

# 2022 / Third Quarter



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HOLDINGS, INC.

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# Safe Harbor and Non-GAAP Measures

## Forward-looking statements

This presentation includes “forward-looking statements”, within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on various facts and derived utilizing assumptions, current expectations, estimates and projections and are subject to known and unknown risks, uncertainties and other factors, which change over time and are beyond our control, that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include, without limitation, statements relating to the expected payment of Veritex Holdings, Inc.’s (“Veritex”) quarterly cash dividend; the impact of certain changes in Veritex’s accounting policies, standards and interpretations; the effects of the COVID-19 pandemic and actions taken in response thereto; and Veritex’s future financial performance, business and growth strategy, projected plans and objectives, as well as other projections based on macroeconomic and industry trends, which are inherently unreliable due to the multiple factors that impact broader economic and industry trends, and any such variations may be material. Statements preceded by, followed by or that otherwise include the words “believes,” “expects,” “anticipates,” “intends,” “projects,” “estimates,” “seeks,” “targets,” “outlooks,” “plans” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “may” and “could” are generally forward-looking in nature and not historical facts, although not all forward-looking statements include the foregoing words. We refer you to the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Veritex’s Annual Report on Form 10-K for the year ended December 31, 2021 and any updates to those risk factors set forth in Veritex’s Quarterly Reports on Form 10-Q, Current Reports 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.gov](http://www.sec.gov). If one or more events related to these or other risks or uncertainties materialize, or if Veritex’s underlying assumptions prove to be incorrect, actual results may differ materially from what Veritex anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Veritex does not undertake any obligation, and specifically declines any obligation, to supplement, update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law. All forward-looking statements, expressed or implied, included in this presentation are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Veritex or persons acting on Veritex’s behalf may issue.

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## Non-GAAP Financial Measures

This presentation contains certain non-GAAP (generally accepted accounting principles) financial measures, including tangible book value per common share (“TBVPS”), tangible common equity to tangible assets, return on average tangible common equity (“ROATCE”), operating earnings, pre-tax, pre-provision (“PTPP”) operating earnings, diluted operating earnings per shares (“EPS”), operating return on average assets (“ROAA”), PTPP operating ROAA, Operating ROATCE, operating efficiency ratio, operating noninterest income, operating noninterest expense and adjusted net interest margin (“NIM”). Veritex’s management uses these non-GAAP financial measures to evaluate its operating performance and provide information that is important to investors. The non-GAAP financial measures that Veritex discusses in this presentation should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Please see “Reconciliation of Non-GAAP Financial Measures” at the end of this presentation for reconciliations of non-GAAP measures to the most directly comparable financial measures calculated in accordance with GAAP.



# Veritex Holdings, Inc.

## Franchise Overview



**\$11.7**

Billion in assets

**2.20%**

PTPP ROAA

**7.0%**

CAGR TBV since  
Green Bank  
acquisition, 1/1/19

**\$1.44**

Billion market cap

**2019**

Best Banks to Work for  
By **AMERICAN BANKER.**

**2020**

Fastest Growing Companies  
By **FORTUNE**

**2021**

Fastest Growing Companies  
By **FORTUNE**



# Strong, Resilient Texas Market

Our platform is powered by the Texas markets we serve



- Behind Texas' strong economy are **49 Fortune 500 companies** headquartered in Texas, **more than 1,600 foreign companies** and 2.7 million small businesses
- Pro-business environment** with no personal or corporate income taxes and the leading destination for companies relocating from other states. From May 2021 to 2022, Texas increased jobs by 6.1%
- Texas is the **#1 exporting state in the nation** for the 19th consecutive year, exporting \$279 billion in goods in 2020



- 4<sup>th</sup> largest MSA in the U.S. by population
- 2<sup>nd</sup> highest projected household income among Texas MSAs
- 22 Fortune 500 companies
- 176 companies have relocated to DFW since 2010
- 2<sup>nd</sup> best job center in the U.S. for technology professions in 2020



- 5<sup>th</sup> largest MSA in the U.S. by population
- 7<sup>th</sup> largest metro economy in the U.S. by GDP
- 5<sup>th</sup> in U.S. job growth since 2010
- 3<sup>rd</sup> highest concentration of Fortune 500 companies in the U.S.
- 35 companies have relocated to Houston since 2010

## Superior Growth Profile

Market	VBTX Deposits	Current Population	Projected ('22E - '27E) Population Growth vs. National
DFW	\$5.3B	7.8M	1.9x
Houston	\$1.8	7.3	1.9x
Texas	\$7.1	29.8	1.7x

## Corporate Relocations to Texas



Examples of companies moving to call Texas home during 2020 – 2021 are diverse across sector and size

Source: Bureau of Labor Statistics; Dallas Chamber of Commerce; Greater Houston Partnership; YTexas; Houston.org; S&P Global Market Intelligence



# Third Quarter 2022 Highlights

## Record quarterly dollar earnings

Financial Highlights (\$M)	Q3 2022	Q2 2022	Q3 2021
Net Interest Income	\$101.0	\$84.5	\$71.3
Non-Interest Revenue	13.0	10.4	15.6
Total Revenue	114.0	94.9	86.9
Non-Interest Expense	51.0	48.2	41.3
PTPP	63.0	46.7	45.6
Provision for Credit Losses	7.5	9.0	(0.4)
Income Tax Expense	12.2	8.1	9.2
Net Income	43.3	29.6	36.8

## Key Performance Metrics

Diluted EPS / Operating (\$)	0.79 / 0.80	0.54 / 0.55	0.73 / 0.70
BVPS / TBVPS (\$)	26.15 / 17.91	26.50 / 18.20	26.09 / 17.53
ROAA / Operating (%)	1.50 / 1.51	1.11 / 1.12	1.56 / 1.48
Efficiency Ratio / Operating (%)	44.71 / 44.37	50.76 / 50.45	47.55 / 48.51
ROATCE / Operating ROATCE (%)	17.82 / 17.94	12.68 / 12.77	17.72 / 16.92

## Strong Balance Sheet

- ◇ Total capital of \$1.4 billion; up \$44 million in 3Q22
- ◇ Return on average tangible common equity increased to 17.8% in 3Q22 compared to 12.7% in 2Q22
- ◇ Non-performing assets (“NPAs”) to total assets decreased to 0.26%, or 14 bps, from 2Q22
- ◇ Net charge-offs to average loans outstanding of 3 bp during 3Q22 and 10 bps for 2022 year to date
- ◇ Declared a \$0.20 quarterly dividend
- ◇ Common stock offering completed on March 3, 2022 providing net proceeds of ~\$153.8 million and improving regulatory capital levels

## Profitability

- ◇ Operating earnings of \$43.6 million, or \$0.80 per diluted share
- ◇ PTPP ROAA of 2.20%
- ◇ Net interest margin increased to 3.77%, up 35 bps
- ◇ Balance sheet positioning and growth initiatives drove net interest income up 19.6% quarter over quarter as interest rates continue to rise

## Growth Momentum

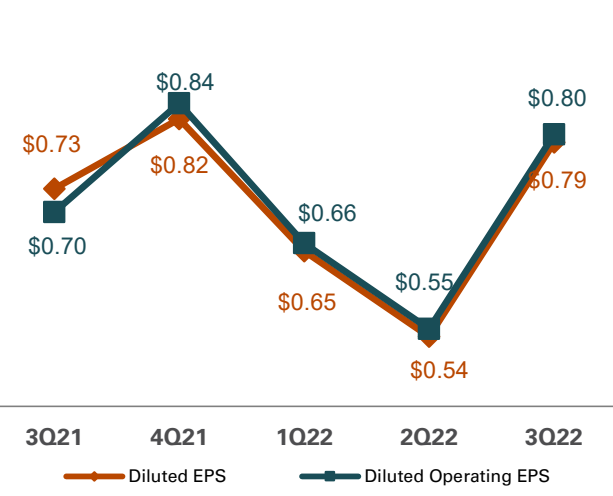
- ◇ Total loans held for investment (“LHI”), excluding mortgage warehouse (“MW”) and Paycheck Protection Program (“PPP”) loans, increased \$594.6 million, or 30.0% annualized
- ◇ Total deposits grew \$230.7 million, or 10.8% annualized



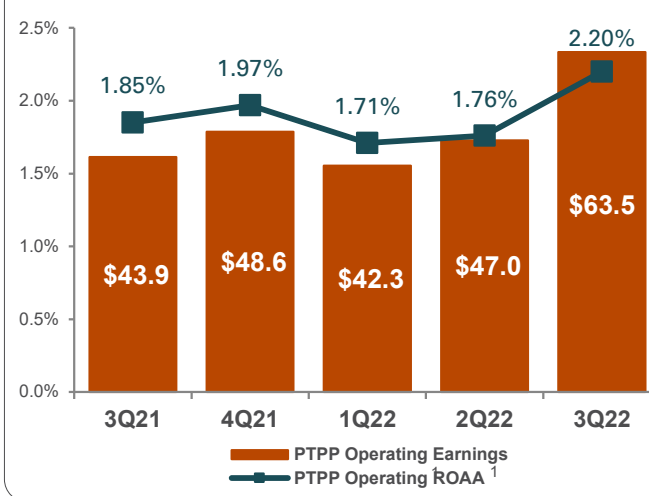
# Key Financial Metrics

**PTPP increased 44 bps in 3Q22 to 2.20%**

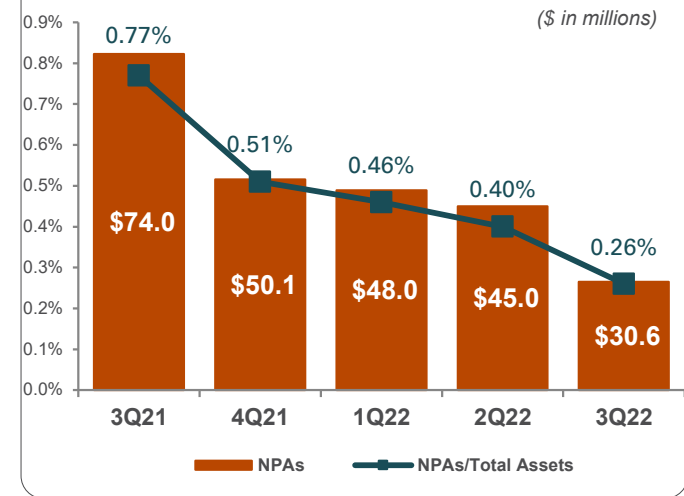
### Diluted EPS (\$)



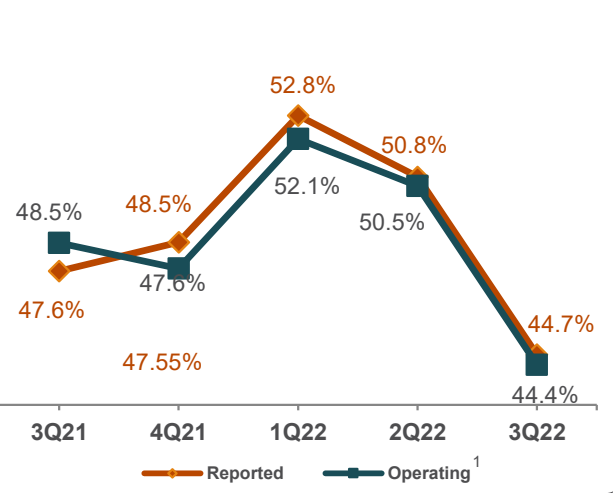
### PTPP ROAA



### NPAs / Total Assets



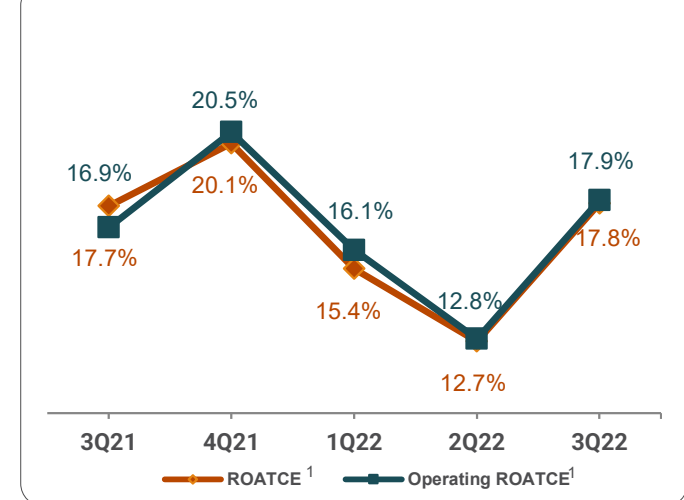
### Efficiency Ratio



### TBVPs



### ROATCE

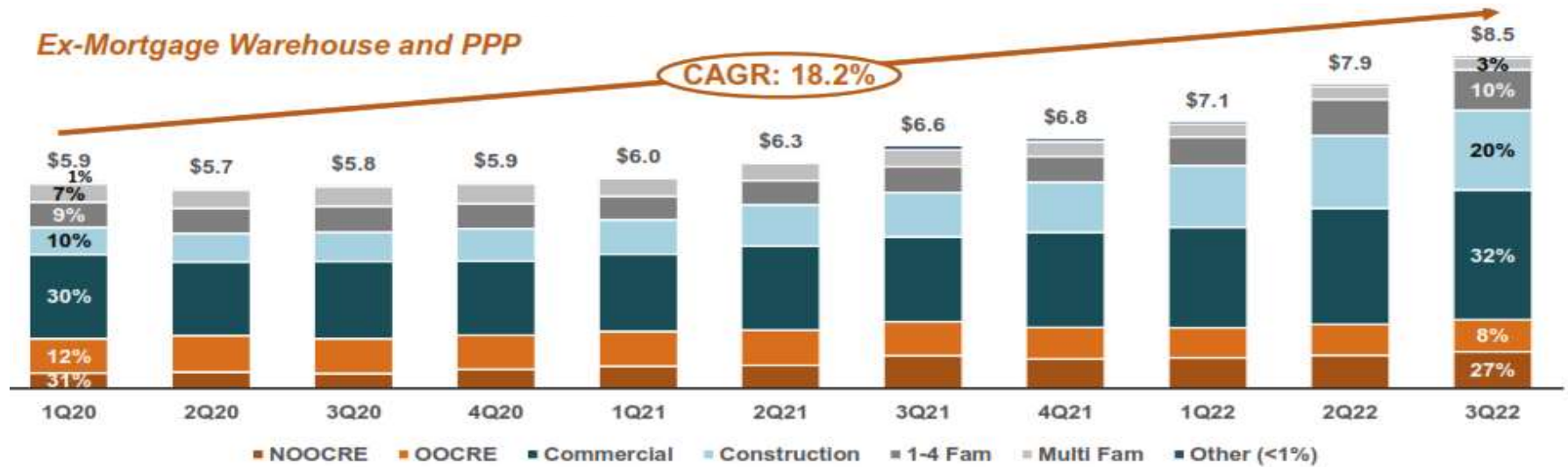


<sup>1</sup> Please refer to the "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures

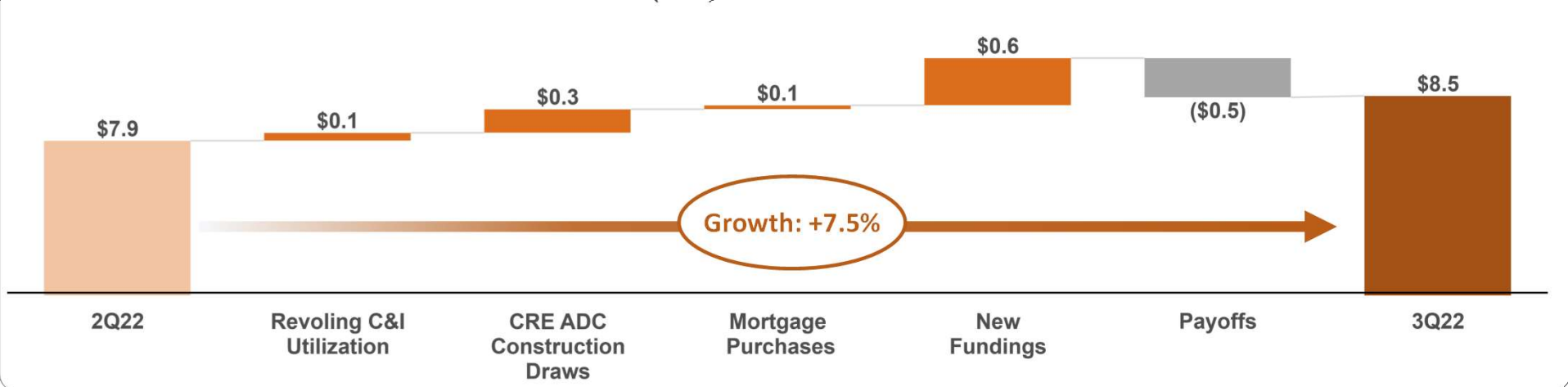
# Disciplined Lending in Growing Texas Market

**Strong broad growth; CAGR 18.2%**

Pandemic-Era Loan Growth (\$B)



Quarter over Quarter Loan Growth (\$B)



# Disciplined Lending in Texas

30-35% of 2022 Growth driven from new hires since the start of the pandemic



Investment in Talent Paying Off

- ◇ Hired 40 new producers since the beginning of the pandemic
- ◇ New hires accounting for between 30 – 35% of net loan growth during 2022
- ◇ Banker productivity beginning to season on the Veritex platform

- ◇ Benefiting from client relationship growth and utilization
- ◇ Significant new client wins

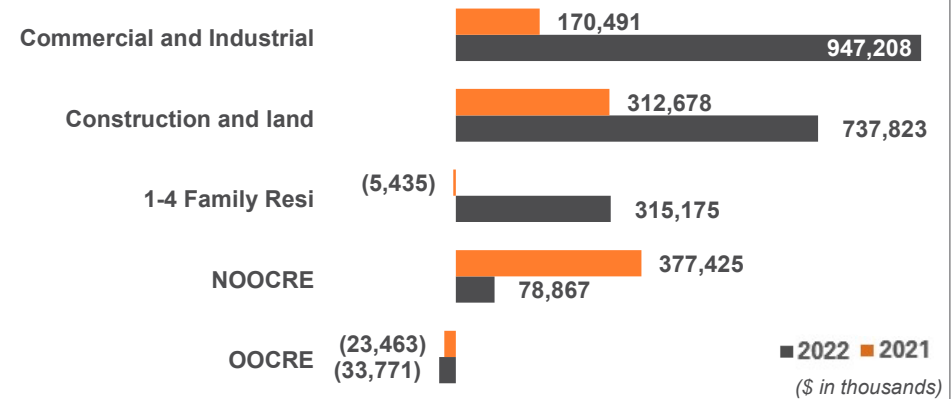


Trending Positive Net Production

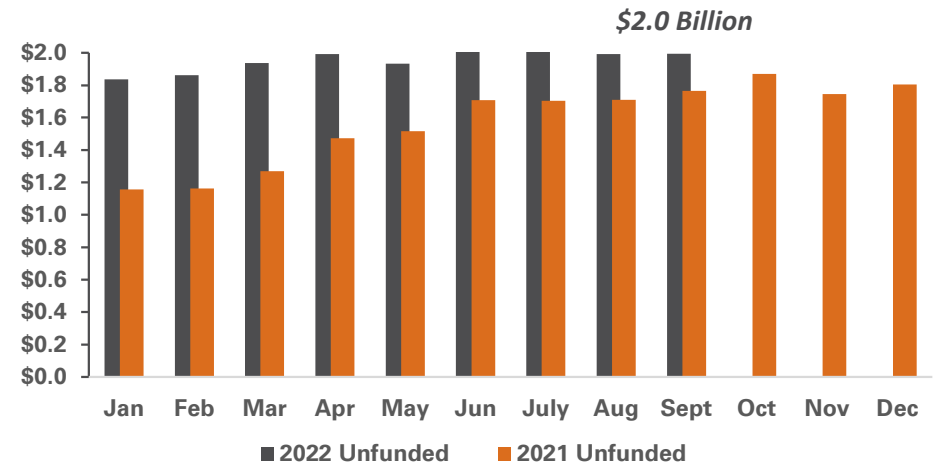
Loan Production vs Payoffs:



YTD Growth by Portfolio



CRE ADC Construction LOC Current Unfunded (Non-Revolving)

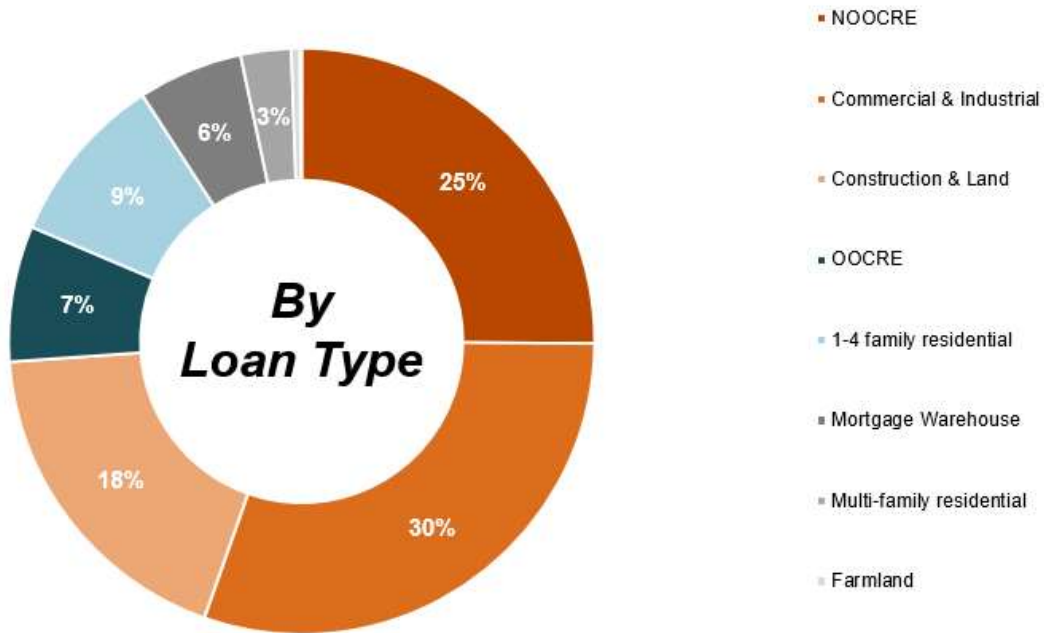




# Prudent Underwriting

*\$1.7 Billion in Production in 3Q22*

## Quarterly Loan Production



3Q22 Production: \$1.7 billion



Diversified loan production across loan and market type



Attractive markets undergoing structural growth with in-footprint experience



Prudent underwriting consistent with past practice and aligned with risk appetite



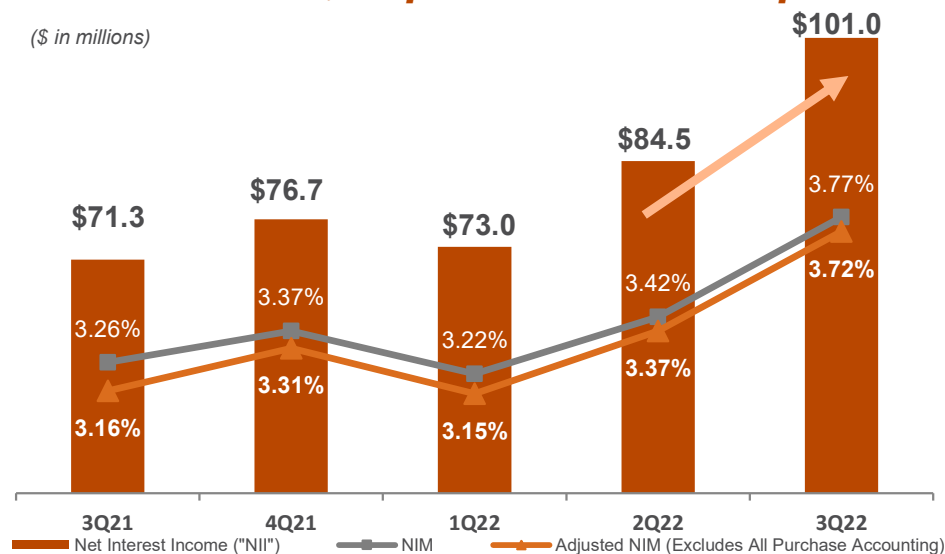
Relationship banking and high-touch service yielding profitable growth at attractive spreads



# Growing Net Interest Income

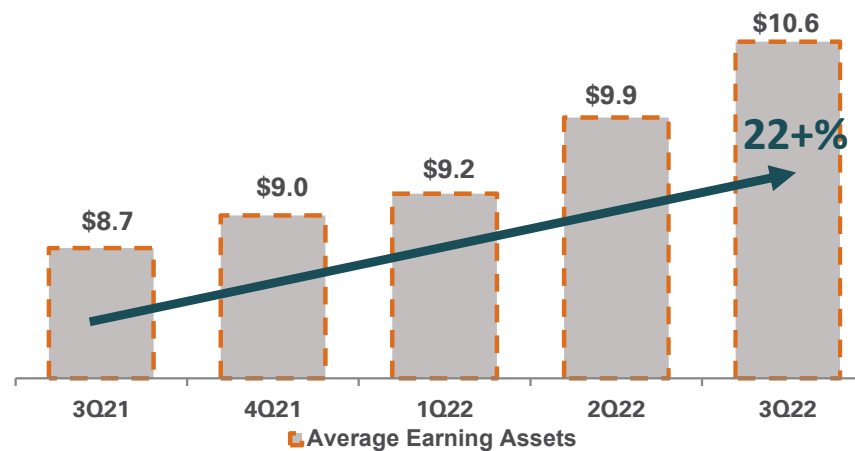
**Record NII, expanded NIM 35 bps**

(\$ in millions)



## Average Earnings Assets

(\$ in billions)



## Net Interest Income Rollforward

(\$ in thousand)

<b>2Q22 Net Interest Income</b>	<b>\$84,480</b>
Impact of rate changes	8,372
Impact of growth	6,574
Change due to day count	1,098
Change in earning asset mix and other	516
<b>3Q22 Net Interest Income</b>	<b>\$101,040</b>

## Interest Rate Sensitivity

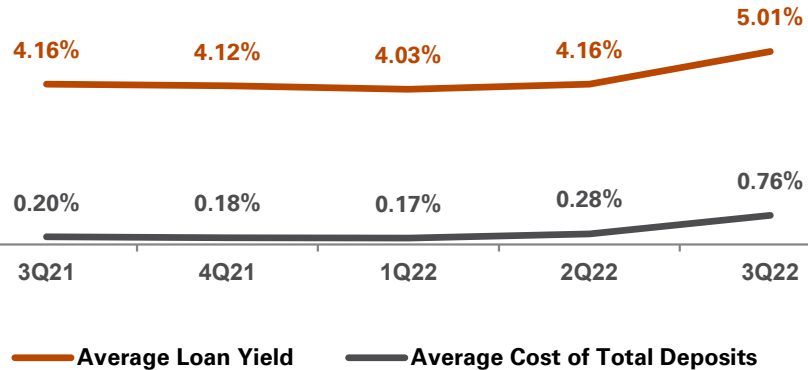
Interest Rate Scenario	Forecasted Net Interest Income (\$ in millions)	Percentage Change From Base	Forecasted Net Interest Margin	Forecasted Net Interest Margin Change from Base
Up 300 bps	\$ 514.5	10.05%	4.66%	9.91%
Up 200 bps	\$ 499.0	6.73%	4.52%	6.60%
Up 100 bps	\$ 483.4	3.40%	4.38%	3.30%
BASE CASE	\$ 467.5	0.00%	4.24%	0.00%
Down 100 bps	\$ 447.3	-4.34%	4.06%	-4.25%



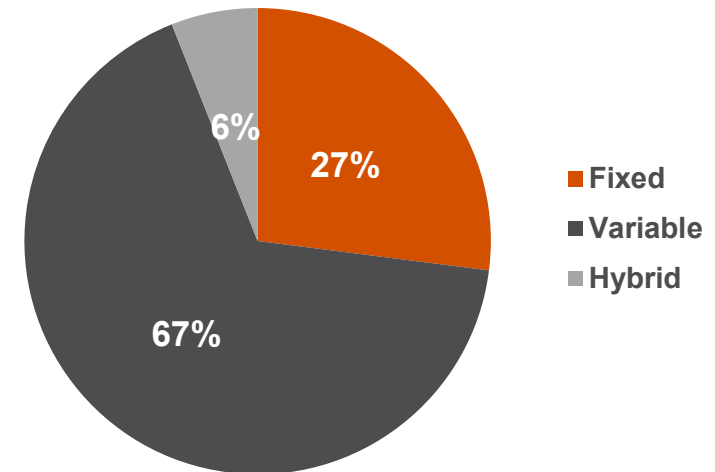
# Interest Rate Components of Loans and Investments

**Loan yield up 85 bps and deposit rates up 48 bps**

5 Quarter Trend, exc. MW and PPP

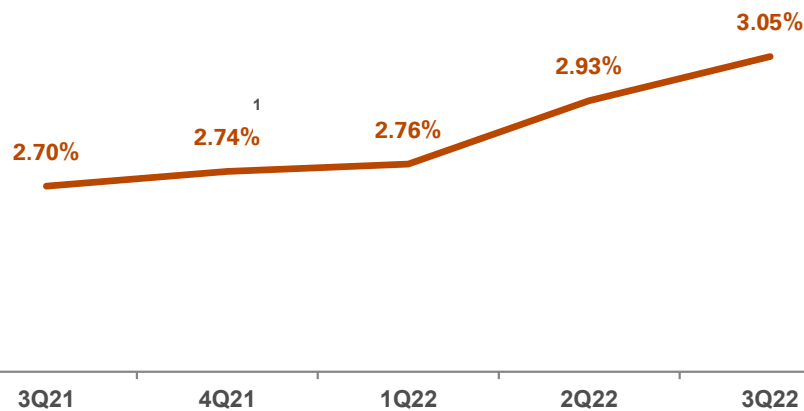


Loan Portfolio by Repricing Type



## Debt Investment Yields

5 quarter investment yield trend, excluding prepayments



## Variable and Hybrid Loans by Index

Variable and Hybrid Loans by Rate Index	Amount (in millions)	% of Variable and Hybrid Loans
1-Month LIBOR	\$ 2,741.3	41.5%
12-Month LIBOR	\$ 302.5	4.6%
SOFR	\$ 1,991.5	30.1%
Prime Rate	\$ 1,563.2	23.7%
Other	\$ 7.8	0.1%
<b>Total Variable and Hybrid Loans</b>	<b>\$ 6,606.3</b>	<b>100.0%</b>



<sup>1</sup> Excludes \$2.1 million of prepayment penalty income on debt securities during 4Q21.

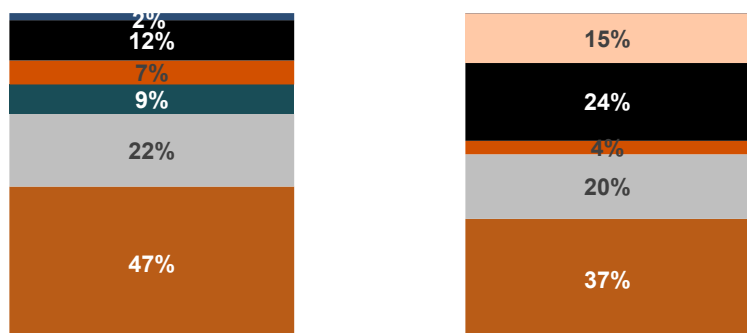
# Operating Noninterest Income/Expense

*Efficiency ratio improved to 44.7%*

## 3Q22 / 2Q22 Noninterest Income Comparison

**\$10,378**

**\$13,021**



2Q22

3Q22

- Service Charges & Fees on Deposit Accounts
- Equity Method Invest.
- Customer Swap Income
- Gain on MLHFS
- Loan Fees
- Govt. Guaranteed Loan Income
- Other

Note: Excludes noninterest income line items in a loss position

- ◇ Customer swap income increased 154% primarily due to increased trades executed during 3Q22 compared to 2Q22 and talent investment
- ◇ Other income increased \$2.0 million primarily due to \$2.1 million in service asset valuation adjustments taken during 3Q22
- ◇ Equity method investment income decreased \$2.0 million primarily due to the increase in interest rates and the corresponding impact on volume

## 3Q22 / 2Q22 Noninterest Expense Comparison

**\$47,858**

**\$50,607**



2Q22

3Q22

- Salary and Employee Benefits
- Occupancy and Equip.
- Prof. Fees
- Marketing
- Other
- Data Processing
- Amort. Of Intang.

- ◇ Salaries and employee benefits increased \$2.8 million, or 10%, from 2Q22 primarily due to new talent hires during 3Q22, increases in lender incentives and inflation
- ◇ Professional and regulatory fees increased \$853 thousand, or 30%, primarily due to the Company's increase in asset size and the corresponding increase in FDIC assessment fees

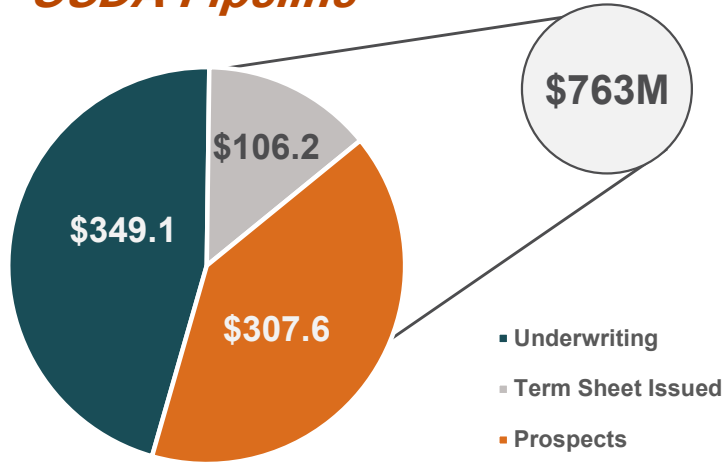


# Government Guaranteed and Thrive

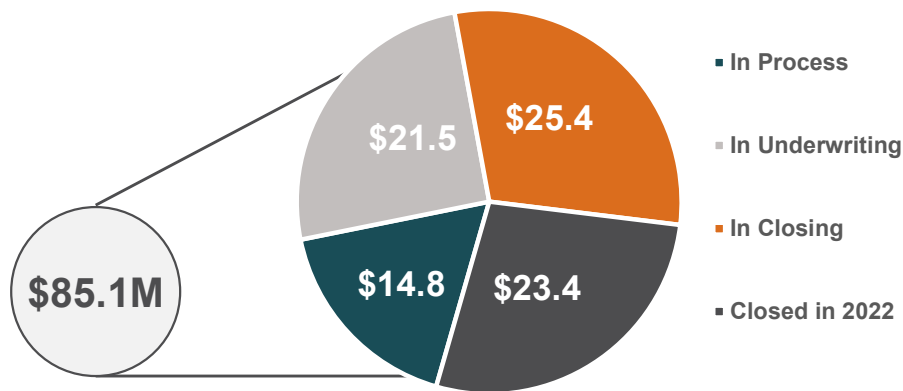
## Government Guaranteed

(\$ in millions)

### USDA Pipeline



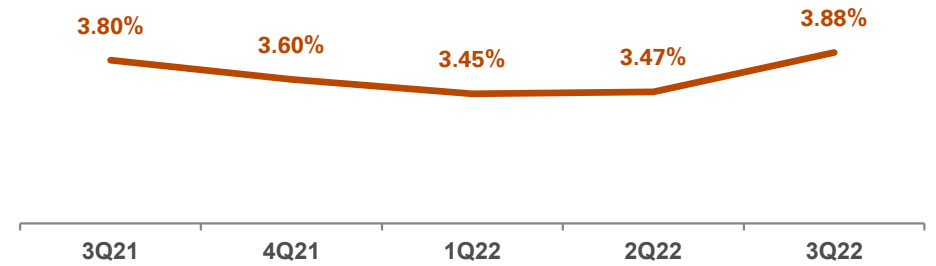
### SBA Pipeline



## Thrive Mortgage, LLC

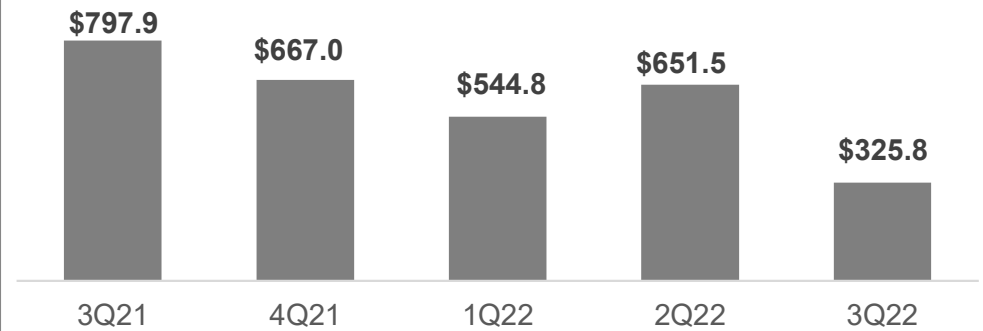
(Investment completed on July 19, 2021)

### Gain on Sale %



### Total Volume

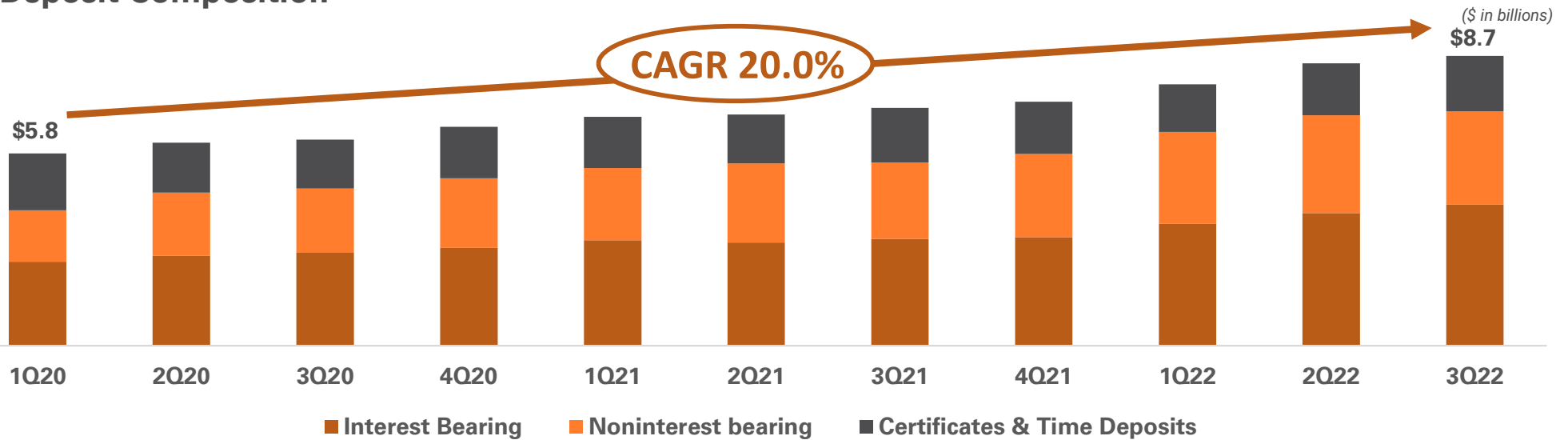
(\$ in millions)



# Deposit Growth

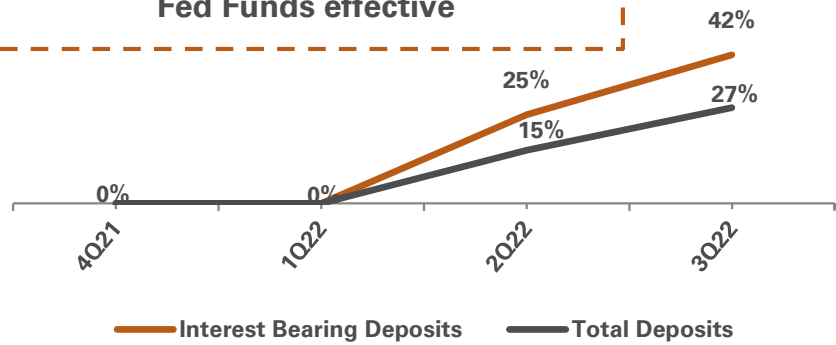
*Strong deposit management; CAGR of 20.0%*

## Deposit Composition



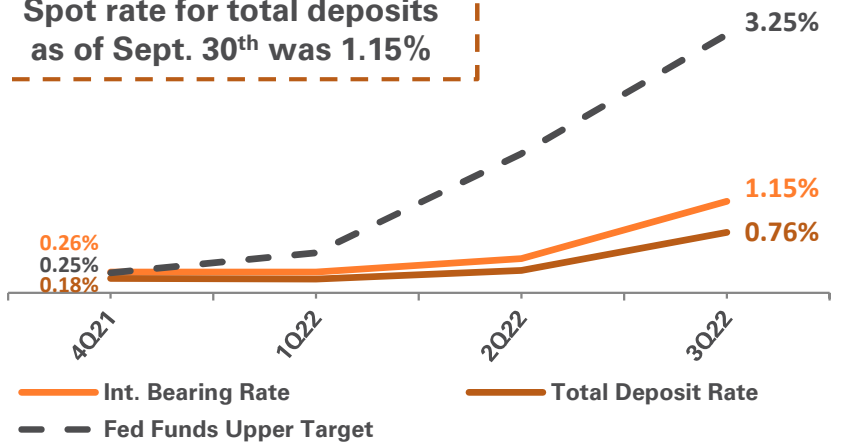
## Rate Hike Beta Trends

Cumulative change in deposit costs over cumulative change in average Fed Funds effective



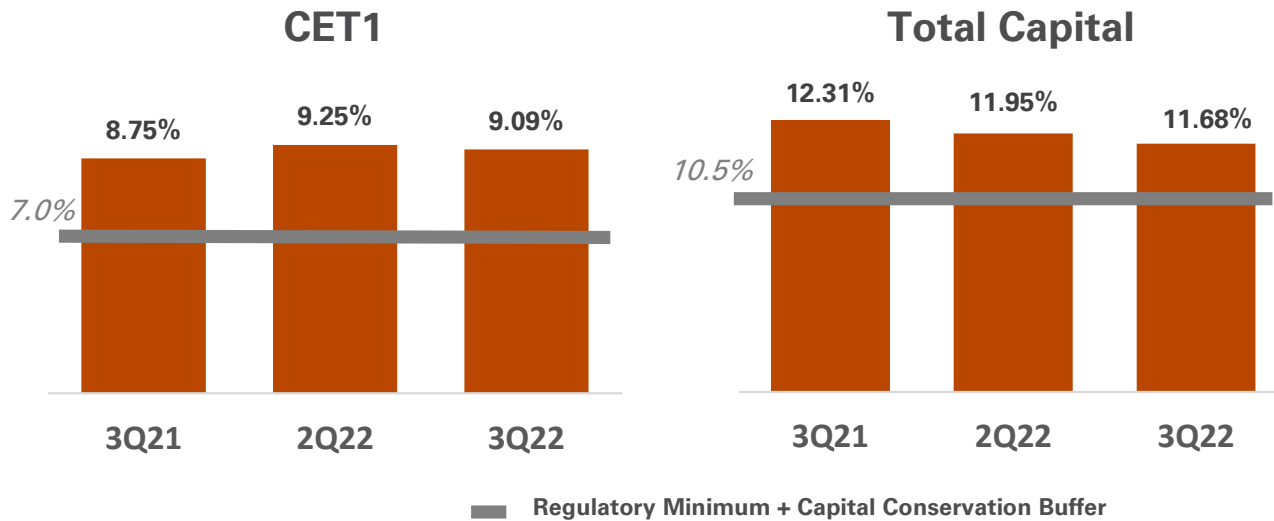
## Rates and Fed Funds Target

Spot rate for total deposits as of Sept. 30<sup>th</sup> was 1.15%



# Strong Capital Supporting Balance Sheet

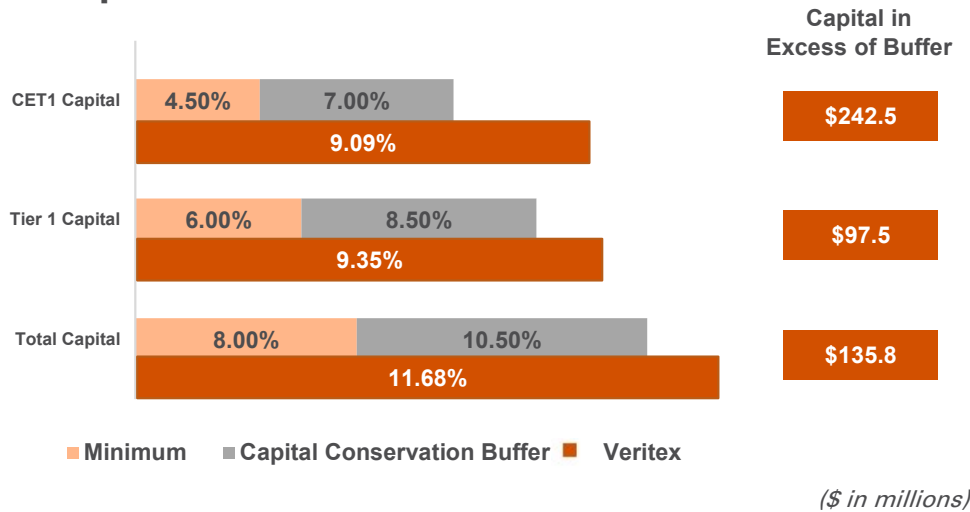
**CET1 focus with target 10%**



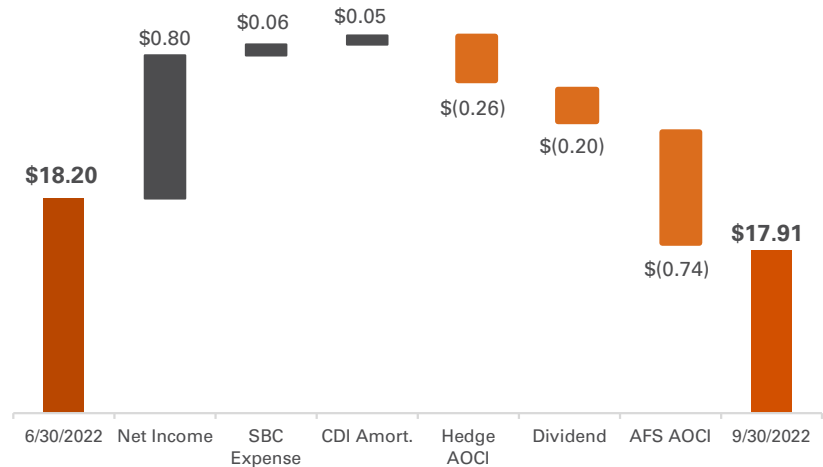
## Capital Priorities

- Support organic growth
- Maintain strong debt ratings
- Provide attractive dividend
- Strategic growth, including M&A

## Capital Levels



## TBVPS



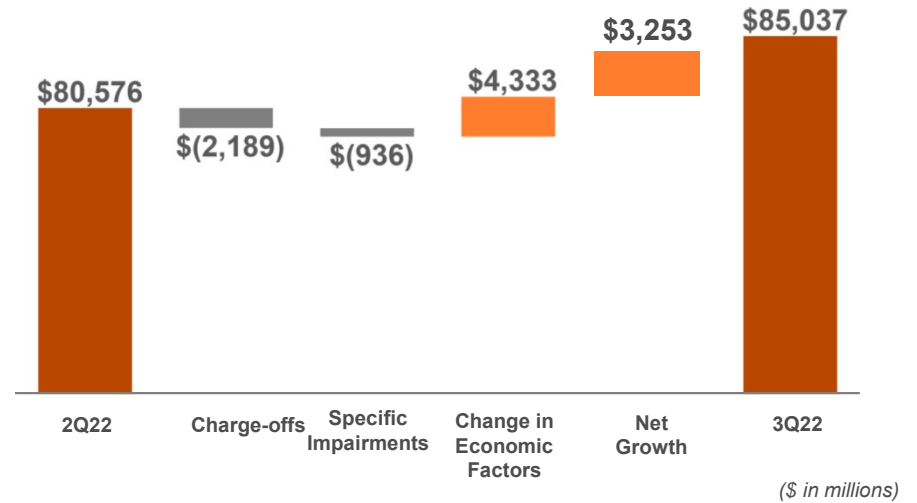
# Improving Asset Quality and ACL

**Strong credit metrics; reserves reflect uncertain economic outlook**

Past Due Trend<sup>1</sup> % of Total Loans<sup>2</sup>

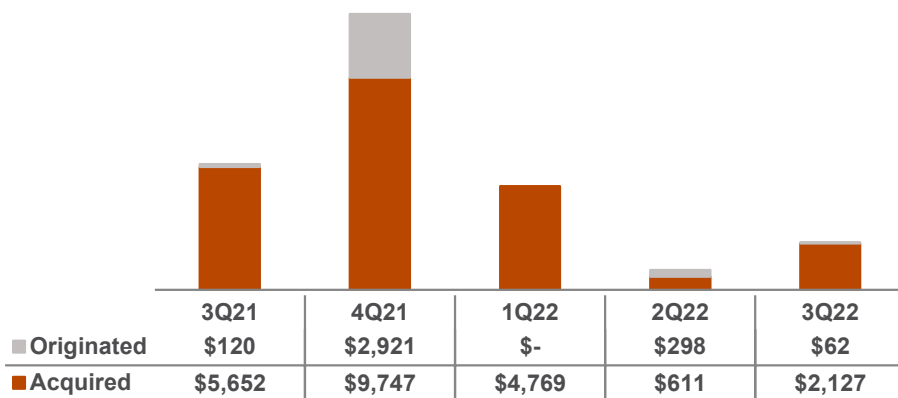


ACL

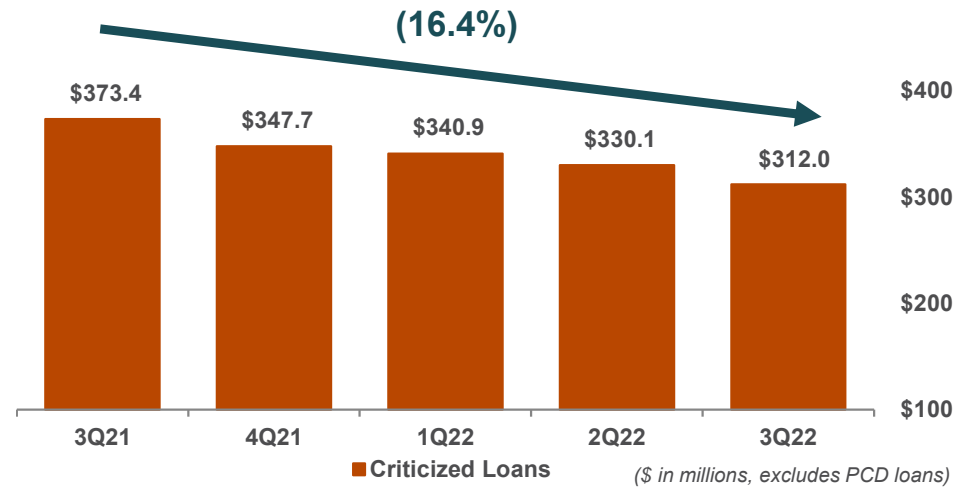


Net Charge-offs

*(\$ in thousands)*



Quarterly Criticized Loans



<sup>1</sup> Past due loans exclude purchased credit deteriorated loans that are accounted for on a pooled basis and non-accrual loans.

<sup>2</sup> Total loans excludes Loans Held for Sale, MW and PPP loans.



# Supplemental Information



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# Reconciliation of Non-GAAP Financial Measures

	As of				
	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
	(Dollars in thousands, except per share data)				
<b>Tangible Common Equity</b>					
Total stockholders' equity	\$ 1,411,899	\$ 1,429,442	\$ 1,447,996	\$ 1,315,079	\$ 1,284,160
Adjustments:					
Goodwill	(404,452)	(404,452)	(404,452)	(403,771)	(370,840)
Core deposit intangibles	(40,684)	(43,122)	(45,560)	(47,998)	(50,436)
<b>Tangible common equity</b>	<b>\$ 966,763</b>	<b>\$ 981,868</b>	<b>\$ 997,984</b>	<b>\$ 863,310</b>	<b>\$ 862,884</b>
Common shares outstanding	53,988	53,951	53,907	49,372	49,229
Book value per common share	\$ 26.15	\$ 26.50	\$ 26.86	\$ 26.64	\$ 26.09
Tangible book value per common share	\$ 17.91	\$ 18.20	\$ 18.51	\$ 17.49	\$ 17.53

	As of				
	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
	(Dollars in thousands)				
<b>Tangible Common Equity</b>					
Total stockholders' equity	\$ 1,411,899	\$ 1,429,442	\$ 1,447,996	\$ 1,315,079	\$ 1,284,160
Adjustments:					
Goodwill	(404,452)	(404,452)	(404,452)	(403,771)	(370,840)
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<b>Tangible Assets</b>					
Total assets	\$ 11,714,454	\$ 11,304,811	\$ 10,453,680	\$ 9,757,249	\$ 9,572,300
Adjustments:					
Goodwill	(404,452)	(404,452)	(404,452)	(403,771)	(370,840)
Core deposit intangibles	(40,684)	(43,122)	(45,560)	(47,998)	(50,436)
<b>Tangible Assets</b>	<b>\$ 11,269,318</b>	<b>\$ 10,857,237</b>	<b>\$ 10,003,668</b>	<b>\$ 9,305,480</b>	<b>\$ 9,151,024</b>
<b>Tangible Common Equity to Tangible Assets</b>	<b>8.58 %</b>	<b>9.04 %</b>	<b>9.98 %</b>	<b>9.28 %</b>	<b>9.43 %</b>



# Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended					For the Nine Months Ended	
	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021
	(Dollars in thousands)						
<b>Net income available for common stockholders adjusted for amortization of core deposit intangibles</b>							
Net income	\$ 43,322	\$ 29,626	\$ 33,470	\$ 41,506	\$ 36,835	\$ 106,418	\$ 98,078
Adjustments:							
Plus: Amortization of core deposit intangibles	2,438	2,438	2,438	2,438	2,438	7,314	7,323
Less: Tax benefit at the statutory rate	512	512	512	512	512	1,536	1,538
<b>Net income available for common stockholders adjusted for amortization of core deposit intangibles</b>	<b>\$ 45,248</b>	<b>\$ 31,552</b>	<b>\$ 35,396</b>	<b>\$ 43,432</b>	<b>\$ 38,761</b>	<b>\$ 112,196</b>	<b>\$ 103,863</b>
<b>Average Tangible Common Equity</b>							
Total average stockholders' equity	\$1,453,816	\$1,447,377	\$1,357,448	\$1,301,676	\$1,290,528	\$1,419,900	\$1,256,640
Adjustments:							
Average goodwill	(404,452)	(404,452)	(404,014)	(393,220)	(370,840)	(404,308)	(370,840)
Average core deposit intangibles	(42,230)	(44,720)	(47,158)	(49,596)	(52,043)	(41,470)	(54,458)
<b>Average tangible common equity</b>	<b>\$1,007,134</b>	<b>\$ 998,205</b>	<b>\$ 906,276</b>	<b>\$ 858,860</b>	<b>\$ 867,645</b>	<b>\$ 974,122</b>	<b>\$ 831,342</b>
<b>Return on Average Tangible Common Equity (Annualized)</b>	<b>17.82 %</b>	<b>12.68 %</b>	<b>15.84 %</b>	<b>20.06 %</b>	<b>17.72 %</b>	<b>15.40 %</b>	<b>16.70 %</b>



# Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended					For the Nine Months Ended	
	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021
(Dollars in thousands, except per share data)							
<b>Operating Earnings</b>							
Net income	\$ 43,322	\$ 29,626	\$ 33,470	\$ 41,506	\$ 36,835	\$ 106,418	\$ 98,078
Plus: Severance payments <sup>1</sup>	—	—	—	—	—	—	627
Plus: Loss on sale of debt securities AFS, net	—	—	—	—	188	—	188
Less: Thrive PPP loan forgiveness income <sup>2</sup>	—	—	—	—	1,912	—	1,912
Plus: M&A expenses	384	295	700	826	—	1,379	—
Operating pre-tax income	43,706	29,921	34,170	42,332	35,111	107,797	96,981
Less: Tax impact of adjustments	81	66	156	(78)	39	303	170
Plus: Nonrecurring tax adjustments <sup>3</sup>	—	—	—	—	—	—	426
Operating earnings	\$ 43,625	\$ 29,855	\$ 34,014	\$ 42,410	\$ 35,072	\$ 107,494	\$ 97,237
<b>Weighted average diluted shares outstanding</b>	54,633	54,646	51,571	50,441	50,306	53,655	50,230
<b>Diluted EPS</b>	\$ 0.79	\$ 0.54	\$ 0.65	\$ 0.82	\$ 0.73	\$ 1.98	\$ 1.95
<b>Diluted operating EPS</b>	\$ 0.80	\$ 0.55	\$ 0.66	\$ 0.84	\$ 0.70	\$ 2.00	\$ 1.94

<sup>1</sup> Severance payments relate to branch restructurings made during the three months ended June 30, 2021.

<sup>2</sup> During the third quarter of 2021, Thrive's PPP loan with another bank was 100% forgiven by the Small Business Administration. As a result of our 49% investment in Thrive, the \$1.9 million represents our portion of the PPP loan forgiveness. PPP fee income is not taxable and as such has no tax impact.

<sup>3</sup> A nonrecurring tax adjustment of \$426 thousand recorded in the first quarter of 2021 was due to a true-up of a deferred tax liability.



# Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended				For the Nine Months Ended		
	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Sep 30, 2021	
	(Dollars in thousands)						
<b>Pre-Tax, Pre-Provision Operating Earnings</b>							
Net income	\$ 43,322	\$ 29,626	\$ 33,470	\$ 41,506	\$ 36,835	\$ 106,418	\$ 98,078
Plus: Provision for income taxes	12,248	8,079	8,102	10,697	9,195	28,429	26,025
Plus: Provision (benefit) for credit losses and unfunded commitments	7,500	9,000	(7)	(4,389)	(448)	16,493	(441)
Plus: Severance payments	—	—	—	—	—	—	627
Plus: Loss on sale of debt securities AFS, net	—	—	—	—	188	—	188
Less: Thrive PPP loan forgiveness income	—	—	—	—	1,912	—	1,912
Plus: M&A expenses	384	295	700	826	—	1,379	—
<b>Pre-tax, pre-provision operating earnings</b>	<b>\$ 63,454</b>	<b>\$ 47,000</b>	<b>\$ 42,265</b>	<b>\$ 48,640</b>	<b>\$ 43,858</b>	<b>\$ 152,719</b>	<b>\$ 122,565</b>
<b>Average total assets</b>	<b>\$11,460,857</b>	<b>\$10,711,663</b>	<b>\$9,998,922</b>	<b>\$9,788,671</b>	<b>\$9,385,470</b>	<b>\$10,729,169</b>	<b>\$9,217,649</b>
<b>Pre-tax, pre-provision operating return on average assets<sup>1</sup></b>	<b>2.20 %</b>	<b>1.76 %</b>	<b>1.71 %</b>	<b>1.97 %</b>	<b>1.85 %</b>	<b>1.90 %</b>	<b>1.78 %</b>
<b>Average total assets</b>	<b>\$11,460,857</b>	<b>\$10,711,663</b>	<b>\$9,998,922</b>	<b>\$9,788,671</b>	<b>\$9,385,470</b>	<b>\$10,729,169</b>	<b>\$9,217,649</b>
<b>Return on average assets<sup>1</sup></b>	<b>1.50 %</b>	<b>1.11 %</b>	<b>1.36 %</b>	<b>1.68 %</b>	<b>1.56 %</b>	<b>1.33 %</b>	<b>1.42 %</b>
<b>Operating return on average assets<sup>1</sup></b>	<b>1.51</b>	<b>1.12</b>	<b>1.38</b>	<b>1.72</b>	<b>1.48</b>	<b>1.34</b>	<b>1.41</b>



# Reconciliation of Non-GAAP Financial Measures

<b>Operating earnings adjusted for amortization of core deposit intangibles</b>							
Operating earnings	\$ 43,625	\$ 29,855	\$ 34,014	\$ 42,410	\$ 35,072	\$ 107,494	\$ 97,237
Adjustments:							
Plus: Amortization of core deposit intangibles	2,438	2,438	2,438	2,438	2,438	7,314	7,323
Less: Tax benefit at the statutory rate	512	512	512	512	512	1,536	1,538
<b>Operating earnings adjusted for amortization of core deposit intangibles</b>	<b>\$ 45,551</b>	<b>\$ 31,781</b>	<b>\$ 35,940</b>	<b>\$ 44,336</b>	<b>\$ 36,998</b>	<b>\$ 113,272</b>	<b>\$ 103,022</b>
<b>Average Tangible Common Equity</b>							
Total average stockholders' equity	\$1,453,816	\$1,447,377	\$1,357,448	\$1,301,676	\$1,290,528	\$1,419,900	\$1,256,640
Adjustments:							
Less: Average goodwill	(404,452)	(404,452)	(404,014)	(393,220)	(370,840)	(404,308)	(370,840)
Less: Average core deposit intangibles	(42,230)	(44,720)	(47,158)	(49,596)	(52,043)	(41,470)	(54,458)
<b>Average tangible common equity</b>	<b>\$1,007,134</b>	<b>\$ 998,205</b>	<b>\$ 906,276</b>	<b>\$ 858,860</b>	<b>\$ 867,645</b>	<b>\$ 974,122</b>	<b>\$ 831,342</b>
<b>Operating return on average tangible common equity<sup>1</sup></b>	<b>17.94 %</b>	<b>12.77 %</b>	<b>16.08 %</b>	<b>20.48 %</b>	<b>16.92 %</b>	<b>15.55 %</b>	<b>16.57 %</b>
<b>Efficiency ratio</b>							
Net interest income	\$ 101,040	\$ 84,480	\$ 73,040	\$ 76,741	\$ 71,276	\$ 258,560	\$ 204,042
Noninterest income	13,021	10,378	15,097	16,150	15,627	38,496	42,255
Plus: Loss on sale of AFS securities, net	—	—	—	—	188	—	188
Less: Thrive PPP loan forgiveness income	—	—	—	—	1,912	—	1,912
Operating noninterest income	13,021	10,378	15,097	16,150	13,903	38,496	40,531
Noninterest expense	50,991	48,153	46,572	45,077	41,321	145,716	122,635
Less: Severance payments	—	—	—	—	—	—	627
Less: M&A expenses	384	295	700	826	—	1,379	—
Operating noninterest expense	\$ 50,607	\$ 47,858	\$ 45,872	\$ 44,251	\$ 41,321	\$ 144,337	\$ 122,008
<b>Operating efficiency ratio</b>	<b>44.37 %</b>	<b>50.45 %</b>	<b>52.05 %</b>	<b>47.64 %</b>	<b>48.51 %</b>	<b>48.59 %</b>	<b>49.89 %</b>

<sup>1</sup> Annualized ratio for quarterly metrics.



2022 / Third Quarter



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