Holland, III
	Chairman and Chief Executive Officer
Date:	September 28, 2020

VERITEX

Investor Presentation

September 2020

Nasdaq: VBTX

Safe Harbor

Forward-looking statements

This presentation contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 199! Forward-looking statements are based on various facts and derived utilizing assumptions, current expectations, estimates and projections an are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to b materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forwar looking statements include, without limitation, statements relating to the expected payment date of Veritex Holdings, Inc.'s ("Veritex quarterly cash dividend, impact of certain changes in Veritex's accounting policies, standards and interpretation, the effects of the COVID-1 pandemic and actions taken in response thereto, Veritex's business and growth strategy, projected plans and objectives. Statements precede by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans" and simil expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and n historical facts, although not all forward-looking statements include the foregoing words. We refer you to the "Risk Factors" an "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Veritex's Annual Report on Form 10-K f the year ended December 31, 2019 and any updates to those risk factors set forth in Veritex's Quarterly Reports on Form 10-Q, Current Repor on Form 8-K and other filings with the Securities and Exchange Commission ("SEC"), which are available on the SEC's website at www.sec.go If one or more events related to these or other risks or uncertainties materialize, or if Veritex's underlying assumptions prove to be incorrec actual results may differ materially from what Veritex anticipates. Accordingly, you should not place undue reliance on any such forwar looking statements. Any forward-looking statement speaks only as of the date on which it is made. Veritex does not undertake any obligatio and specifically declines any obligation, to update or revise any forward-looking statements, whether as a result of new information, futu developments or otherwise, except as required by law. All forward-looking statements, expressed or implied, included in this presentation a expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with a subsequent written or oral forward-looking statements that Veritex or persons acting on Veritex's behalf may issue.

This presentation also includes industry and trade association data, forecasts and information that Veritex has prepared based, in part, up data, forecasts and information obtained from independent trade associations, industry publications and surveys, government agencies an other information publicly available to Veritex, which information may be specific to particular markets or geographic locations. Some data also based on Veritex's good faith estimates, which are derived from management's knowledge of the industry and independent source Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed t be reliable. Although Veritex believes these sources are reliable, Veritex has not independently verified the information contained therei While Veritex is not aware of any misstatements regarding the industry data presented in this presentation, Veritex's estimates involve ris and uncertainties and are subject to change based on various factors. Similarly, Veritex believes that its internal research is reliable, eve though such research has not been verified by independent sources.

Non-GAAP Financial Measures

Veritex reports its results in accordance with United States generally accepted accounting principles ("GAAP"). Howeve management believes that certain supplemental non-GAAP financial measures used in managing its business provid meaningful information to investors about underlying trends in its business. Management uses these non-GAAP measures t assess the Company's operating performance and believes that these non-GAAP measures provide information that important to investors and that is useful in understanding Veritex's results of operations. However, non-GAAP financi measures are supplemental and should be viewed in addition to, and not as an alternative for, Veritex's reported result prepared in accordance with GAAP. The following are the non-GAAP measures used in this presentation:

- Tangible book value per common share;
- Tangible common equity to tangible assets;
- Returns on average tangible common equity;
- Operating earnings;
- Pre-tax, pre-provision operating earnings;
- Operating return on average assets;
- Operating pre-tax, pre-provision return on average assets;
- Operating return on average tangible common equity;
- Operating efficiency ratio;
- Operating noninterest income
- Operating noninterest expense; and
- Adjusted net interest margin.

Please see "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for reconciliations of non-GAA measures to the most directly comparable financial measures calculated in accordance with GAAP.

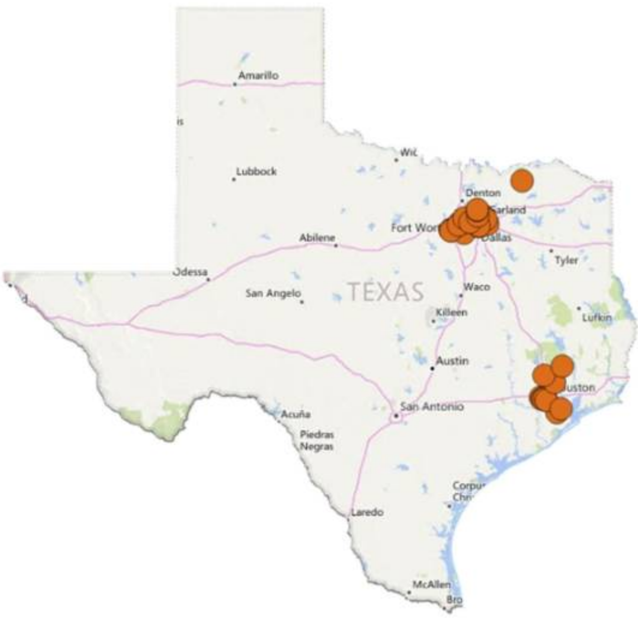
Franchise Overview and Investment Highlights

Franchise Overview

Overview

- Headquartered in Dallas, Texas
- Commenced banking operations in 2010; completed IPO in 2014
- Focused on relationship-driven commercial and private banking across a variety of industries, predominantly in Texas

Footprint[1]



Company Highlights

Financial data as of or for the three months ended June 30, 2020

Listing	Nasdaq: VBT
Total Branches	3
Market Data – As of September 24, 2020	
Market Capitalization ($mm)	$79
Price / Tangible Book Value per Share[2]	1.08
Profitability	
ROAA	0.98
PTPP ROAA[2]	2.11
ROAE	8.36
Operating ROATCE[2]	12.90
Efficiency Ratio	46.02
Operating Efficiency Ratio[2]	45.74
Balance Sheet	
Total Assets ($mm)	$8,58
Total Loans Held for Investment[3] ($mm)	$5,72
Total Deposits ($mm)	$6,12
Asset Quality	
NCO / Average Loans	0.03
NPAs / Total Assets	0.62
ACL / Total Loans Held for Investment[3]	2.01
Consolidated Capital Ratios	
Common Equity / Assets	13.55
TCE / TA[2]	8.96
CET1 Ratio	9.66
Leverage Ratio	9.16
Tier 1 Capital Ratio	10.05
Total Capital Ratio	12.71

[1] One branch in Kentucky, not shown on the map.
[2] Please refer to "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.
[3] Total Loans Held for Investment excludes mortgage warehouse and Paycheck Protection Program ("PPP") loans.

Investment Highlights

- **Experienced management team**
  - 35 years average banking experience
- **Strong presence in Dallas and Houston**
  - Texas is experiencing continued strong population inflow – population growth is nearly double the U.S. average
  - Significant growth opportunities within our footprint
- **Scarcity value**
  - 3rd largest bank solely focused on major Texas MSAs
- **Excellent core earnings profile has supported significant reserve build**
  - 2.11% PTPP ROAA[1] and 2.01% ACL / Total Loans Held for Investment for the quarter ended June 30, 2020
- **Strong capital levels[2]**
  - 9.66% common equity tier 1 ratio
  - 12.71% total risk-based capital ratio
- **Stable asset quality[2]**
  - 0.93% NPAs to loans and OREO
  - Net charge offs to average loans of 0.16% for the last 12 months
  - Recent deep dive into loan portfolio results in downgrades of 2.6% of total commitments
  - $321 million of COVID-related loan deferrals (5.6% of total loans held for investment[3]) as of September 16, 2020
- **Steady balance sheet growth[2]**
  - Originated 2,116 PPP loans totaling $400.9 million, increasing total loans to $6.6 billion, or 22.8% annualized growth
    - Total loans held for investment[3] grew 7.6% YoY
  - Non-time deposits increased $535.7 million, or 52.0% annualized, during the second quarter of 2020
    - Non-time deposits grew 12.1% YoY
- **Track record of successfully integrating acquisitions**

[1] Please refer to "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.
[2] Financial data as of June 30, 2020.
[3] Total Loans Held for Investment excludes mortgage warehouse and PPP loans.

Experienced Management Team

Malcolm Holland
Chairman & Chief Executive Officer
- **Over 35 years** of banking experience in Dallas metropolitan area; **10 years** at the Company
- Served in various analyst, lending and executive management positions in Dallas area since 1982

Angela Harper
Chief Risk Officer
- **10 years** at the Company
- Previously served as Credit Administration Officer and Risk Management Officer of Colonia Bank for its Texas region

Terry Earley
Chief Financial Officer
- Joined the Company in **January 2019**
- Previously served as CFO of Green Bancorp, CFO of Yadkin Financial, and CEO of Rocky Mountain Bank

Jim Recer
Chief Banking Officer
- Joined the Company in **June 2020**
- **Over 30 years** of banking experience
- Previously served EVP at Bank of America and Senior EVP at BBVA / Compass

LaVonda Renfro
Chief Administrative Officer
- **10 years** at the Company
- Previously served as Retail Executive of Colonial Bank / BB&T and District Manager for Bank of America's Austin and San Antonio markets

Cara McDaniel
Chief Talent Officer
- Joined the Company in **June 2020**
- Previously served as Head of HR and Talent Strategy at Texas Capital Bank and National Head of HR for Citi's US Commercial Bank

Clay Riebe
Chief Credit Officer
- **4 years** at the Company
- Previously served as Chief Lending Officer and Board Director of Momentum Bank, and various lending functions at Citibank.

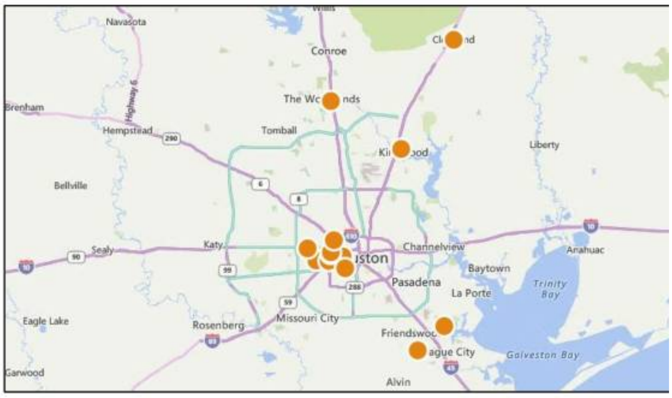
Branch Presence in High Growth Texas Markets

Dallas-Fort Worth-Arlington

Rank	Institution	Branches	Deposits in Market ($000)	Deposit Market Share (%)
1	Bank of America Corp. (NC)	137	121,161,721	32.3
2	JPMorgan Chase & Co. (NY)	209	80,782,355	21.5
3	Texas Capital Bancshares Inc. (TX)	7	24,698,496	6.6
4	Wells Fargo & Co. (CA)	172	23,882,515	6.4
5	BBVA	92	12,692,284	3.4
6	Cullen/Frost Bankers, Inc. (TX)	38	8,593,871	2.3
7	Prosperity Bancshares, Inc. (TX)	72	7,508,024	2.0
8	NexBank Capital Inc. (TX)	3	7,313,473	2.0
9	Independent Bank Group Inc. (TX)	36	6,773,615	1.8
10	Hilltop Holdings Inc. (TX)	20	6,477,033	1.7
11	Comerica Inc. (TX)	55	5,539,122	1.5
12	BOK Financial Corp. (OK)	20	5,104,208	1.4
13	**Veritex Holdings Inc. (TX)**	**25**	**4,384,162**	**1.2**
	Total For Institutions In Market	**1,619**	**374,952,494**	

Houston-The Woodlands-Sugar Land

Rank	Institution	Branches	Deposits in Market ($000)	Dep Market Sh
1	JPMorgan Chase & Co. (NY)	184	144,957,225	4
2	Wells Fargo & Co. (CA)	174	27,057,129	
3	Bank of America Corp. (NC)	111	23,787,159	
4	Zions Bancorp. NA (UT)	60	11,527,801	
5	BBVA	75	11,397,333	
6	Cullen/Frost Bankers, Inc. (TX)	51	6,022,935	
7	Cadence Bancorp. (TX)	11	5,741,639	
8	Prosperity Bancshares, Inc. (TX)	58	5,635,177	
9	Woodforest Financial Group Inc. (TX)	105	5,349,523	
10	Capital One Financial Corporation (VA)	32	5,269,907	
11	Allegiance Bancshares Inc. (TX)	27	4,568,351	
12	Comerica Inc. (TX)	48	3,457,262	
13	Texas Capital Bancshares Inc. (TX)	2	3,037,992	
14	CBTX Inc. (TX)	17	1,923,017	
15	Truist Financial Corp. (NC)	21	1,870,728	
16	BOK Financial Corp. (OK)	11	1,802,005	
17	**Veritex Holdings Inc. (TX)**	**13**	**1,693,990**	
	Total For Institutions In Market	**1,426**	**374,952,494**	



Source: S&P Global and FDIC Summary of Deposits. Data as of 6/30/2020.

Well Positioned in Attractive Texas Markets

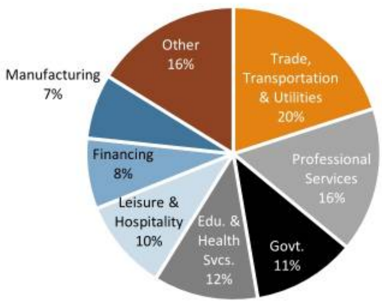
- Despite the COVID-19 pandemic, Texas remains one of the more attractive states in the U.S. from a demographic and commercial opportunity perspective:
  - Population growth expected to double U.S. average
  - Pro-business economic environment with ***no*** personal or corporate income taxes and is the leading destination for companies relocating from other states
  - There are ***50 Fortune 500*** companies headquartered in Texas, more than 1,500 foreign companies and 2.4 million small businesses
  - Texas is the ***#1*** exporting state in the nation for the 18th consecutive year, exporting $331 billion in goods in 2019
  - ***14 million*** people are in the Texan workforce, representing the second largest civilian workforce in the U.S.
  - Houston is the largest export market in the U.S., with a diverse economy

Source: Texas Office of the Governor (Economic Development and Tourism)

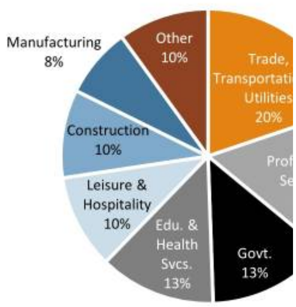
	MSA Deposits ($ in billions) (Top 25 Rank[1])	2020-2025 Est. Pop. Growth (Top 25 Rank[1])	2020-2025 Est HHI Growth (Top 25 Rank[1])
Houston, TX	$294 (#9)	7.6% (#2)	3.7 (#2
DFW	$375 (#5)	7.5% (#3)	11.8 (#
Texas	$972	6.8%	6.6
United States	**$13,712**	**2.9%**	**8.9**

Source: FDIC, S&P Global, [1]Represents Houston and DFW's rank amongst the top 25 largest U.S. MSAs by population

DFW Employment



Houston Employm



Source: Texas Workforce Commission, Greater Houston Partnership.

Scarcity Value in Texas Metro Markets

Includes all U.S. banks headquartered in Texas; sorted by total assets

Indicates banks with less than 75% of deposits in major Texas MSAs

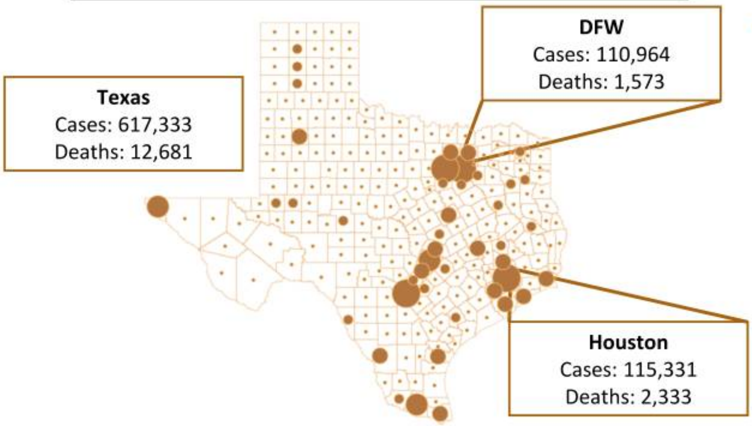
	Company Name	Ticker	Total Assets ($mm)	Texas Metro Deposits[1] / Company Total Deposits (%)
1	Comerica Incorporated	CMA	84,397	15.0%
2	Cullen/Frost Bankers, Inc.	CFR	39,378	87.4
3	Texas Capital Bancshares, Inc.	TCBI	36,613	100.0
4	Prosperity Bancshares, Inc.	PB	32,967	56.1
5	Cadence Bancorporation	CADE	18,858	36.3
6	Independent Bank Group, Inc.	IBTX	16,986	69.4
7	Hilltop Holdings Inc.	-	16,934	73.0
8	International Bancshares Corporation	IBOC	13,325	19.0
9	First Financial Bankshares, Inc.	FFIN	10,340	30.1
10	Beal Financial Corporation	-	10,059	24.8
11	**Veritex Holdings, Inc.**	**VBTX**	**8,588**	**98.9**
12	Southside Bancshares, Inc.	SBSI	7,330	24.6
13	Amarillo National Bancorp, Inc.	-	6,717	0.9
14	Allegiance Bancshares, Inc.	ABTX	5,837	96.7
15	Triumph Bancorp, Inc.	TBK	5,617	41.2
16	Industry Bancshares, Inc.	-	4,916	29.0
17	Broadway Bancshares, Inc.	-	4,554	95.9
18	Happy Bancshares, Inc.	-	4,549	9.1
19	ANB Corporation	-	3,960	96.3
20	CBTX, Inc.	-	3,902	58.4

Source: S&P Global and FDIC Summary of Deposits. Data as of 6/30/2020.
[1] Texas metro markets includes Austin MSA, Dallas-Fort Worth MSA, Houston MSA, and San Antonio MSA.

Response to COVID-19

TOP 5 PRIORITIES

- Protection of life/safety of people
- Sustaining/supporting critical processes
- Communicate frequently and effectively
- Support remote working success
- Provide seamless service to clients

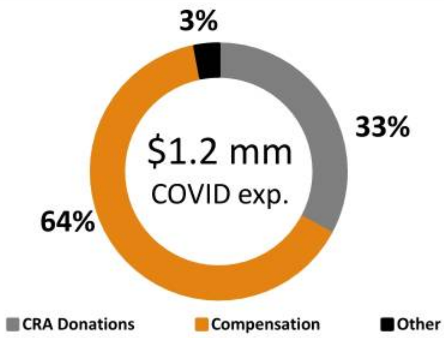


Source: Texas Department of State Health Services as of 9/1/2020.

Operational Response and Preparedness

- Dispersion of critical operational processes (IT, Wire, Deposit Operations, HR, Digital Banking, Factoring, Branches, Branch Operations, Loan operations, Information Security, Fraud, BSA).
- Increased monitoring focused on higher risk operations, enhanced remote access security and further restricted internet access.
- Enhanced security around wire transfer execution.
- Flexible scheduling is being provided to those that are unable to work from home.
- Restructured loan approval process by eliminating Executive Loan Committee meetings using already in place approval limits.
- Implemented a Small Business Administration ("SBA") module to enable SBA team to offer PPP loans to small business clients.
- 308, or 57%, of Veritex employees are working remotely

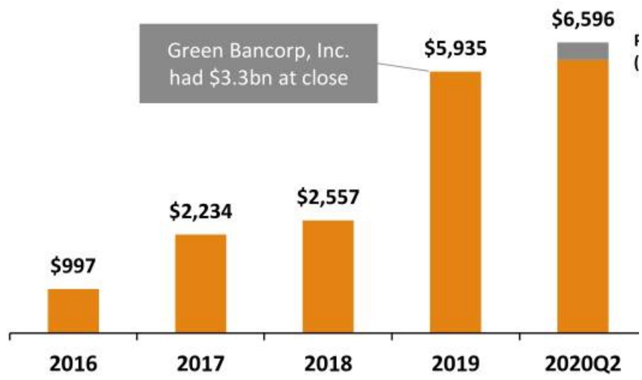
COVID Response Expenses as of June 30, 2020



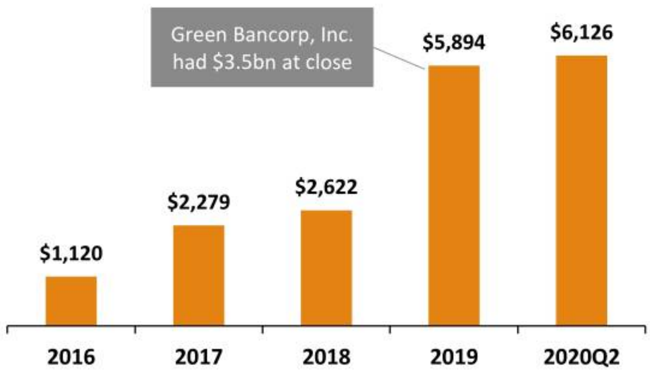
Steady Balance Sheet Growth

Total Assets ($000)

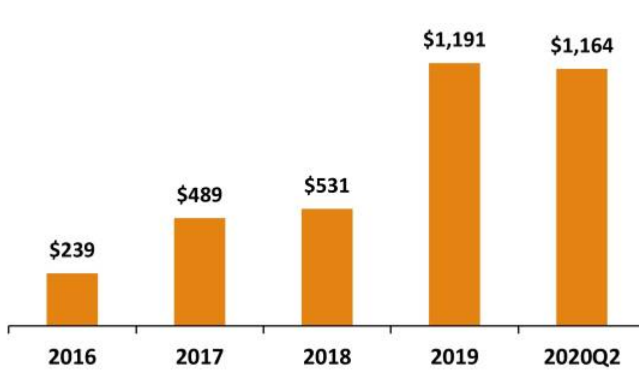
Total Loans ($000)



Total Deposits ($000)

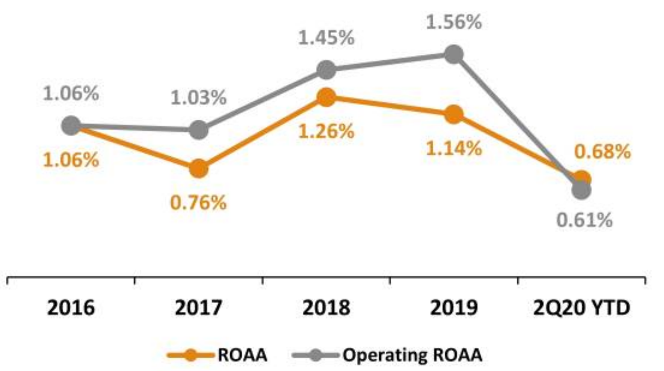


Total Equity ($000)

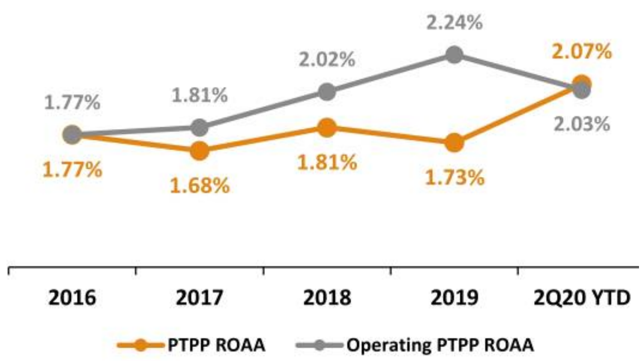


Profitability Performance

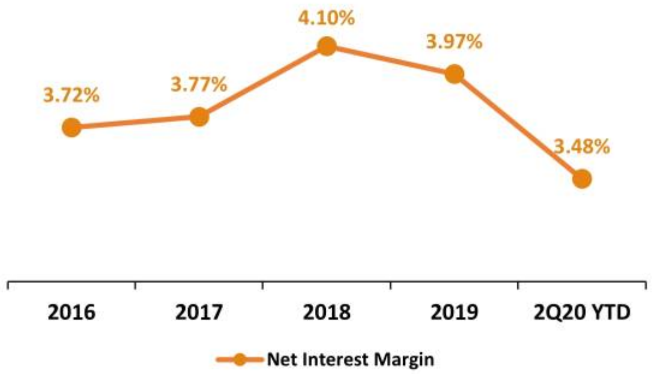
Return on Average Assets[1]



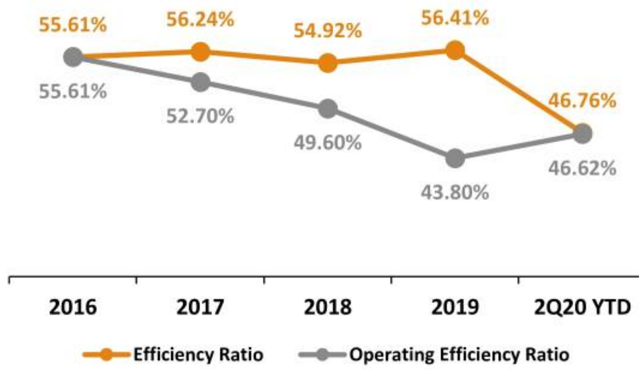
Pre-tax, Pre-provision Return on Average Assets[1]



Net Interest Margin



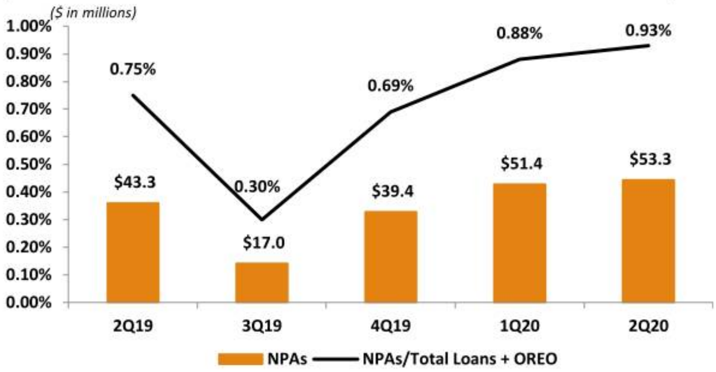
Efficiency Ratio[1]



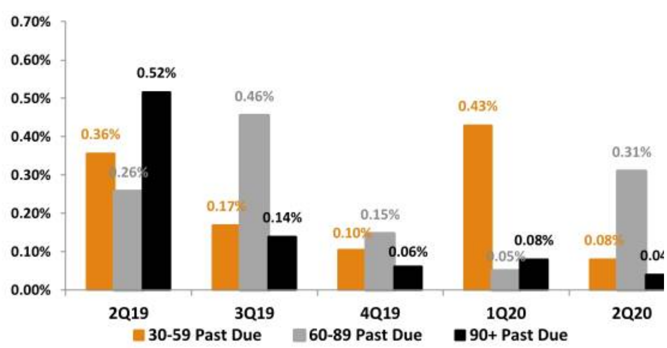
[1] Please refer to “Reconciliation of Non-GAAP Financial Measures” at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.

Asset Quality Remains Stable

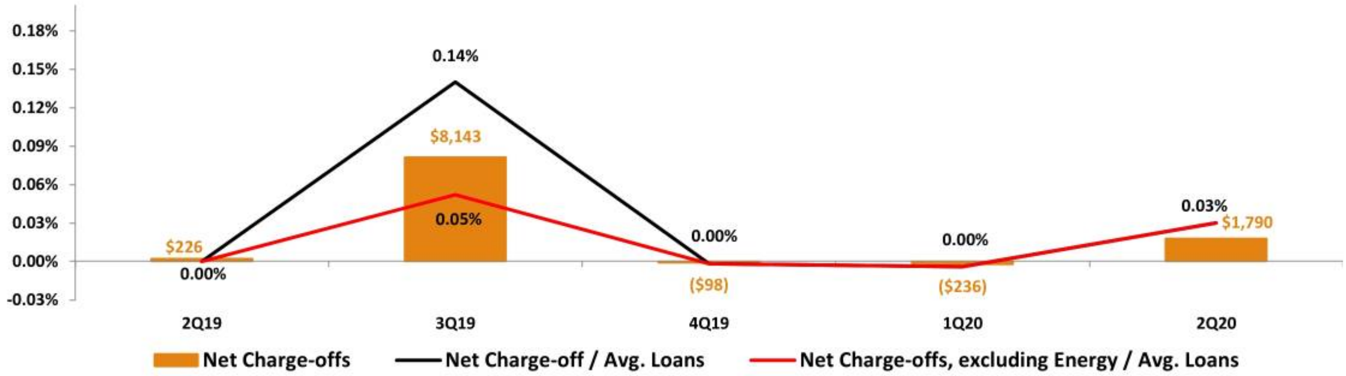
NPAs / Total Loans + OREO



Past Due[1] Trends % of Total Loans[2]



Net Charge-off Trends

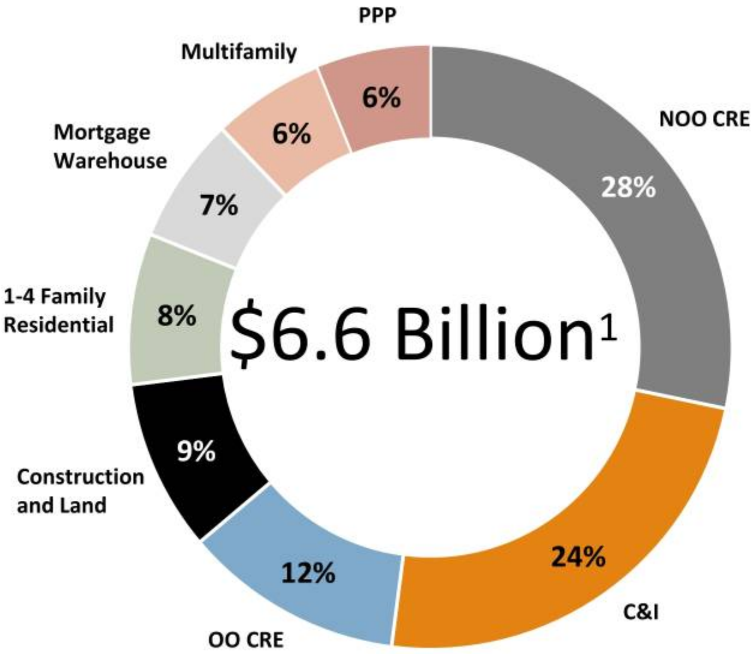


Note I: During the third quarter due to the current economic environment, we continued to experience negative migration of credits.
Note II: Data as of June 30, 2020.
[1] Past due loans exclude purchased credit deteriorated loans that are accounted for on a pooled basis and non-accrual loans.
[2] Total loans excludes Loans Held for Sale, Mortgage Warehouse and PPP loans.

Loan Portfolio and Asset Quality

Loan Portfolio by Loan Type

As of June 30, .



Select Loan Category Details

($ in millions)

Loan Type	Outstanding	Unfunded	Total Commitment	Average Loan	NPL / Loans
NOO CRE	$1,847.5	$127.5	$1,975.0	$2.8	1.10%
C&I	1,555.3	685.3	2,240.6	0.4	1.12
OO CRE	723.8	20.5	744.3	0.9	0.51
Construction	566.5	630.9	1,197.4	1.7	0.13
Multifamily	388.4	10.1	398.5	5.3	0.00
Total	**$5,081.5**	**$1,474.3**	**$6,555.8**		**0.80%**

[1] Total loans excludes $28.0 million of Loans Held for Sale as of June 30, 2020.

Pandemic Portfolio Overview

Timing	• Review performed during June 2020
Phase 1 Scope	• All relationships above $2 million that ***one or more*** of the following applies: – High Risk Industry (retail CRE, hospitality, restaurant, senior housing, healthcare, leveraged lending, or energy) – Received a round 1 deferment – Received a PPP loan
Phase 2 Scope	• All relationships above $20 million in commitments
Penetration	• Phase 1 and Phase 2 targeted review covered $4.9 billion, or 55.2%, of total commitments
Results	• **$203.2mm, or 2.3%, of the total commitments were downgraded to Special Mention** – $126.1 million, or 1.4%, in the Hospitality portfolio – $25.4 million, or 0.3%, in the Retail CRE portfolio • **$31.0mm, or 0.3%, of the total commitments were downgraded to Substandard** – $3.8 million, or 0.04%, in the Hospitality portfolio – $17 million, or 0.2%, relates to a student housing property that is underperforming due to COVID issues – $10 million, or 0.1%, downgrade is related to a fuel jobber/C-Store operator who is demonstrating poor operating performance
Next Steps	• Reviews will be conducted ***quarterly*** as real time data is collected on borrowers performance in the portfolio

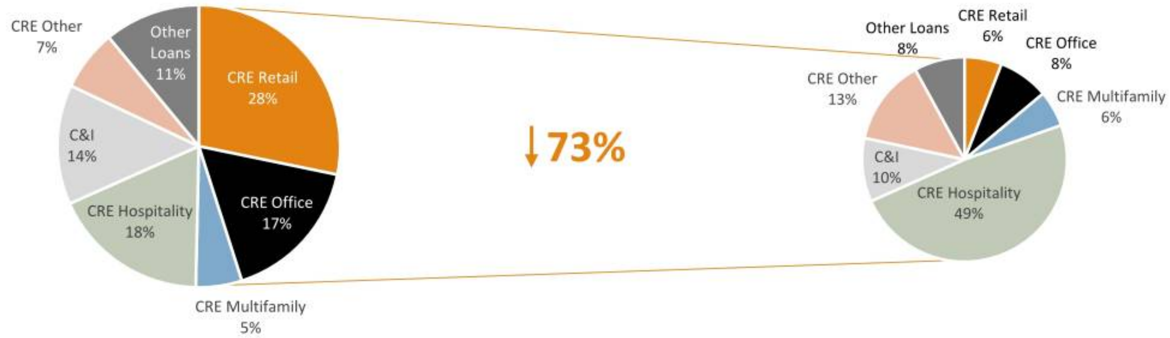
Loan Deferment Program Update

Round 1: The Loan Deferment Program addresses the significant payment challenges faced by our customers caused by the COVID-19 virus. ***Initially 90-day deferral of principal and/or interest***

Round 2: The second round of the Loan Deferment Program takes a deeper dive into the reasons for the additional deferment request actual financial performance of the borrower and the actions being taken by the borrower outside of the deferment request. ***Extended day deferral of principal and/or interest***

Loan Deferrals as of 7/24/2020

Loan Deferrals as of 9/16/2020



Deferrals / Loans HFI[1]
20.9%

	$ of Total Remaining Deferrals	
Loan Type	**Balance ($mm)**	**% of Deferrals**
CRE Retail	$338.5	28.2%
CRE Office	201.9	16.8
CRE Multifamily	63.1	5.3
CRE Hospitality	215.6	18.0
C&I	164.4	13.7
CRE Other	83.7	7.0
Other Loans	131.6	11.0
Total	**$1,198.8**	**100.0%**

Deferrals / Loans HFI[1]
5.6%

	$ of Total Remaining Deferrals		
Loan Type	**Balance ($mm)**	**% of Deferrals**	**% Dec**
CRE Retail	$18.9	5.9%	(94.4
CRE Office	25.7	8.0	(87.
CRE Multifamily	18.3	5.7	(70.
CRE Hospitality	156.5	48.7	(27.
C&I	32.3	10.1	(80.
CRE Other	43.9	13.7	(47.
Other Loans	25.6	8.0	(80.
Total	**$321.2**	**100.0%**	**(73.2**

[1] Total Loans Held for Investment excludes mortgage warehouse and PPP loans.

Taking Care of Clients and Communities

Paycheck Protection Program ("PPP")

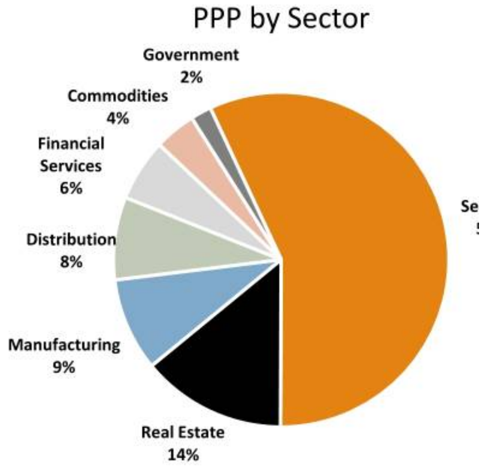
- As an SBA preferred lender, Veritex is participating in the CARES Act PPP loan program
- Elected the fair value option to account for PPP loans for reporting purposes
- Total gross fees recognized in second quarter of 2020 approximated $12.5 million
- Effective yield on PPP loans was 1% in accordance with program guidelines

As of June 30,

($ in millions)	# of Loans	$ of Loans
PPP Loans Funded	2,116	$ 400.9 million
Fair Value Adj. (priced at 99.5%)[1]	2,116	($ 2.0 million)
PPP Loans at Fair Value	2,116	$ 398.9 million

Average loan approximately $189 thousand; Weighted average fee – 3.13%

Loan Origination Pool	Total Funded *($ in thousands)*	# of Loans	SBA Fee %	$ Fee *($ in millions)*
< 150,000	$ 71,494	1,580	5.00%	$ 3.6
$150,001 - $350,000	$ 68,651	301	5.00%	$ 3.4
$350,000 - $2,000,000	$ 146,443	205	3.00%	$ 4.4
> $2,000,000	$ 114,366	30	1.00%	$ 1.1
TOTAL	**$ 400,954**	**2,116**		**$ 12.5**



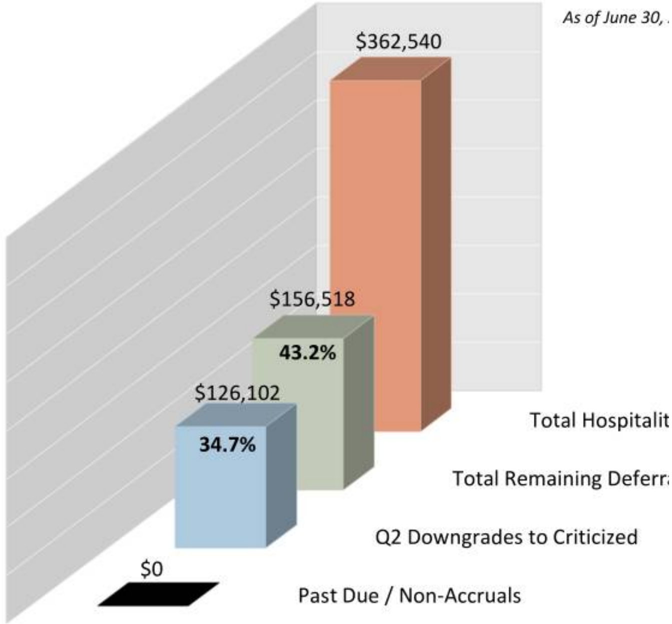
[1] Fair value price was based on a level 2 broker quote.

COVID-Impacted Industries

Hospitality

($ in millions)	#	$ Commitment		$ Outstanding		Avg. Loan Amount	
Term	82	$	341.4	$	335.9	$	4.1
In-Process Construction	5	$	65.4	$	6.6	$	1.3
SBA / USDA	45	$	20.1	$	20.1	$	0.5
Total	**132**	**$**	**426.9**	**$**	**362.6**	**$**	**2.7**
% of Total Loans[1]					**6.3%**		

- ***34%*** Top Tier Hotels (Marriott, Hilton, Starwood, Hyatt) / ***42%*** National Economy Hotels (Intercontinental, Wyndham, Best Western) / ***19%*** Luxury Boutique / ***5%*** No Flag
- Weighted average LTV of ***61%*** on total outstanding
- Approximately ***82%*** of exposure is located within the State of Texas
- ***No*** hotel loans were non-performing as of June 30, 2020
- 2 relationship managers oversee overwhelming majority of this portfolio. They are very experienced in this industry specifically.



- Approximately 35% of the hospitality book was downgraded t Criticized Risk Rating in Q2.
- Review of our top 25 exposures revealed that revenue increa 103% from May to June and average occupancy increased 18 the same period.
- 2nd Round deferments are expected to be approximately 60% Round 1 totals.

[1] Total loans excludes loans held for sale, mortgage warehouse and PPP loans.
[2] Loan deferral balance as of September 16, 2020. Deferrals as a percentage of Hospitality loans based on loan balance as of June 30, 2020.

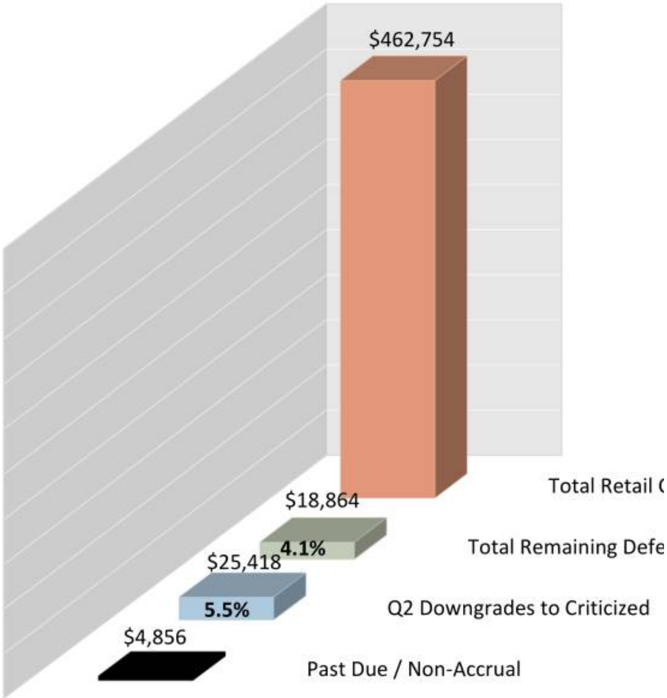
COVID-Impacted Industries

Retail CRE

As of June 30,

($ in millions)	#	$ Commitment	$ Outstanding	Avg. Loan Amount
NOOCRE Retail	188	$ 411.6	$ 392.1	$ 2.1
Construction Retail	22	$ 139.2	$ 70.7	$ 3.2
Total	**210**	**$ 550.8**	**$ 462.8**	**$ 2.2**
% of Total Loans[1]			**8.1%**	

- Weighted average LTV of **55.2%** on total outstanding
- Approximately ***6.9%*** of outstanding exposure are Criticized assets
- ***7*** borrowers with loans in excess of $10 million with an average LTV of ***62%***
- Approximately ***95%*** of outstanding exposure is located in the Bank's primary market of Texas
- ***0.32%*** of retail loans were non-performing as of June 30, 2020. This was a single loan that resolved as of July 7, 2020



[1] Total loans excludes loans held for sale, mortgage warehouse and PPP loans.
[2] Loan deferral balance as of September 16, 2020. Deferrals as a percentage of Retail CRE loans based on loan balance as of June 30, 2020.

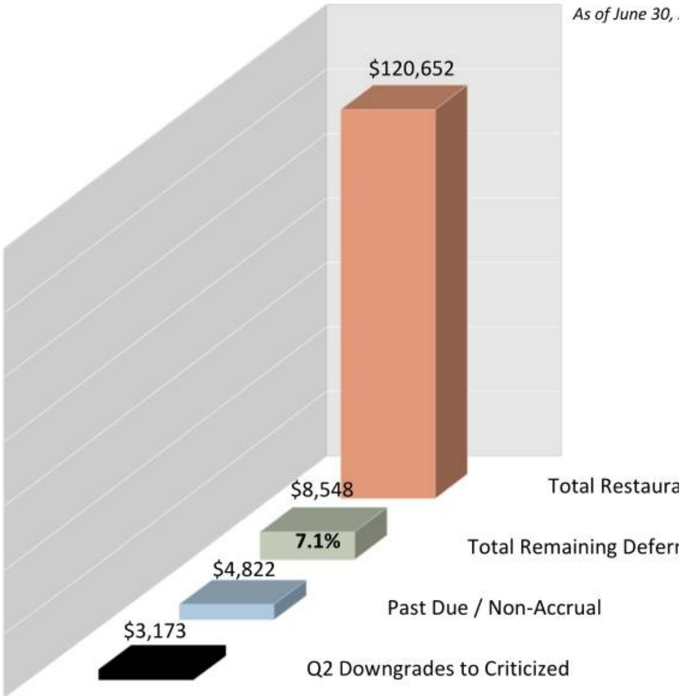
COVID-Impacted Industries

Restaurant

($ in millions)	#	$ Commitment		$ Outstanding		Avg. Loan Amount	
Term	103	$	116.1	$	97.6	$	1.0
In-Process Construction	4	$	4.8	$	3.9	$	1.0
SBA / USDA	45	$	19.2	$	19.1	$	0.4
Total	**152**	**$**	**140.1**	**$**	**120.6**	**$**	**0.8**
% of Total Loans[1]					**2.1%**		

- ***62%*** Quick Service / ***38%*** Full Service
- A total of ***80%*** of the portfolio is secured by real estate assets with an average LTV of ***60%***
- Approximately ***83%*** of exposure is located within the State of Texas
- ***2.03%*** of restaurant loans were non-performing as of June 30, 2020
- ***6*** borrowers (11 loans) account for approximately $42 million, or 36%, of the outstanding balance. All but one of these loans are secured by CRE. The one not secured by CRE is one of the most prominent chains in DFW.

As of June 30,



- The largest CRE exposure in this book, approximately $21 million, has not re a ***Round 2*** deferment and has resumed making scheduled payments
- Past due / Non-accrual loans are primarily in government guaranteed loans were problem assets prior to the COVID

[1] Total loans excludes loans held for sale, mortgage warehouse and PPP loans.
[2] Loan deferral balance as of September 16, 2020. Deferrals as a percentage of Restaurant loans based on loan balance as of June 30, 2020.

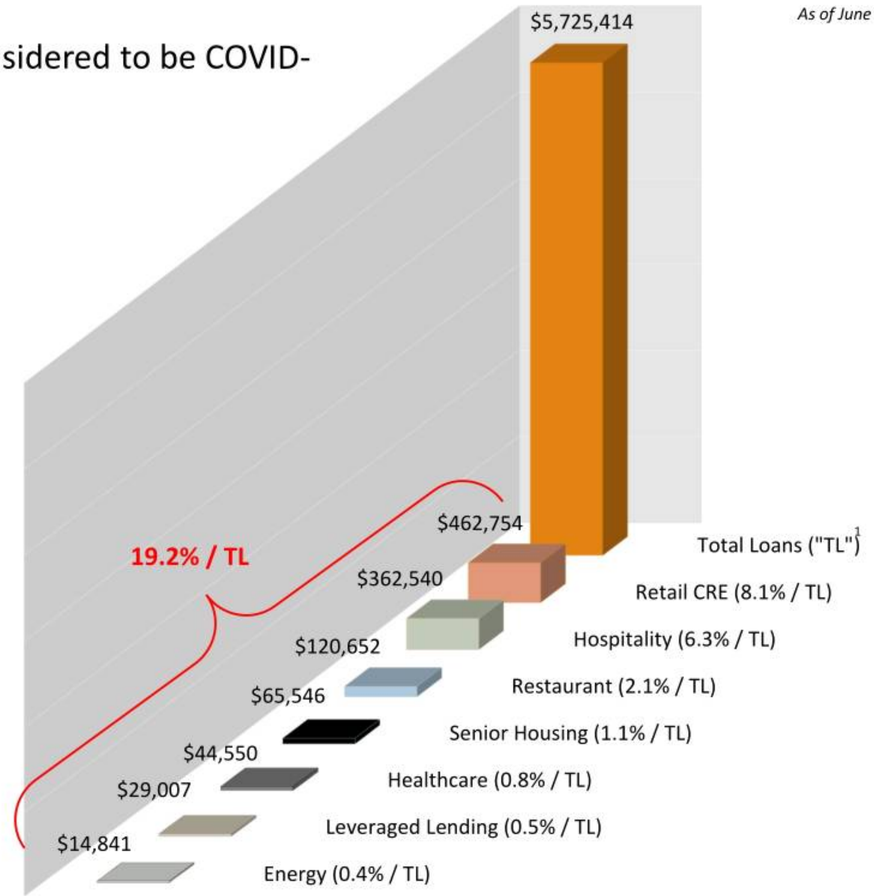
COVID-Impacted Industries – Summary

The following portfolios are considered to be COVID-Impacted Industries:

- Retail CRE
- Hospitality
- Restaurants
- Senior Housing
- Healthcare
- Leveraged Lending
- Energy

19.2% of total loans are in a COVID-Impacted Industry

As of June 30, .



[1] Total loans excludes loans held for sale, mortgage warehouse and PPP loans.

Credit Policy & Culture

- Veritex Community Bank (the "Bank") has a history of maintaining credit standards that produce excellent credit metrics while providing the production staff with reasonable offerings to grow the loan book
- The credit culture is founded on the idea that the more eyes are on a transaction, the better decisions we make
- Credit decision making is managed through individual Credit Officer sign-off, Joint Credit Officer sign-off or through Executive Loan Committee ("ELC").
- ELC makes all credit decisions exceeding $15 million if newly originated or $15 million if being renewed. The ELC consists of senior executives on the credit and production sides of the Bank. All loans submittec for approval have a Credit Officer sponsor as well as a Lending Officer as a sponsor to provide support.
- Credit Officers have been delegated decision making authority to decide on credit for relationships up tc $5 million for new credit or $10 million for renewals when joined by another Credit Officer. Credit Officers have authority up to $3 million for new credit and $5 million for new credits on an individual basis.
- Delegated lending authority exists in the field with our Market Presidents up to $1 million (total relationship) to allow for small transactions to be generated in a responsive manner for our community bank customers.
- The Bank's Directors Loan Committee serves in an oversight function, reviewing pertinent credit metrics individual transactions originated, policy related matters and Reg O loans as required.

Profitability, Funding, and Liquidity

Net Interest Income

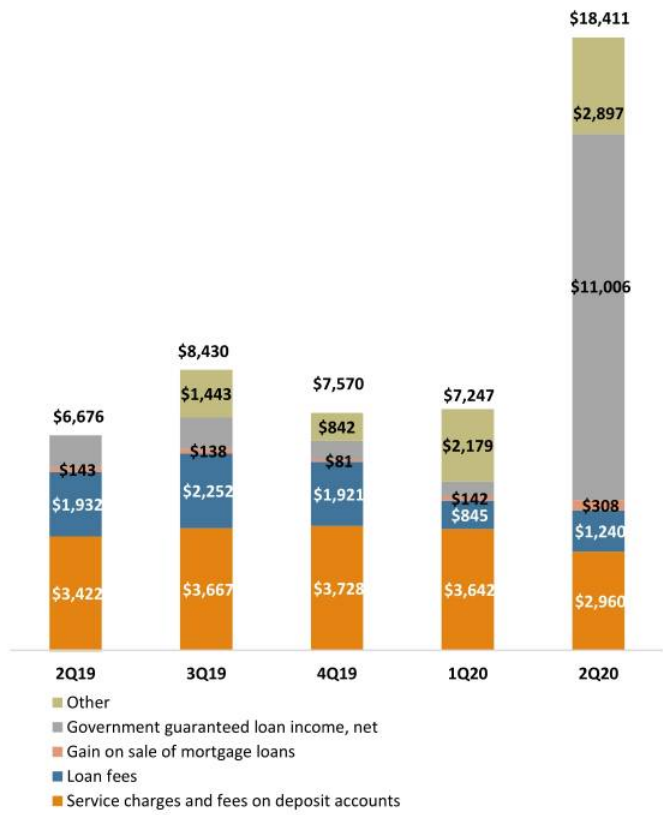
- Net interest income of $65.8 million, down slightly from 1Q20
- Net interest margin of 3.31%, down 36 bps compared to 1Q20
- Drivers of NIM decrease are as follows:
  - 12 bps of the decline is due to lower interest rates
  - 9 bps of the decline is due to the impact of PPP lending with a 1% yield
  - 6 bps of the decline is due to lower purchase accounting adjustments
  - Remaining decline is primarily due to an unfavorable mix shift
- Loan yields decreased 64 bps mainly driven by 83 bps declin in 1 Mo Libor during Q2 and a flattening yield curve
- Costs of interest bearing deposits decreased 55 bps due to repricing efforts in a lower rate environment
- Strong growth in in non-time deposits at lower rates helped offset the decline in loan yields

[1] Please refer to "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.
[2] Purchase accounting adjustments are primarily comprised of loan accretion and deposit premium amortization of $3.1 million and $263 thousand, respectively, in 2Q20, $4.4 million an $423 thousand, respectively, in 1Q20, $5.6 million and $740 thousand, respectively, in 4Q19, $4.2 million and $1.2 million, respectively, in 3Q19 and $3.6 million and $1.9 million, respectively, in 2Q19.

Noninterest Income/Expense (Operating)

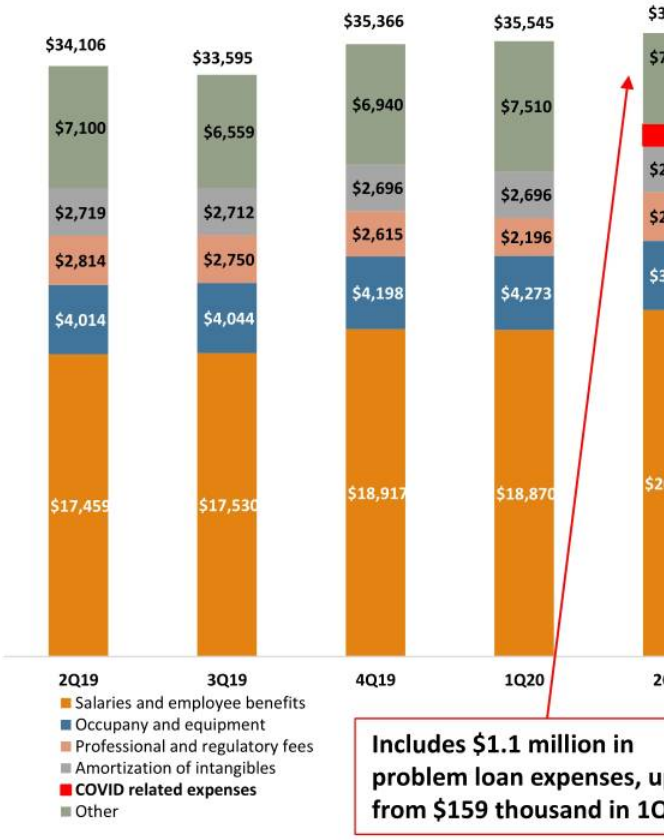
($ in thousands)

Operating Noninterest Income[1] Composition



($ in thousands)

Operating Noninterest Expense[1] Composition



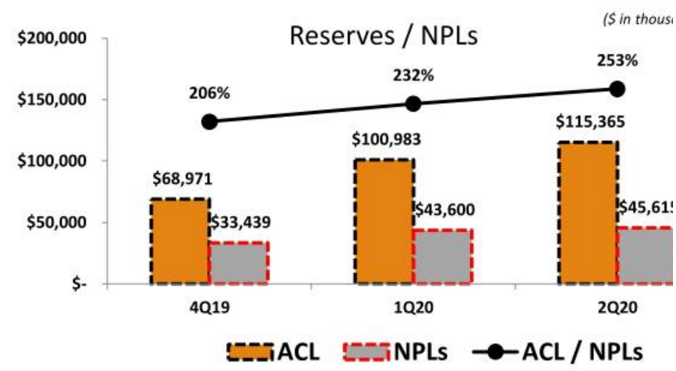
[1] Please refer to "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.

CECL – Continuing Reserve Build

($ in thousands)	January 1, 2020	March 31, 2020	June 30, 2020	June 30, 2020 Reserve % per Portfolio
Pooled Loans, ex. Mortgage Warehouse ("MW") and PPP				
Commercial	$ 19,102	$ 24,814	$ 23,370	1.55%
CRE	17,351	28,619	38,590	1.55%
Multifamily	2,593	4,900	6,429	1.63%
Construction and Land	3,180	6,172	9,084	1.49%
1-4 Family Residential	5,094	7,583	10,217	1.95%
Consumer	338	323	311	2.13%
Total	**$ 47,658**	**$ 72,411**	**$ 88,001**	**1.59%**
Specific Reserves	$ 1,602	$ 5,921	$ 5,713	13.60%
PCD Reserves	$ 19,711	$ 22,651	$ 21,651	14.80%
Allowance for Credit Loss ("ACL"), ex. MW and PPP	**$ 68,971**	**$ 100,983**	**$ 115,365**	
ACL / Total Loans Held for Investment, ex. MW and PPP	**1.23%**	**1.73%**	**2.01%**	
ACL / Total Loans Held for Investment	**1.16%**	**1.62%**	**1.76%**	
Reserve for Unfunded Expected to Fund	**$ 1,718**	**$ 5,599**	**$ 8,398**	
Net Charge-offs		**$ 236**	**$ (1,554)**	

CECL Modeling Assumptions

- Moody's Texas unemployment and year-over-year % change in Texas GDP utilized in model
- Forecasts feature significant recessionary estimates followed by slow improvement
  - Texas Unemployment increases from 8.2% 3Q20 to 8.45% 2Q21
  - % YOY change in Texas GDP bottoms out (7.1%) in 3Q20 recovering to 7.4% by 2Q21
- Continued elevated qualitative reserves equating to a ending ACL mirroring Moody's stressed W shape economic recovery

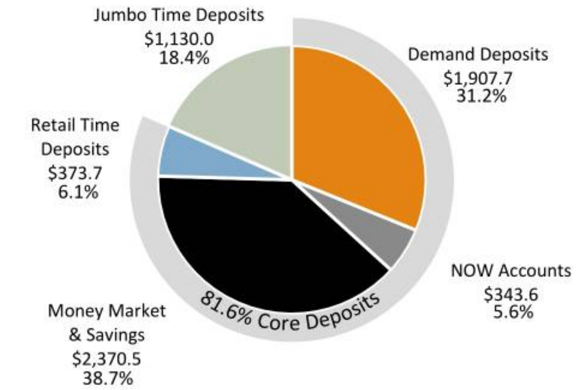


Deposits – Record Growth & Improving Mix

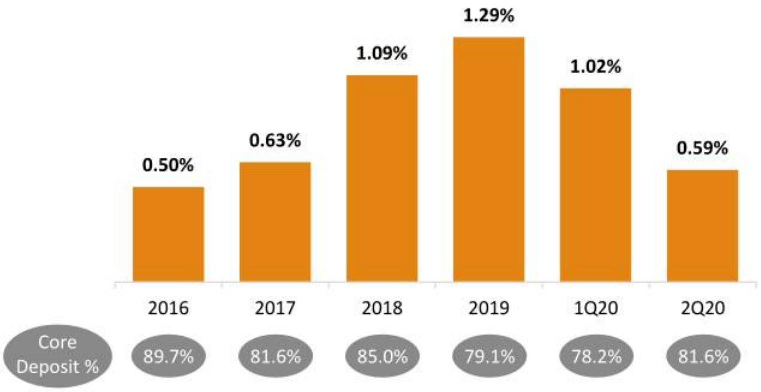
- Non-time deposits increased $535.7 million, or 52.0% annualized, during the second quarter of 2020 compared to the first quarter of 2020
- Noninterest-bearing deposits totaled $1.9 billion, or 31.2% of total deposits, as of June 30, 2020
- Loan to deposit ratio of 93.5% excluding mortgage warehouse and PPP loans, at June 30, 2020
- Reliance on time deposits decreased from 33% in 2Q19 to 25% in 2Q20

Deposit Composition as of June 30, 2020

($ in millions)



Cost of Total Deposits



CD Maturity Table as of June 30, 2020

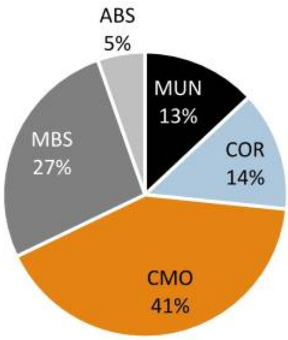
	Balance ($000)	WA Rate
3Q20	431,576	1.41%
4Q20	282,475	1.68%
1Q21	235,424	1.61%
2Q21	271,539	1.20%
3Q21	79,820	1.83%
4Q21	69,107	1.69%
Q122	58,278	1.73%
2Q22+	75,482	1.87%
Total	1,503,701	1.52%

$1.2 billion, or ~81%, of time deposits maturing by 2Q21 with weighted average rate of 1.46%

Note: Core deposits defined as total deposits less time deposit accounts with balances over $100,000, foreign deposits and unclassified objects.

Robust and Stable Liquidity

Debt Securities Portfolio as of June 30, 2020



Available for Sale Portfolio Breakout as of June 30, 2020

($ in thousands)

Security Type	Book Value	Market Value	Net Unrealized Gain
Corporate	$ 150,923	$ 151,329	$ 406
Municipal	114,789	122,324	7,535
Mortgage-Backed Security	271,680	289,444	17,764
Collateralized Mortgage Obligation	433,532	457,026	23,494
Asset Backed Securities	56,531	59,947	3,416
	$ 1,027,455	**$ 1,080,070**	**$ 52,615**

No required provision for credit loss on our debt securities portfolio as of June 30, 2020

Ratings Profile

S&P		Moody's	
AAA	75.2%	Aaa	66.8%
AA	0.7%	Aa1	0.5%

Portfolio Highlights as of June 30, 2020

Wtd. Avg. Tax Equivalent Yield	2.8
% Available-for-Sale	97.
Avg. Life	5.8
Modified Duration	4.1

$ in millions

Primary & Secondary Liquidity Sources		
Cash and Cash Equivalents	$	160,30
Unpledged Investment Securities		1,025,74
FHLB Borrowing Availability		311,46
Unsecured Lines of Credit		175,00
Funds Available through Fed Discount Window		620,50
Available Paycheck Protection Program Liquidity Facility ("PPPLF") from FRB	$	400,95
Total as of June 30, 2020	**$**	**2,693,97**

Interest Rate Risk Profile

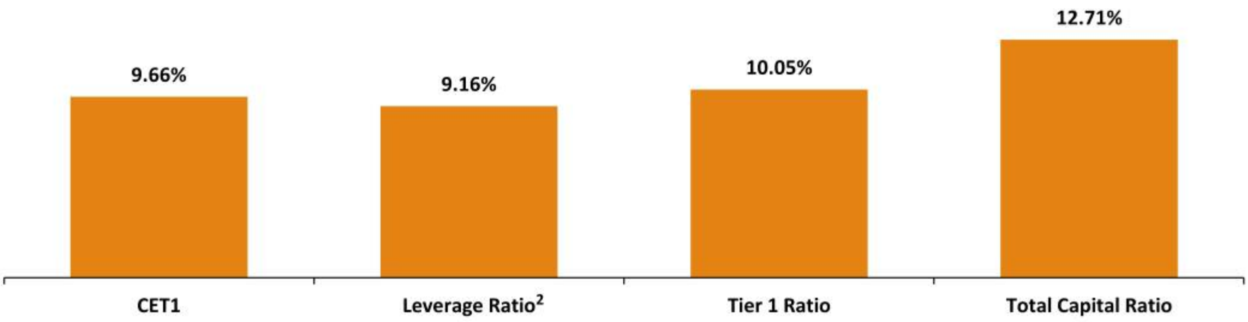
The following table summarizes a simulated change in net interest income and fair value of equity over a 12-month horizon as of June 30, 2020:

Change in interest Rates (Basis Points)	As of June 30, 2020 % Change in Net Interest Income	 % Change in Fair Value of Equity
+300	16.11%	17.78%
+200	10.28	12.94
+100	4.65	7.14
Base	-	-
-100	(2.74)	(7.14)

Capital Remains Strong and Continues to Build

($000)	3/31/2020	6/30/2020	Change ($)
Basel III Standardized[1]			
CET1 Capital	$701,401	$726,006	$24,605
Tier 1 Capital	730,461	755,121	24,660
Total Capital	918,866	955,220	36,354

Consolidated Capital Ratios as of June 30, 2020



[1] Estimated capital measures inclusive of CECL capital transition provisions as of 6/30/2020.
[2] Total assets includes PPP loans that we did not utilize the PPPLF to fund.

Appendix

Double Leverage & Interest Coverage

($000)	2016	2017	2018	2019	Q2 2020
Investment in subsidiaries	$ 148,921	$ 459,655	$ 506,902	$ 1,289,654	$ 1,287,453
Consolidated equity	239,088	488,929	530,638	1,190,797	1,163,749
Double leverage ratio	62%	94%	96%	108%	111%
Interest Coverage					
Earnings:					
Income from continuing operations before taxes	$ 19,018	$ 28,181	$ 50,237	$ 115,860	$ 28,015
(+) Interest on FHLB Advances	-	531	1,701	9,984	2,801
(+) Interest on Existing Subordinated Debentures	652	635	1,031	4,675	1,798
Earnings available to cover interest on other borrowings (net of deposit interest expense)	19,670	29,347	52,969	130,519	32,614
(+) Interest on deposits	4,988	9,878	27,313	79,030	8,986
Earnings available to cover interest on deposits and other borrowings	$ 24,658	$ 39,225	$ 80,282	$ 209,549	$ 41,600
Interest Expense:					
Interest on FHLB Advances	$ -	$ 531	$ 1,701	$ 9,984	$ 2,801
Interest on Existing Subordinated Debentures	652	635	1,031	4,675	1,798
Interest expense on other borrowings (excluding interest on deposits)	652	1,166	2,732	14,659	4,599
Interest on deposits	4,988	9,878	27,313	79,030	8,986
Interest expense, including interest on deposits	$ 5,640	$ 11,044	$ 30,045	$ 93,689	$ 13,585
Interest coverage on other borrowings (excluding deposit interest expense) - A / C	**30.2x**	**25.2x**	**19.4x**	**8.9x**	**7.1x**
Interest coverage deposits and other borrowings - B / D	**4.4x**	**3.6x**	**2.7x**	**2.2x**	**3.1x**

Note: Existing subordinated debentures includes subordinated debt and junior subordinated debentures.

Historical Financial Performance

	Year Ended December 31,				Quarter Ended			
	2016	2017	2018	2019	9/30/2019	12/31/2019	3/31/2020	6/30/2
Balance Sheet								
Total Assets ($mm)	$1,409	$2,946	$3,209	$7,955	$7,963	$7,955	$8,532	$8,
Net Loans ($mm)	989	2,222	2,537	5,905	5,872	5,905	6,139	6,
Deposits ($mm)	1,120	2,279	2,622	5,894	5,878	5,894	5,800	6,
Gross Loans / Deposits	88.6%	98.0%	97.4%	100.5%	100.2%	100.5%	107.3%	107.
Capital								
Total Equity ($mm)	$239	$489	$531	$1,191	$1,206	$1,191	$1,149	$1,
Tangible Common Equity / Tangible Assets[1]	15.23%	11.12%	11.78%	10.01%	10.17%	10.01%	8.81%	8.9
Tier 1 Leverage Ratio	16.82%	12.92%	12.04%	10.17%	10.33%	10.17%	9.49%	9.1
Tier 1 Risk-Based Capital Ratio	20.72%	12.48%	12.18%	11.02%	11.26%	11.02%	9.92%	10.0
Total Risk-Based Capital Ratio	22.02%	13.16%	12.98%	13.10%	12.26%	13.10%	12.48%	12.7
CRE / Total Risk-Based Capital	177%	286%	294%	298%	394%	376%	383%	37
Earnings and Profitability								
Net Income ($mm)	$12.55	$15.15	$39.34	$90.74	$27.41	$29.05	$4.13	$24
Operating Earnings ($mm)[1]	-	$16.90	$42.25	$123.84	$28.63	$30.29	$4.13	$21
ROAA	1.06%	0.76%	1.26%	1.14%	1.37%	1.44%	0.20%	1.1
ROATCE	11.23%	6.27%	12.89%	13.02%	15.15%	16.22%	3.27%	14.4
Net Interest Margin	3.72%	3.77%	4.10%	3.97%	3.90%	3.81%	3.67%	3.3
Efficiency Ratio	55.61%	56.24%	54.92%	56.41%	43.67%	47.12%	47.61%	46.0
Asset Quality								
NPLs / Loans	0.16%	0.05%	1.00%	0.51%	0.18%	0.51%	0.65%	0.6
NPAs[2] / Assets	0.11%	0.03%	0.77%	0.45%	0.19%	0.45%	0.55%	0.6
Reserves / Loans	0.85%	0.57%	0.75%	0.50%	0.44%	0.50%	1.62%	1.7
NCOs / Average Loans	0.03%	0.06%	0.01%	0.19%	0.55%	-0.01%	-0.02%	0.1
Yield and Cost								
Yield on Loans	4.83%	5.12%	5.64%	5.79%	5.83%	5.61%	5.24%	4.4
Yield on Earning Assets	4.23%	4.39%	5.17%	5.27%	5.26%	5.00%	4.74%	3.9
Cost of Interest-Bearing Deposits	0.72%	0.86%	1.45%	1.70%	1.79%	1.59%	1.39%	0.8
Cost of Interest-Bearing Liabilities	0.76%	0.91%	1.51%	1.79%	1.86%	1.65%	1.47%	0.9

[1] Please refer to “Reconciliation of Non-GAAP Financial Measures” at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.
[2] Excludes restructured loans.

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Non-GAAP Financial Measures

	For the Years Ended				For the Three Months Ended				
($ in thousands, except for per share data)	Dec 31, 2016	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019	June 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	June 30, 2
Tangible Common Equity									
Total Stockholders' Equity	$ 239,088	$ 488,929	$ 530,638	$ 1,190,797	$ 1,205,293	$ 1,205,530	$ 1,190,797	$ 1,149,269	$ 1,163,7
Adjustments:									
Goodwill	(26,865)	(159,452)	(161,447)	(370,840)	(370,221)	(370,463)	(370,840)	(370,840)	(370,8
Core Deposit Intangibles	(2,181)	(22,165)	(11,675)	(67,563)	(72,465)	(70,014)	(67,563)	(65,112)	(62,6
Tangible Common Equity	$ 210,042	$ 307,312	$ 357,516	$ 752,394	$ 762,607	$ 765,053	$ 752,394	$ 713,317	$ 730,2
Common Shares Outstanding	15,195	24,110	24,254	51,064	53,457	52,373	51,064	49,557	49,6
Book Value per Common Share	$ 15.73	$ 20.28	$ 21.88	$ 23.32	$ 22.55	$ 23.02	$ 23.32	$ 23.19	$ 23.
Tangible Book Value per Common Share	$ 13.82	$ 12.75	$ 14.74	$ 14.73	$ 14.27	$ 14.61	$ 14.73	$ 14.39	$ 14.
Tangible Common Equity									
Total Stockholders' Equity	$ 239,088	$ 488,929	$ 530,638	$ 1,190,797	$ 1,205,293	$ 1,205,530	$ 1,190,797	$ 1,149,269	$ 1,163,7
Adjustments:									
Goodwill	(26,865)	(159,452)	(161,447)	(370,840)	(370,221)	(370,463)	(370,840)	(370,840)	(370,8
Core Deposit Intangibles	(2,181)	(22,165)	(11,675)	(67,563)	(72,465)	(70,014)	(67,563)	(65,112)	(62,6
Tangible Common Equity	$ 210,042	$ 307,312	$ 357,516	$ 752,394	$ 762,607	$ 765,053	$ 752,394	$ 713,317	$ 730,2
Tangible Assets									
Total Assets	$ 1,408,507	$ 2,945,583	$ 3,208,550	$ 7,954,937	$ 8,010,106	$ 7,962,883	$ 7,954,937	$ 8,531,624	$ 8,587,8
Adjustments:									
Goodwill	(26,865)	(159,452)	(161,447)	(370,840)	(370,221)	(370,463)	(370,840)	(370,840)	(370,8
Core Deposit Intangibles	(2,181)	(22,165)	(11,675)	(67,563)	(72,465)	(70,014)	(67,563)	(65,112)	(62,6
Tangible Assets	$ 1,379,461	$ 2,763,966	$ 3,035,428	$ 7,516,534	$ 7,567,420	$ 7,522,406	$ 7,516,534	$ 8,095,672	$ 8,154,3
Tangible Common Equity to Tangible Assets	15.23%	11.12%	11.78%	10.01%	10.08%	10.17%	10.01%	8.81%	8.9

Reconciliation of Non-GAAP Financial Measures

($ in thousands)	For the Years Ended Dec 31, 2016	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019	For the Three Months Ended June 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	June 30, 2
Net Income Available for Common Stockholders Adjusted for Amortization of Core Deposit Intangibles									
Net Income	$ 12,551	$ 15,152	$ 39,341	$ 90,739	$ 26,876	$ 27,405	$ 29,051	$ 4,134	$ 24,0
Adjustments:									
Plus: Amortization of Core Deposit Intangibles	595	1,270	4,060	9,830	2,451	2,451	2,451	2,451	2,4
Less: Tax Benefit at the Statutory Rate		445	859	2,065	515	515	515	515	5
Net Income Available for Common Stockholders Adjusted for Amortization of Core Deposit Intangibles	$ 13,146	$ 15,977	$ 42,542	$ 98,504	$ 28,812	$ 29,341	$ 30,987	$ 6,070	$ 25,9
Average Tangible Common Equity									
Total Stockholders' Equity	$ 142,580	$ 332,935	$ 509,018	$ 1,198,873	$ 1,200,632	$ 1,210,147	$ 1,197,191	$ 1,183,116	$ 1,155,7
Adjustments:									
Average Goodwill	(26,865)	(73,656)	(160,907)	(369,441)	(369,255)	(370,224)	(370,463)	(370,840)	(370,8
Average Core Deposit Intangibles	(1,753)	(5,311)	(18,005)	(72,692)	(73,875)	(71,355)	(68,913)	(66,439)	(64,1
Average Tangible Common Equity	$ 113,962	$ 253,968	$ 330,106	$ 756,740	$ 757,502	$ 768,568	$ 757,815	$ 745,837	$ 720,8
Return on Average Tangible Common Equity (Annualized)	11.24%	6.27%	12.89%	13.02%	15.26%	15.15%	16.22%	3.27%	14.4

Reconciliation of Non-GAAP Financial Measures

	For the Years Ended				For the Three Months Ended			
($ in thousands, except for per share data)	Dec 31, 2016	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019	June 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2(
Operating Earnings								
Net Income	$ 12,551	$ 15,152	$ 39,341	$ 90,739	$ 26,876	$ 27,405	$ 29,051	$ 4,1
Plus: (Gain) Loss on Sale of Securities Available for Sale, net	-	-	42	1,852	642	-	438	
Plus: Loss on Sale of Disposed Branch Assets[1]	-	-	(388)	359	359	-	-	
Plus: FHLB Pre-Payment Fees	-	-	-	-	-	-	-	
Plus: Lease Exit Costs, net[2]	-	-	1,071	-	-	-	-	
Plus: Branch Closure Expenses	-	-	172	-	-	-	-	
Plus: One-time Issuance of Shares to All Employees	-	-	421	-	-	-	-	
Plus: Merger and Acquisition Expenses	-	2,691	5,220	38,601	5,431	1,035	918	
Operating Pre-Tax Income	12,551	17,843	45,879	131,551	33,308	28,440	30,407	4,1
Less: Tax Impact of Adjustments	-	942	633	8,262	1,351	217	(23)	
Plus: Tax Act Re-measurement	-	-	5	-	-	-	-	
Plus: Other M&A Tax Items[3]	-	-	-	1,512	277	406	829	
Plus: Discrete Tax Adjustments[4]	-	-	-	(965)	-	-	(965)	
Operating Earnings	**$ 12,551**	**$ 16,901**	**$ 45,251**	**$ 123,836**	**$ 32,234**	**$ 28,629**	**$ 30,294**	**$ 4,1**

[1] Loss on sale of disposed branch assets for the three months ended June 30, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.

[2] Lease exit costs, net for the year ended December 31, 2018 includes a $1.5 million consent fee and $240 thousand in professional services paid in January 2018 to separately assign and sublease two of our branch leases that we ceased using in 2017, partially offset by the reversal of the corresponding assigned lease cease-use liability totaling $669 thousand.

[3] Other M&A tax items of $829 thousand, $406 thousand and $277 thousand recorded during the three months ended December 31, 2019, September 30, 2019, and June 30, 2019, respectively, relate to permanent tax expense recognized by the Company as a result of deduction limitations on compensation paid to covered employees in excess of the 162(m) limitation directly due to change-in-control payments made to covered employees in connection with the Green acquisition.

[4] Discrete tax adjustments of $965 thousand were recorded during the fourth quarter of 2019 primarily due to the Company recording a next tax benefit of $1.6 million as a result of the Company settling an audit with the IRS. The Company released an uncertain tax position reserve that was assumed in the Green acquisition resulting in a $2.2 million tax benefit, offset b tax expense totaling $598 thousand that were recorded due to the Tax Cuts and Jobs Act rate change on deferred tax assets resulting from the IRS audit settlement. The net IRS settleme was offset by various discrete, non-recurring tax expenses totaling $0.6 million. A discrete tax benefit of $1,799 was recorded as a result of the Company amending a prior year Green ta› return to carry back a net operating loss ("NOL") incurred by Green on January 1, 2019. The Company was allowed to carry back this NOL as a result of a provision in the CARES Act which permits NOLs generated in tax years 2018, 2019 or 2020 to be carried back five years.

Reconciliation of Non-GAAP Financial Measures

($ in thousands)	For the Years Ended Dec 31, 2016	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019	For the Three Months Ended June 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	June 30, 2020	For the Si Months End June 30, 20
Pre-Tax, Pre-Provision Operating Earnings										
Net Income	$ 12,551	$ 15,152	$ 39,341	$ 90,739	$ 26,876	$ 27,405	$ 29,051	$ 4,134	$ 24,028	$ 28,
Plus: Provision (benefit) for income taxes	6,467	13,029	10,896	25,121	7,369	7,595	8,168	(684)	3,987	3,
Plus: Provision for Credit Losses and Unfunded Commitments	2,050	5,114	6,603	21,514	3,335	9,674	3,493	35,657	18,971	54,
Plus: (Gain) Loss on Sale of Securities Available for Sale, net	-	-	42	1,852	642	-	438	-	(2,879)	(2,
Plus: Loss on Sale of Disposed Branch Assets[1]	-	-	(388)	359	359	-	-	-	-	
Plus: FHLB Pre-Payment Fees	-	-	-	-	-	-	-	-	1,561	1,
Plus: Lease Exit Costs, net[2]	-	-	1,071							
Plus: Branch Closure Expenses	-	-	172							
Plus: One-time Issuance of Shares to All Employees	-	-	421							
Plus: Merger and Acquisition Expenses	-	2,691	5,220	38,601	5,431	1,035	918	-	-	
Pre-Tax, Pre-Provision Operating Earnings	$ 21,068	$ 35,986	$ 63,378	$ 178,186	$ 44,012	$ 45,709	$ 42,068	$ 39,107	$ 45,668	$ 84,
Average Total Assets	$ 1,188,772	$ 1,980,968	$ 3,132,428	$ 7,957,883	$ 7,937,319	$ 8,009,377	$ 8,043,505	$ 8,125,782	$ 8,689,774	$ 8,380,
Pre-Tax, Pre-Provision Operating Return on Average Assets[2]	1.77%	1.68%	2.02%	2.24%	2.22%	2.26%	2.07%	1.94%	2.11%	2.(
Average Total Assets	$ 1,188,772	$ 1,980,968	$ 3,132,428	$ 7,957,883	$ 7,937,319	$ 8,009,377	$ 8,043,505	$ 8,125,782	$ 8,689,774	$ 8,380,
Return on Average Assets[3]	1.06%	0.76%	1.26%	1.14%	1.36%	1.36%	1.43%	0.20%	1.11%	0.6
Operating Return on Average Assets[3]	1.06%	1.03%	1.45%	1.56%	1.63%	1.42%	1.49%	0.20%	0.98%	0.6
Operating Earnings Adjusted for Amortization of Core Deposit Intangibles										
Operating Earnings	$ 12,551	$ 16,901	$ 45,251	$ 123,836	$ 32,234	$ 28,629	$ 30,294	$ 4,134	$ 21,188	$ 25,
Adjustments:										
Plus: Amorization of Core Deposit Intangibles	781	397	4,060	9,830	2,451	2,451	2,451	2,451	2,451	4,
Less: Tax Benefit at the Statutory Rate	273	139	859	2,065	515	515	515	515	515	1,
Operating Earnings Adjusted for Amortization of Core Deposit Intangibles	$ 13,059	$ 17,159	$ 48,452	$ 131,601	$ 34,170	$ 30,565	$ 32,230	$ 6,070	$ 23,124	$ 29,
Average Tangible Common Equity										
Total Stockholders' Equity	$ 142,580	$ 333,393	$ 509,018	$ 1,198,873	$ 1,200,632	$ 1,210,147	$ 1,197,191	$ 1,183,116	$ 1,155,798	$ 1,142,
Adjustments:										
Average Goodwill	(26,865)	(73,657)	(160,907)	(369,441)	(369,255)	(370,224)	(370,463)	(370,840)	(370,840)	(370,
Average Core Deposit Intangibles	(1,753)	(3,903)	(18,005)	(72,692)	(73,875)	(71,355)	(68,913)	(66,439)	(64,151)	(65,
Average Tangible Common Equity	$ 113,962	$ 255,833	$ 330,106	$ 756,740	$ 757,502	$ 768,568	$ 757,815	$ 745,837	$ 720,807	$ 706,
Operating Return on Average Tangible Common Equity[3]	11.01%	6.61%	14.68%	17.39%	18.09%	15.78%	16.87%	3.27%	12.90%	8.3
Efficiency Ratio	55.61%	56.24%	54.92%	56.41%	51.49%	43.67%	47.12%	47.61%	46.02%	46.7
Operating Efficiency Ratio	55.61%	52.70%	49.60%	43.80%	43.66%	42.36%	45.67%	47.61%	45.74%	46.6

[1] Loss on sale of disposed branch assets for the three months ended June 30, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.
[2] Lease exit costs, net for the year ended December 31, 2018 includes a $1.5 million consent fee and $240 thousand in professional services paid in January 2018 to separately assign and sublease two of our branch leases that we ceased using in 2017 offset by the reversal of the corresponding assigned lease cease-use liability totaling $669 thousand.
[3] Annualized ratio.

Reconciliation of Non-GAAP Financial Measures

	For the Three Months Ended				
($ in thousands, except for per share data)	June 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	June 30, 20
Operating Noninterest Income					
Noninterest Income	$ 6,034	$ 8,430	$ 7,132	$ 7,247	$ 21,29
Plus: Loss (Gain) on Sale of Securities Available for Sale, net	642	-	438	-	(2,87
Operating Noninterest Income	$ 6,676	$ 8,430	$ 7,570	$ 7,247	$ 18,41
Operating Noninterest Expense					
Noninterest Expense	$ 39,896	$ 34,630	$ 36,284	$ 35,545	$ 40,06
Plus: Loss on Sale of Disposed Branch Assets[1]	359	-	-	-	
Plus: FHLB Pre-Payment Fees	-	-	-	-	1,56
Plus: Merger and Acquisition Expenses	5,431	1,035	918	-	
Operating Noninterest Expense	$ 34,106	$ 33,595	$ 35,366	$ 35,545	$ 38,50
Adjusted Net Interest Margin					
Net Interest Income	$ 71,442	$ 70,874	$ 69,864	$ 67,405	$ 65,75
Less: Loan Accretion	3,592	4,201	5,582	4,455	3,13
Less: Deposit Premium Amortization	1,914	1,210	740	423	26
Adjusted Net Interest Income	$ 65,936	$ 65,463	$ 63,542	$ 62,527	$ 62,36
Total Interest-Earnings Assets	$ 7,160,971	$ 7,213,766	$ 7,272,568	$ 7,388,028	$ 8,001,48
Adjusted Net Interest Margin	3.69%	3.60%	3.47%	3.39%	3.13

[1] Loss on sale of disposed branch assets for the three months ended June 30, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.

VERITEX