

**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): January 26, 2021

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

Texas
(State or other jurisdiction of
incorporation or organization)

001-36682
(Commission File Number)

27-0973566
(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 2.02 Results of Operations and Financial Condition
Item 7.01 Regulation FD Disclosure

On January 26, 2021, Veritex Holdings, Inc. (the "Company"), the holding company for Veritex Community Bank, a Texas state chartered bank, issued a press release describing its results of operations for the fourth quarter and year ended December 31, 2020. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On Wednesday, January 27, 2021 at 8:30 a.m., Central Time, the Company will host an investor conference call and webcast to review its fourth quarter and year end financial results. The webcast will include a slide presentation that consists of information regarding the Company's operating and growth strategies and financial performance. The presentation materials will be posted on the Company's website on January 26, 2021. The presentation materials are attached hereto as Exhibit 99.2, which is incorporated by reference.

As provided in General Instruction B.2 to Form 8-K, the information furnished in Item 2.02, Item 7.01, Exhibit 99.1 and Exhibit 99.2 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 8.01 Other Events

On January 26, 2021, the Company issued a press release announcing the declaration of a quarterly cash dividend of \$0.17 per share on its outstanding common stock. The dividend will be paid on or after February 18, 2021 to shareholders of record as of the close of business on February 4, 2021. The press release is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release, dated January 26, 2021
99.2	Presentation materials
99.3	Press release, dated January 26, 2021
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: January 26, 2021

Veritex Holdings, Inc. Reports Fourth Quarter and Year-End 2020 Operating Results

Dallas, TX — January 26, 2021 — Veritex Holdings, Inc. (“Veritex” or the “Company”) (Nasdaq: VBTX), the holding company for Veritex Community Bank, today announced the results for the fourth quarter and full year of 2020. Net income for the quarter ended December 31, 2020 totaled \$22.8 million, or \$0.46 diluted earnings per share (“EPS”), compared to \$22.9 million, or \$0.46 diluted EPS, for the quarter ended September 30, 2020 and \$29.1 million, or \$0.56 diluted EPS, for the quarter ended December 31, 2019. Operating earnings for the quarter ended December 31, 2020 totaled \$29.7 million, or \$0.60 diluted operating EPS¹, compared to \$22.9 million, or \$0.46 diluted operating EPS¹, for the quarter ended September 30, 2020 and \$30.3 million, or \$0.58 diluted operating EPS¹, for the quarter ended December 31, 2019.

“2020 certainly proved to be a very challenging year given the economic disruption from the pandemic. Yet through it all, the team executed well and delivered strong results,” said C Malcolm Holland, III, the Company’s Chairman and Chief Executive Officer. The 4th quarter reflects continued loan growth, strong deposit results, higher capital levels and continued strong pre-tax, pre-provision operating earnings. Our business momentum and loan pipelines are the strongest we have seen since 2019. This momentum is supported by the recovering economy, the strength of the Texas economy and our significant investment during 2020 in new team members to support our continued success.”

Fourth Quarter and 2020 Highlights:

- Net income of \$22.8 million, or \$0.46 diluted EPS, compared to \$22.9 million, or \$0.46 diluted EPS, for the quarter ended September 30, 2020 and \$29.1 million, or \$0.56 diluted EPS, for the quarter ended December 31, 2019. Net income of \$73.9 million, or \$1.48 diluted EPS, for the year ended December 31, 2020 compared to \$90.7 million, or \$1.68 diluted EPS, for the year ended December 31, 2019;
- Pre-tax, pre-provision operating earnings³ totaled \$38.4 million, compared to \$39.3 million for the quarter ended September 30, 2020 and \$42.1 million for the quarter ended December 31, 2019;
- Total loans held for investment, excluding Paycheck Protection Program (“PPP”) loans, grew \$91.3 million, from the third quarter of 2020, or 5.8% annualized. Total loans held for investment, excluding PPP loans, grew \$504.3 million, or 8.5% year over year;
- Total deposits grew \$290.3 million for the fourth quarter of 2020, or 18.7% annualized, with the average cost of total deposits decreasing to 0.38% for the three months ended December 31, 2020 from 0.46% for the three months ended September 30, 2020. Total deposits grew \$618.5 million, or 10.5%, year over year;
- Return on average tangible common equity¹ of 12.84% and operating return on average tangible common equity¹ of 16.44% for the three months ended December 31, 2020;
- Repurchased 347,428 shares of outstanding common stock under the stock buyback program during the three months ended December 31, 2020 at an average price of \$22.90. Since inception, the Company has repurchased 11.1% of issued common stock under the stock buyback program;
- Declared quarterly cash dividend of \$0.17 payable on February 18, 2021.

Financial Highlights

	QTD		YTD	
	Q4 2020	Q3 2020	Q4 2020	Q4 2019
	(Dollars in thousands) (unaudited)			
GAAP				
Net income	\$ 22,801	\$ 22,920	\$ 73,883	\$ 90,739
Diluted EPS	0.46	0.46	1.48	1.68
Book value per common share	24.39	23.87	24.39	23.32
Return on average assets ²	1.04 %	1.06 %	0.87 %	1.14 %
Efficiency ratio	62.52	48.12	50.90	56.41
Return on average tangible common equity	12.84	13.27	12.84	13.27
Non-GAAP¹				
Operating earnings	\$ 29,730	\$ 22,928	\$ 77,980	\$ 123,836
Diluted operating EPS	0.60	0.46	1.56	2.29
Tangible book value per common share	15.70	15.19	15.70	14.73
Pre-tax, pre-provision operating earnings	38,407	39,265	162,447	178,186
Pre-tax, pre-provision operating return on average assets ²	1.75 %	1.82 %	1.91 %	2.24 %
Operating return on average assets ²	1.35	1.06	0.91	1.56
Operating efficiency ratio	49.49	48.11	47.69	43.80
Operating return on average tangible common equity	16.44	13.27	11.72	17.39

¹ Refer to the section titled “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP measures.

² Annualized ratio.

Result of Operations for the Three Months Ended December 31, 2020

Net Interest Income

For the three months ended December 31, 2020, net interest income before provision for loan losses was \$66.8 million and net interest margin was 3.29% compared to \$65.9 million and 3.32%, respectively, for the three months ended September 30, 2020. The \$896 thousand increase in net interest income was primarily due to a \$951 thousand increase in interest income on loans driven by an increase in average balances. Net interest margin decreased 3 basis points from the three months ended September 30, 2020, primarily due to a 1 basis point decrease in yields earned on loan balances. As a result, the average cost of interest-bearing deposits decreased to 0.55% for the three months ended December 31, 2020 from 0.67% for the three months ended September 30, 2020.

Net interest income before provision for loan losses decreased by \$3.1 million from \$69.9 million to \$66.8 million and net interest margin decreased 52 basis points from 3.81% to 3.29% for the three months ended December 31, 2020 as compared to the same period in 2019. The decrease in net interest income before provision for loan losses was primarily due to a \$15.5 million decrease in interest income on loans, excluding MW and PPP, partially offset by a \$6.1 million and \$5.5 million decrease in interest expenses on transaction and savings deposits and certificates and other time deposits, respectively, during the three months ended December 31, 2020 compared to the three months ended December 31, 2019. Net interest margin decreased 52 basis points compared to the three months ended December 31, 2019 primarily due to a decrease in yields earned on loan balances, partially offset by decreases in the average rate paid on interest-bearing demand and savings deposits and certificates and other time deposits for the three months ended December 31, 2020. As a result, the average cost of interest-bearing deposits decreased to 0.55% for the three months ended December 31, 2020 from 1.59% for the three months ended December 31, 2019.

Noninterest Income

Noninterest income for the three months ended December 31, 2020 was \$9.0 million, a decrease of \$783 thousand, or 8.0% compared to the three months ended September 30, 2020. The decrease in noninterest income is primarily due to a \$1.8 million decrease in government guaranteed loan income, net, and a \$1.1 million decrease in loan fees. This is partially offset by a \$841 thousand increase in service fees and a \$830 thousand net increase in derivative income.

Compared to the three months ended December 31, 2019, noninterest income for the three months ended December 31, 2020 grew \$1.9 million or 26.4%. The increase was primarily due to a \$1.1 million increase in derivative income and a \$771 thousand increase in gain on sale of other real estate owned.

Noninterest Expense

Noninterest expense was \$47.4 million for the three months ended December 31, 2020, compared to \$36.4 million and \$36.3 million for the three months ended September 30, 2020 and December 31, 2019, respectively. The increase was primarily driven by a \$9.7 million increase in debt extinguishment costs on Federal Home Loan Bank ("FHLB") advances that were pre-paid in the fourth quarter of 2020 with no corresponding FHLB advance prepayments during the three months ended September 30, 2020 or December 31, 2019.

Financial Condition

Total loans were \$6.8 billion at December 31, 2020, an increase of \$51.4 million, or 3.04% annualized, compared to September 30, 2020 and an increase of \$869.6 million, or 14.65%, compared to December 31, 2019. These increases were the result of the continued execution and success of our loan growth strategy.

Total deposits were \$6.5 billion at December 31, 2020, an increase of \$290.3 million, or 18.7% annualized, compared to September 30, 2020 and an increase of \$618.5 million, or 10.49%, compared to December 31, 2019. The increase from September 30, 2020 was primarily the result of an increase of \$176.4 million in non-interest bearing demand deposits and an increase of \$136.5 million in interest-bearing transaction and savings deposits accounts. The increase from December 31, 2019 was primarily the result of an increase of \$540.6 million in non-interest bearing demand deposits and an increase of \$303.5 million in interest-bearing transaction and savings deposits accounts, partially offset by a decrease of \$225.6 million in certificates and other time deposits.

Asset Quality

Nonperforming assets totaled \$87.6 million, or 0.99% of total assets, at December 31, 2020, compared to \$96.4 million, or 1.11% of total assets, at September 30, 2020. The Company had net charge-offs of \$16.5 million for the quarter, which is primarily the result of one lending relationship.

The Company recorded no provision for credit losses for the three months ended December 31, 2020, compared to \$8.7 million and \$3.5 million for the three months ended September 30, 2020 and December 31, 2019, respectively. The decrease in the recorded provision for credit losses for the three months ended December 31, 2020, compared to the three months ended September 30, 2020, was primarily attributable to improvement in the Texas economic forecasts used in the Current Expected Credit Losses ("CECL") model in the fourth quarter of 2020 to reflect the expected impact of the COVID-19 pandemic as of December 31, 2020, as compared to our Texas economic forecasts and expected impact of the COVID-19 pandemic as of September 30, 2020. In the fourth quarter of 2020, we recorded a \$902 thousand provision for unfunded commitments which was attributable to higher unfunded balances compared to a \$1.4 million provision for unfunded commitments recorded for the three months ended September 30, 2020. Allowance for credit losses ("ACL") as a percentage of loans held for investment ("LHI"), excluding mortgage warehouse and PPP loans, was 1.80%, 2.10% and 0.50% at December 31, 2020, September 30, 2020 and December 31, 2019, respectively.

Income Tax

Income tax expense for the three months ended December 31, 2020 totaled \$4.7 million, a decrease of \$1.5 million, or 24.1%, compared to the three months ended September 30, 2020. The Company's effective tax rate was approximately 17.1% and 21.3% for the three months ended December 31, 2020 and the three months ended September 30, 2020, respectively. The change in the effective tax rate from the three months ended September 30, 2020 was primarily due to the reversal of acquired deferred tax liabilities resulting in a tax benefit of \$1.2 million offset by tax expense of \$550 thousand for setting up an uncertain tax position liability for state nexus tax exposure for the three months ended December 31, 2020.

Dividend Information

On January 26, 2021, Veritex's Board of Directors declared a quarterly cash dividend of \$0.17 per share on its outstanding shares of common stock. The dividend will be paid on or after February 18, 2021 to stockholders of record as of the close of business on February 4, 2021.

Non-GAAP Financial Measures

Veritex's management uses certain non-GAAP (U.S. generally accepted accounting principles) financial measures to evaluate its operating performance and provide information that is important to investors. However, non-GAAP financial measures are supplemental and should be viewed in addition to, and not as an alternative for, Veritex's reported results prepared in accordance with GAAP. Specifically, Veritex reviews and reports tangible book value per common share, operating earnings, tangible common equity to tangible assets, return on average tangible common equity, pre-tax, pre-provision operating earnings, pre-tax, pre-provision operating return on average assets, diluted operating earnings per share, operating return on average assets, operating return on average tangible common equity and operating efficiency ratio. Veritex has included in this earnings release information related to these non-GAAP financial measures for the applicable periods presented. Please refer to "Reconciliation of Non-GAAP Financial Measures" after the financial highlights at the end of this earnings release for a reconciliation of these non-GAAP financial measures.

Conference Call

The Company will host an investor conference call to review the results on Wednesday, January 27, 2021 at 8:30 a.m. Central Time. Participants may pre-register for the call by visiting <https://edge.media-server.com/mmc/p/pkxdjtjuzz> and will receive a unique PIN number, which can be used when dialing in for the call. This will allow attendees to enter the call immediately. Alternatively, participants may call toll-free at (877) 703-9880.

The call and corresponding presentation slides will be webcast live on the home page of the Company's website, www.veritexbank.com. An audio replay will be available one hour after the conclusion of the call at (855) 859-2056, Conference #4893521. This replay, as well as the webcast, will be available until February 3, 2021.

About Veritex Holdings, Inc.

Headquartered in Dallas, Texas, Veritex is a bank holding company that conducts banking activities through its wholly-owned subsidiary, Veritex Community Bank, with locations throughout the Dallas-Fort Worth metroplex and in the Houston metropolitan area. Veritex Community Bank is a Texas state chartered bank regulated by the Texas Department of Banking and the Board of Governors of the Federal Reserve System. For more information, visit www.veritexbank.com.

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Forward-Looking Statements

This earnings release contains certain “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 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 date of Veritex’s 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, 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,” “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, 2019 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. 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 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 earnings release 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.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(Unaudited)

	For the Quarter Ended					For the Year Ended	
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
(Dollars and shares in thousands)							
Per Share Data (Common Stock):							
Basic EPS	\$ 0.46	\$ 0.46	\$ 0.48	\$ 0.08	\$ 0.56	\$ 1.48	\$ 1.71
Diluted EPS	0.46	0.46	0.48	0.08	0.56	1.48	1.68
Book value per common share	24.39	23.87	23.45	23.19	23.32	24.39	23.32
Tangible book value per common share ¹	15.70	15.19	14.71	14.39	14.73	15.70	14.73
Common Stock Data:							
Shares outstanding at period end	49,340	49,650	49,633	49,557	51,064	49,340	51,064
Weighted average basic shares outstanding for the period	49,571	49,647	49,597	50,725	51,472	49,884	53,154
Weighted average diluted shares outstanding for the period	49,837	49,775	49,727	51,056	52,263	50,036	53,978
Summary of Credit Ratios:							
ACL to total LHI, excluding mortgage warehouse and PPP loans	1.80 %	2.10 %	2.01 %	1.73 %	0.50 %	1.80 %	0.50 %
Nonperforming assets to total assets	0.99	1.11	0.62	0.60	0.50	0.99	0.50
Net charge-offs to average loans outstanding	0.28	0.04	0.03	—	—	0.36	0.19
Summary Performance Ratios:							
Return on average assets ²	1.04 %	1.06 %	1.11 %	0.20 %	1.43 %	0.87 %	1.14 %
Return on average equity ²	7.58	7.74	8.36	1.41	9.63	6.34	7.57
Return on average tangible common equity ^{1,2}	12.84	13.27	14.49	3.27	16.22	11.16	13.02
Efficiency ratio	62.52	48.12	46.02	47.61	47.12	50.90	56.41
Selected Performance Metrics - Operating:							
Diluted operating EPS ¹	\$ 0.60	\$ 0.46	\$ 0.43	\$ 0.08	\$ 0.58	\$ 1.56	\$ 2.29
Pre-tax, pre-provision operating return on average assets ^{1,2}	1.75 %	1.82 %	2.11 %	1.94 %	2.07 %	1.91 %	2.24 %
Operating return on average assets ^{1,2}	1.35	1.06	0.98	0.20	1.49	0.91	1.56
Operating return on average tangible common equity ^{1,2}	16.44	13.27	12.90	3.27	16.87	11.72	17.39
Operating efficiency ratio ¹	49.49	48.11	45.74	47.61	45.67	47.69	43.80
Veritex Holdings, Inc. Capital Ratios:							
Tier 1 capital to average assets (leverage)	9.43	9.54	9.16	9.49	10.17	9.43	10.17
Common equity tier 1 capital	9.30	9.67	9.66	9.53	10.60	9.30	10.60
Tier 1 capital to risk-weighted assets	9.66	10.05	10.05	9.92	11.02	9.66	11.02
Total capital to risk-weighted assets	13.56	12.70	12.71	12.48	13.10	13.56	13.10
Tangible common equity to tangible assets ¹	9.23	9.12	8.96	8.81	10.01	9.23	10.01

¹Refer to "Reconciliation of Non-GAAP Financial Measures" after the financial highlights for a reconciliation of this non-GAAP financial measure to its most directly comparable GAAP measure.

²Annualized ratio for quarterly metrics.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(in thousands)

	Dec 31, 2020 (unaudited)	Sep 30, 2020 (unaudited)	Jun 30, 2020 (unaudited)	Mar 31, 2020 (unaudited)	Dec 31, 2019
ASSETS					
Cash and cash equivalents	\$ 230,825	\$ 128,767	\$ 160,306	\$ 430,842	\$ 251,550
Debt securities	1,055,201	1,091,440	1,112,061	1,117,804	997,330
Other investments	87,192	98,023	104,213	112,775	84,063
Loans held for sale	21,414	13,928	28,041	15,048	14,080
PPP loans, at fair value	358,042	405,465	398,949	—	—
Loans held for investment, mortgage warehouse ("MW")	577,594	544,845	441,992	371,161	183,628
Loans held for investment, excluding MW and PPP	5,847,862	5,789,293	5,726,873	5,853,735	5,737,577
Total loans	6,804,912	6,753,531	6,595,855	6,239,944	5,935,285
Allowance for credit losses	(105,084)	(121,591)	(115,365)	(100,983)	(29,834)
Bank-owned life insurance	82,855	82,366	81,876	81,395	80,915
Bank premises, furniture and equipment, net	115,063	115,794	115,560	116,056	118,536
Other real estate owned	2,337	5,796	7,716	7,720	5,995
Intangible assets, net	61,733	64,716	66,705	69,444	72,263
Goodwill	370,840	370,840	370,840	370,840	370,840
Other assets	114,997	112,693	88,091	85,787	67,994
Total assets	\$ 8,820,871	\$ 8,702,375	\$ 8,587,858	\$ 8,531,624	\$ 7,954,937
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing deposits	\$ 2,097,099	\$ 1,920,715	\$ 1,907,697	\$ 1,549,260	\$ 1,556,500
Interest-bearing transaction and savings deposits	2,958,456	2,821,945	2,714,149	2,536,865	2,654,972
Certificates and other time deposits	1,457,291	1,479,896	1,503,701	1,713,820	1,682,878
Total deposits	6,512,846	6,222,556	6,125,547	5,799,945	5,894,350
Accounts payable and other liabilities	59,263	66,096	64,625	56,339	37,427
Accrued interest payable	2,665	3,444	4,088	5,407	6,569
Advances from Federal Home Loan Bank	777,718	1,082,756	1,087,794	1,377,832	677,870
Subordinated debentures and subordinated notes	262,778	140,158	140,283	140,406	145,571
Securities sold under agreements to repurchase	2,225	2,028	1,772	2,426	2,353
Total liabilities	7,617,495	7,517,038	7,424,109	7,382,355	6,764,140
Commitments and contingencies					
Stockholders' equity:					
Common stock	555	555	555	554	549
Additional paid-in capital	1,126,437	1,124,148	1,122,063	1,119,757	1,117,879
Retained earnings	172,232	157,639	143,277	127,812	147,911
Accumulated other comprehensive income	56,225	47,155	42,014	45,306	19,061
Treasury stock	(152,073)	(144,160)	(144,160)	(144,160)	(94,603)
Total stockholders' equity	1,203,376	1,185,337	1,163,749	1,149,269	1,190,797
Total liabilities and stockholders' equity	\$ 8,820,871	\$ 8,702,375	\$ 8,587,858	\$ 8,531,624	\$ 7,954,937

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(in thousands, except per share data)

	For the Quarter Ended					For the Year Ended	
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
Interest income:							
Loans, including fees	\$ 69,597	\$ 68,685	\$ 70,440	\$ 77,861	\$ 82,469	\$ 286,583	\$ 340,813
Investment securities	7,652	7,852	7,825	7,397	7,168	30,726	29,484
Deposits in financial institutions and Fed Funds sold	99	65	186	871	1,285	1,221	5,540
Other investments	752	827	891	850	820	3,320	2,949
Total interest income	78,100	77,429	79,342	86,979	91,742	321,850	378,786
Interest expense:							
Transaction and savings deposits	2,105	2,105	2,471	6,552	8,203	13,233	40,355
Certificates and other time deposits	3,919	5,004	6,515	8,240	9,455	23,678	38,675
Advances from FHLB	2,222	2,707	2,801	2,879	2,661	10,609	9,984
Subordinated debentures and subordinated notes	3,088	1,743	1,798	1,903	1,559	8,532	4,675
Total interest expense	11,334	11,559	13,585	19,574	21,878	56,052	93,689
Net interest income	66,766	65,870	65,757	67,405	69,864	265,798	285,097
Provision for credit losses	—	8,692	16,172	31,776	3,493	56,640	21,514
Provision for unfunded commitments	902	1,447	2,799	3,881	—	9,029	—
Net interest income after provisions	65,864	55,731	46,786	31,748	66,371	200,129	263,583
Noninterest income:							
Service charges and fees on deposit accounts	3,971	3,130	2,960	3,642	3,728	13,703	14,334
Loan fees	684	1,787	1,240	845	1,921	4,556	7,782
(Loss) gain on sales of investment securities	(256)	(8)	2,879	—	(438)	2,615	(1,852)
Gain on sales of mortgage loans held for sale	317	472	308	142	81	1,239	475
Government guaranteed loan income, net	448	2,257	11,006	439	560	14,150	4,709
Rental income	579	502	547	551	371	2,179	2,172
Other	3,269	1,655	2,350	1,628	909	8,902	2,460
Total noninterest income	9,012	9,795	21,290	7,247	7,132	47,344	30,080
Noninterest expense:							
Salaries and employee benefits	20,011	20,553	20,019	18,870	18,917	79,453	72,791
Occupancy and equipment	4,116	3,980	3,994	4,273	4,198	16,363	16,385
Professional and regulatory fees	3,578	3,159	2,796	2,196	2,615	11,729	11,597
Data processing and software expense	2,238	2,452	2,434	2,089	1,880	9,213	8,365
Marketing	945	1,062	561	1,083	971	3,651	3,259
Amortization of intangibles	2,558	2,840	2,696	2,696	2,696	10,790	10,887
Telephone and communications	340	345	308	319	466	1,312	1,847
Merger and acquisition expense	—	—	—	—	918	—	38,960
COVID expenses	—	132	1,245	—	—	1,377	—
Debt extinguishment costs	9,746	—	1,561	—	—	11,307	—
Other	3,841	1,885	4,447	4,019	3,623	14,192	13,712
Total noninterest expense	47,373	36,408	40,061	35,545	36,284	159,387	177,803
Income before income tax expense	27,503	29,118	28,015	3,450	37,219	88,086	115,860
Income tax (benefit) expense	4,702	6,198	3,987	(684)	8,168	14,203	25,121
Net income	\$ 22,801	\$ 22,920	\$ 24,028	\$ 4,134	\$ 29,051	\$ 73,883	\$ 90,739
Basic EPS	\$ 0.46	\$ 0.46	\$ 0.48	\$ 0.08	\$ 0.56	\$ 1.48	\$ 1.71
Diluted EPS	\$ 0.46	\$ 0.46	\$ 0.48	\$ 0.08	\$ 0.56	\$ 1.48	\$ 1.68
Weighted average basic shares outstanding	49,571	49,647	49,597	50,725	51,472	49,884	53,154
Weighted average diluted shares outstanding	49,837	49,775	49,727	51,056	52,263	50,036	53,978

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(Unaudited)

	December 31, 2020			For the Quarter Ended September 30, 2020			December 31, 2019		
	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate
(Dollars in thousands)									
Assets									
Interest-earning assets:									
Loans ¹	\$ 5,798,692	\$ 65,259	4.48 %	\$ 5,753,859	\$ 64,958	4.49 %	\$ 5,692,773	\$ 80,779	5.63 %
Loans held for investment, mortgage warehouse	446,027	3,355	2.99	358,248	2,705	3.00	191,132	1,690	3.51
PPP loans	390,509	983	1.00	407,112	1,022	1.00	—	—	—
Debt securities	1,076,031	7,652	2.83	1,101,469	7,852	2.84	1,004,342	7,168	2.83
Interest-earning deposits in other banks	258,687	99	0.15	175,201	65	0.15	312,530	1,285	1.63
Equity securities and other investments	95,706	752	3.13	103,948	827	3.17	71,791	820	4.53
Total interest-earning assets	8,065,652	78,100	3.85	7,899,837	77,429	3.90	7,272,568	91,742	5.00
Allowance for loan losses	(121,162)			(116,859)			(27,564)		
Noninterest-earning assets	805,651			802,948			798,501		
Total assets	\$ 8,750,141			\$ 8,585,926			\$ 8,043,505		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand and savings deposits	\$ 2,862,084	2,105	0.29 %	\$ 2,735,170	\$ 2,105	0.31 %	\$ 2,621,163	8,203	1.24 %
Certificates and other time deposits	1,467,250	3,919	1.06	1,459,046	5,004	1.36	1,789,544	9,455	2.10
Advances from FHLB	885,014	2,222	1.00	1,067,771	2,707	1.01	726,352	2,661	1.45
Subordinated debentures and subordinated notes	259,581	3,088	4.73	142,432	1,743	4.87	118,193	1,559	5.23
Total interest-bearing liabilities	5,473,929	11,334	0.82	5,404,419	11,559	0.85	5,255,252	21,878	1.65
Noninterest-bearing liabilities:									
Noninterest-bearing deposits	2,011,995			1,937,921			1,540,406		
Other liabilities	67,943			65,704			50,656		
Total liabilities	7,553,867			7,408,044			6,846,314		
Stockholders' equity	1,196,274			1,177,882			1,197,191		
Total liabilities and stockholders' equity	\$ 8,750,141			\$ 8,585,926			\$ 8,043,505		
Net interest rate spread ²			3.03 %			3.05 %			3.35 %
Net interest income and margin ³		\$ 66,766	3.29 %		\$ 65,870	3.32 %		\$ 69,864	3.81 %

¹ Includes average outstanding balances of loans held for sale of \$11,938, \$15,404 and \$8,525 for the three months ended December 31, 2020, September 30, 2020 and December 31, 2019, respectively, and average balances of loans held for investment, excluding mortgage warehouse and PPP loans.

² Net interest rate spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.

³ Net interest margin is equal to net interest income divided by average interest-earning assets.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(Unaudited)

	For the Year Ended December 31,					
	2020			2019		
	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate
(Dollars in thousands)						
Assets						
Interest-earning assets:						
Loans ¹	\$ 5,770,228	\$ 273,999	4.97 %	\$ 5,722,039	\$ 334,025	5.93 %
Loans held for investment, mortgage warehouse	318,657	9,672	3.04	162,325	6,788	4.28
PPP loans	290,851	2,912	1.00	—	—	—
Debt securities	1,083,633	30,726	2.84	977,621	29,484	3.02
Interest-earning deposits in other banks	276,970	1,221	0.44	259,866	5,540	2.13
Equity securities and other investments	100,556	3,320	3.30	60,308	2,949	4.89
Total interest-earning assets	<u>7,840,895</u>	<u>321,850</u>	<u>4.10</u>	<u>7,182,159</u>	<u>378,786</u>	<u>5.27</u>
Allowance for loan losses	(98,527)			(23,533)		
Noninterest-earning assets	782,907			799,257		
Total assets	<u>\$ 8,525,275</u>			<u>\$ 7,957,883</u>		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Interest-bearing demand and savings deposits	\$ 2,726,462	13,233	0.49	\$ 2,648,113	40,355	1.52
Certificates and other time deposits	1,550,995	23,678	1.53	1,997,090	38,675	1.94
Advances from FHLB	1,024,142	10,609	1.04	502,681	9,984	1.99
Subordinated debentures and subordinated notes	172,594	8,532	4.94	86,110	4,675	5.43
Total interest-bearing liabilities	<u>5,474,193</u>	<u>56,052</u>	<u>1.02</u>	<u>5,233,994</u>	<u>93,689</u>	<u>1.79</u>
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	1,825,806			1,480,207		
Other liabilities	60,303			44,809		
Total liabilities	<u>7,360,302</u>			<u>6,759,010</u>		
Stockholders' equity	1,164,973			1,198,873		
Total liabilities and stockholders' equity	<u>\$ 8,525,275</u>			<u>\$ 7,957,883</u>		
Net interest rate spread ²			3.08 %			3.48 %
Net interest income and margin ³		<u>\$ 265,798</u>	3.39 %		<u>\$ 285,097</u>	3.97 %

¹Includes average outstanding balances of loans held for sale of \$15,315 and \$8,762 for the twelve months ended December 31, 2020 and 2019, respectively, and average balances of loans held for investment, excluding mortgage warehouse and PPP loans.

²Net interest rate spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.

³Net interest margin is equal to net interest income divided by average interest-earning assets.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(Unaudited)

Yield Trend

	For the Quarter Ended				
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Average yield on interest-earning assets:					
Total loans ¹	4.48 %	4.49 %	4.68 %	5.32 %	5.63 %
Loans held for investment, mortgage warehouse	2.99	3.00	3.01	3.28	3.51
PPP loans	1.00	1.00	1.00	—	—
Debt securities	2.83	2.84	2.82	2.86	2.83
Interest-bearing deposits in other banks	0.15	0.15	0.20	1.14	1.63
Equity securities and other investments	3.13	3.17	3.24	3.72	4.53
Total interest-earning assets	3.85 %	3.90 %	3.99 %	4.74 %	5.00 %
Average rate on interest-bearing liabilities:					
Interest-bearing demand and savings deposits	0.29 %	0.31 %	0.37 %	1.00 %	1.24 %
Certificates and other time deposits	1.06	1.36	1.61	2.01	2.10
Advances from FHLB	1.00	1.01	0.93	1.23	1.45
Subordinated debentures and subordinated notes	4.73	4.87	5.07	5.27	5.23
Total interest-bearing liabilities	0.82 %	0.85 %	0.97 %	1.47 %	1.65 %
Net interest rate spread ²	3.03 %	3.05 %	3.02 %	3.27 %	3.35 %
Net interest margin ³	3.29 %	3.32 %	3.31 %	3.67 %	3.81 %

¹ Includes average outstanding balances of loans held for sale of \$11,938, \$15,404, \$22,958, \$10,995 and \$8,525 for the three months ended December 31, 2020, September 30, 2020, June 30, 2020, March 31, 2020 and December 31, 2019, respectively, and average balances of loans held for investment, excluding mortgage warehouse and PPP loans.

² Net interest rate spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.

³ Net interest margin is equal to net interest income divided by average interest-earning assets.

Supplemental Yield Trend

	For the Quarter Ended				
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Average cost of interest-bearing deposits	0.55 %	0.67 %	0.84 %	1.39 %	1.59 %
Average costs of total deposits, including noninterest-bearing	0.38	0.46	0.59	1.02	1.18

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(Unaudited)

LHI and Deposit Portfolio Composition

	Dec 31, 2020		Sep 30, 2020		Jun 30, 2020		Mar 31, 2020		Dec 31, 2019						
	(Dollars in thousands)														
LHI¹															
Commercial	\$	1,559,546	26.7 %	\$	1,623,249	28.0 %	\$	1,555,300	27.2 %	\$	1,777,603	30.4 %	\$	1,712,838	29.9 %
Real Estate:															
Owner occupied commercial		717,472	12.3		734,939	12.7		769,952	13.4		723,839	12.4		706,782	12.3
Non-owner occupied commercial		1,904,132	32.5		1,817,013	31.4		1,847,480	32.3		1,828,386	31.2		1,784,201	31.1
Construction and land		693,030	11.8		623,496	10.8		599,510	10.5		566,470	9.7		629,374	11.0
Farmland		13,844	0.2		14,413	0.2		14,723	0.3		14,930	0.3		16,939	0.3
1-4 family residential		524,344	9.0		548,953	9.5		528,688	9.2		536,892	9.2		549,811	9.6
Multi-family residential		424,962	7.3		412,412	7.1		394,829	6.8		388,374	6.7		320,041	5.6
Consumer		13,000	0.2		14,127	0.2		14,932	0.3		15,771	0.3		17,457	0.3
Total LHI	\$	5,850,330	100 %	\$	5,788,602	100 %	\$	5,725,414	100 %	\$	5,852,265	100 %	\$	5,737,443	100 %
Mortgage warehouse		577,594			544,845			441,992			371,161			183,628	
PPP loans		358,042			405,465			398,949			—			—	
Total LHI ¹	\$	6,785,966		\$	6,738,912		\$	6,566,355		\$	6,223,426		\$	5,921,071	
Deposits															
Noninterest-bearing	\$	2,097,099	32.2 %	\$	1,920,715	30.9 %	\$	1,907,697	31.1 %	\$	1,549,260	26.7 %	\$	1,556,500	26.4 %
Interest-bearing transaction		453,110	7.0		450,739	7.2		343,640	5.6		306,641	5.3		388,877	6.6
Money market		2,398,526	36.8		2,267,191	36.4		2,272,520	37.1		2,143,874	37.0		2,180,017	37.0
Savings		106,820	1.6		104,015	1.7		97,989	1.6		86,350	1.5		86,078	1.5
Certificates and other time deposits		1,457,291	22.4		1,479,896	23.7		1,503,701	24.5		1,713,820	29.6		1,682,878	28.6
Total deposits	\$	6,512,846	100 %	\$	6,222,556	100 %	\$	6,125,547	100 %	\$	5,799,945	100 %	\$	5,894,350	100 %
Loan to Deposit Ratio		104.2 %			108.3 %			107.2 %			107.3 %			100.5 %	
Loan to Deposit Ratio, excluding mortgage warehouse and PPP loans		89.8 %			93.0 %			93.5 %			100.9 %			97.3 %	

¹ Total LHI does not include deferred fees of \$2.5 million and \$691 thousand at December 31, 2020 and September 30, 2020, respectively, deferred costs of \$1.5 million, \$1.5 million and \$134 thousand at June 30, 2020, March 31, 2020 and December 31, 2019, respectively.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(Unaudited)

Asset Quality

	For the Quarter Ended					For the Year Ended	
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	(Dollars in thousands)						
Nonperforming Assets ("NPAs"):							
Nonaccrual loans	\$ 81,096	\$ 88,877	\$ 43,594	\$ 38,836	\$ 29,799	\$ 81,096	\$ 29,799
Accruing loans 90 or more days past due ¹	4,204	1,689	2,021	4,764	3,660	4,204	3,660
Total nonperforming loans held for investment ("NPLs")	85,300	90,566	45,615	43,600	33,459	85,300	33,459
Other real estate owned	2,337	5,796	7,716	7,720	5,995	2,337	5,995
Total NPAs	\$ 87,637	\$ 96,362	\$ 53,331	\$ 51,320	\$ 39,454	\$ 87,637	\$ 39,454
Charge-offs:							
Residential	\$ (18)	\$ —	\$ —	\$ —	\$ —	\$ (18)	\$ (157)
Owner occupied commercial real estate	—	(2,421)	—	—	—	(2,421)	—
Nonowner occupied commercial real estate	(2,865)	—	—	—	—	(2,865)	—
Commercial	(13,699)	(68)	(1,740)	—	—	(15,507)	(10,898)
Consumer	(26)	(11)	(57)	(68)	(48)	(162)	(265)
Total charge-offs	(16,608)	(2,500)	(1,797)	(68)	(48)	(20,973)	(11,320)
Recoveries:							
Residential	49	7	—	1	5	57	67
Commercial	52	14	7	29	135	102	226
Consumer	—	13	—	274	6	287	92
Total recoveries	101	34	7	304	146	446	385
Net charge-offs	\$ (16,507)	\$ (2,466)	\$ (1,790)	\$ 236	\$ 98	\$ (20,527)	\$ (10,935)
CECL transition adjustment	\$ —	\$ —	\$ —	\$ 39,137	\$ —	\$ 39,137	\$ —
Allowance for credit losses ("ACL") at end of period	\$ 105,084	\$ 121,591	\$ 115,365	\$ 100,983	\$ 29,834	\$ 105,084	\$ 29,834
Asset Quality Ratios:							
NPAs to total assets	0.99 %	1.11 %	0.62 %	0.60 %	0.50 %	0.99 %	0.50 %
NPLs to total LHI, excluding mortgage warehouse and PPP loans	1.46	1.56	0.80	0.75	0.57	1.46	0.57
ACL to total LHI, excluding mortgage warehouse and PPP loans	1.80	2.10	2.01	1.73	0.50	1.80	0.50
Net charge-offs to average loans outstanding	0.28	0.04	0.03	—	—	0.36	0.19

¹ Accruing loans greater than 90 days past due exclude purchase credit deteriorated loans greater than 90 days past due that are accounted for on a pooled basis.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Reconciliation of Non-GAAP Financial Measures
(Unaudited)

We identify certain financial measures discussed in this earnings release as being “non-GAAP financial measures.” In accordance with SEC rules, we classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles as in effect from time to time in the United States (“GAAP”), in our statements of income, balance sheets or statements of cash flows. Non-GAAP financial measures do not include operating and other statistical measures or ratios calculated using exclusively either one or both of (i) financial measures calculated in accordance with GAAP and (ii) operating measures or other measures that are not non-GAAP financial measures.

The non-GAAP financial measures that we present in this earnings release should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Moreover, the manner in which we calculate the non-GAAP financial measures that we present in this earnings release may differ from that of other companies reporting measures with similar names. You should understand how such other financial institutions calculate their financial measures that appear to be similar or have similar names to the non-GAAP financial measures we have discussed in this earnings release when comparing such non-GAAP financial measures.

Tangible Book Value Per Common Share. Tangible book value per common share is a non-GAAP measure generally used by financial analysts and investment bankers to evaluate financial institutions. We calculate: (a) tangible common equity as total stockholders’ equity less goodwill and core deposit intangibles, net of accumulated amortization; and (b) tangible book value per common share as tangible common equity (as described in clause (a)) divided by number of common shares outstanding. For tangible book value per common share, the most directly comparable financial measure calculated in accordance with GAAP is book value per common share.

We believe that this measure is important to many investors in the marketplace who are interested in changes from period to period in book value per common share exclusive of changes in core deposit intangibles. Goodwill and other intangible assets have the effect of increasing total book value while not increasing our tangible book value.

The following table reconciles, as of the dates set forth below, total stockholders’ equity to tangible common equity and presents our tangible book value per common share compared with our book value per common share:

	As of				
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,203,376	\$ 1,185,337	\$ 1,163,749	\$ 1,149,269	\$ 1,190,797
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(57,758)	(60,209)	(62,661)	(65,112)	(67,563)
Tangible common equity	<u>\$ 774,778</u>	<u>\$ 754,288</u>	<u>\$ 730,248</u>	<u>\$ 713,317</u>	<u>\$ 752,394</u>
Common shares outstanding	49,340	49,650	49,633	49,557	51,064
Book value per common share	\$ 24.39	\$ 23.87	\$ 23.45	\$ 23.19	\$ 23.32
Tangible book value per common share	\$ 15.70	\$ 15.19	\$ 14.71	\$ 14.39	\$ 14.73

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Reconciliation of Non-GAAP Financial Measures
(Unaudited)

Tangible Common Equity to Tangible Assets. Tangible common equity to tangible assets is a non-GAAP measure generally used by financial analysts and investment bankers to evaluate financial institutions. We calculate: (a) tangible common equity as total stockholders' equity, less goodwill and core deposit intangibles, net of accumulated amortization; (b) tangible assets as total assets less goodwill and core deposit intangibles, net of accumulated amortization; and (c) tangible common equity to tangible assets as tangible common equity (as described in clause (a)) divided by tangible assets (as described in clause (b)). For tangible common equity to tangible assets, the most directly comparable financial measure calculated in accordance with GAAP is total stockholders' equity to total assets.

We believe that this measure is important to many investors in the marketplace who are interested in the relative changes from period to period in common equity and total assets, in each case, exclusive of changes in core deposit intangibles. Goodwill and other intangible assets have the effect of increasing both total stockholders' equity and assets while not increasing our tangible common equity or tangible assets.

The following table reconciles, as of the dates set forth below, total stockholders' equity to tangible common equity and total assets to tangible assets and presents our tangible common equity to tangible assets:

	As of				
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
(Dollars in thousands)					
Tangible Common Equity					
Total stockholders' equity	\$ 1,203,376	\$ 1,185,337	\$ 1,163,749	\$ 1,149,269	\$ 1,190,797
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(57,758)	(60,209)	(62,661)	(65,112)	(67,563)
Tangible common equity	<u>\$ 774,778</u>	<u>\$ 754,288</u>	<u>\$ 730,248</u>	<u>\$ 713,317</u>	<u>\$ 752,394</u>
Tangible Assets					
Total assets	\$ 8,820,871	\$ 8,702,375	\$ 8,587,858	\$ 8,531,624	\$ 7,954,937
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(57,758)	(60,209)	(62,661)	(65,112)	(67,563)
Tangible Assets	<u>\$ 8,392,273</u>	<u>\$ 8,271,326</u>	<u>\$ 8,154,357</u>	<u>\$ 8,095,672</u>	<u>\$ 7,516,534</u>
Tangible Common Equity to Tangible Assets	9.23 %	9.12 %	8.96 %	8.81 %	10.01 %

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Reconciliation of Non-GAAP Financial Measures
(Unaudited)

Return on Average Tangible Common Equity. Return on average tangible common equity is a non-GAAP measure generally used by financial analysts and investment bankers to evaluate financial institutions. We calculate: (a) net income available for common stockholders adjusted for amortization of core deposit intangibles (which we refer to as "return") as net income, plus amortization of core deposit intangibles, less tax benefit at the statutory rate; (b) average tangible common equity as total average stockholders' equity less average goodwill and average core deposit intangibles, net of accumulated amortization; and (c) return (as described in clause (a)) divided by average tangible common equity (as described in clause (b)). For return on average tangible common equity, the most directly comparable financial measure calculated in accordance with GAAP is return on average equity.

We believe that this measure is important to many investors in the marketplace who are interested in the return on common equity, exclusive of the impact of core deposit intangibles. Goodwill and core deposit intangibles have the effect of increasing total stockholders' equity while not increasing our tangible common equity. This measure is particularly relevant to acquisitive institutions that may have higher balances in goodwill and core deposit intangibles than non-acquisitive institutions.

The following table reconciles, as of the dates set forth below, average tangible common equity to average common equity and net income available for common stockholders adjusted for amortization of core deposit intangibles, net of taxes to net income and presents our return on average tangible common equity:

	For the Quarter Ended					For the Year Ended	
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
(Dollars in thousands)							
Net income available for common stockholders adjusted for amortization of core deposit intangibles							
Net income	\$ 22,801	\$ 22,920	\$ 24,028	\$ 4,134	\$ 29,051	\$ 73,883	\$ 90,739
Adjustments:							
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,451	2,451	9,804	9,830
Less: Tax benefit at the statutory rate	515	515	515	515	515	2,060	2,065
Net income available for common stockholders adjusted for amortization of core deposit intangibles	\$ 24,737	\$ 24,856	\$ 25,964	\$ 6,070	\$ 30,987	\$ 81,627	\$ 98,504
Average Tangible Common Equity							
Total average stockholders' equity	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,183,116	\$ 1,197,191	\$ 1,164,973	\$ 1,198,873
Adjustments:							
Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,463)	(370,840)	(369,441)
Average core deposit intangibles	(59,010)	(61,666)	(64,151)	(66,439)	(68,913)	(62,803)	(72,692)
Average tangible common equity	\$ 766,424	\$ 745,376	\$ 720,807	\$ 745,837	\$ 757,815	\$ 731,330	\$ 756,740
Return on Average Tangible Common Equity (Annualized)	12.84 %	13.27 %	14.49 %	3.27 %	16.22 %	11.16 %	13.02 %

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Reconciliation of Non-GAAP Financial Measures
(Unaudited)

Operating Earnings, Pre-tax, Pre-provision Operating Earnings and performance metrics calculated using Operating Earnings and Pre-tax, Pre-provision Operating Earnings, including Diluted Operating Earnings per Share, Operating Return on Average Assets, Pre-tax, Pre-Provision Operating Return on Average Assets, Operating Return on Average Tangible Common Equity and Operating Efficiency Ratio. Operating earnings, pre-tax, pre-provision operating earnings and the performance metrics calculated using these metrics, listed below, are non-GAAP measures used by management to evaluate the Company's financial performance. We calculate (a) operating earnings as net income plus loss (gain) on sale of securities, net, plus loss on sale of disposed branch assets, plus debt extinguishment costs, plus merger and acquisition expenses, less tax impact of adjustments, plus other merger and acquisition tax items, plus re-measurement of deferred tax assets as a result of the reduction in the corporate income tax rate under the Tax Cuts and Jobs Act. We calculate (b) diluted operating earnings per share as operating earnings as described in clause (a) divided by weighted average diluted shares outstanding. We calculate (c) pre-tax, pre-provision operating earnings as operating earnings as described in clause (a) plus provision for income taxes, plus provision for credit losses and unfunded commitments. We calculate (d) pre-tax, pre-provision operating return on average assets as pre-tax, pre-provision operating earnings as described in clause (a) divided by total average assets. We calculate (e) operating return on average assets as operating earnings as described in clause (a) divided by total average assets. We calculate (f) operating return on average tangible common equity as operating earnings as described in clause (a), adjusted for the amortization of intangibles and tax benefit at the statutory rate, divided by total average tangible common equity (average stockholders' equity less average goodwill and average core deposit intangibles, net of accumulated amortization). We calculate (g) operating efficiency ratio as non interest expense plus adjustments to operating non interest expense divided by non interest income plus adjustments to operating non interest income, plus net interest income.

We believe that these measures and the operating metrics calculated utilizing these measures are important to management and many investors in the marketplace who are interested in understanding the ongoing operating performance of the Company and provide meaningful comparisons to its peers.

The following tables reconcile, as of the dates set forth below, operating net income and pre-tax, pre-provision operating earnings and related metrics:

	For the Quarter Ended				For the Year Ended	
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Dec 31, 2019
	(Dollars in thousands)					
Operating Earnings						
Net income	\$ 22,801	\$ 22,920	\$ 24,028	\$ 4,134	\$ 29,051	\$ 73,883
Plus: Loss (gain) on sale of securities available for sale, net	256	8	(2,879)	—	438	(2,615)
Plus: Loss on sale of disposed branch assets ¹	—	—	—	—	—	359
Plus: Debt extinguishment costs ²	9,746	—	1,561	—	—	11,307
Plus: Merger and acquisition expenses	—	—	—	—	918	—
Operating pre-tax income	32,803	22,928	22,710	4,134	30,407	82,575
Less: Tax impact of adjustments	2,100	—	(277)	—	(23)	1,823
Plus: Other M&A tax items ³	—	—	—	—	829	—
Plus: Nonrecurring tax adjustments ⁴	(973)	—	(1,799)	—	(965)	(2,772)
Operating earnings	\$ 29,730	\$ 22,928	\$ 21,188	\$ 4,134	\$ 30,294	\$ 77,980
Weighted average diluted shares outstanding	49,837	49,775	49,727	51,056	52,263	50,036
Diluted EPS	\$ 0.46	\$ 0.46	\$ 0.48	\$ 0.08	\$ 0.56	\$ 1.49
Diluted operating EPS	\$ 0.60	\$ 0.46	\$ 0.43	\$ 0.08	\$ 0.58	\$ 1.56

¹ Loss on sale of disposed branch assets for the year ended December 31, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.

² Debt extinguishment costs relate to prepayment penalties paid in connection with the early payoff of FHLB structured advances.

³ Other M&A tax items of \$829 thousand recorded during the three months ended December 31, 2019 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 A nonrecurring tax adjustment of \$973 thousand recorded in the fourth quarter of 2020 was primarily due the reversal of acquired deferred tax liabilities resulting in a tax benefit of \$1.2 million offset by tax expense of \$281 thousand for the setup of an uncertain tax position liability relating to state tax exposure for tax years prior to the year ending December 31, 2020. A nonrecurring tax adjustment of \$1,799 was recorded in the second quarter of 2020 as a result of the Company amending a prior year Green tax 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 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. A nonrecurring tax adjustment of \$965 thousand was recorded during the fourth quarter of 2019 primarily due to the Company recording a net 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 by 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 settlement was offset by various non-recurring tax expenses totaling \$0.6 million.

	For the Quarter Ended				For the Year Ended			
	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	
(Dollars in thousands)								
Pre-Tax, Pre-Provision Operating Earnings								
Net Income	\$ 22,801	\$ 22,920	\$ 24,028	\$ 4,134	\$ 29,051	\$ 73,883	\$ 90,739	
Plus: Provision for income taxes	4,702	6,198	3,987	(684)	8,168	14,203	25,121	
Plus: Provision for credit losses and unfunded commitments	902	10,139	18,971	35,657	3,493	65,669	21,514	
Plus: Loss (gain) on sale of securities, net	256	8	(2,879)	—	438	(2,615)	1,852	
Plus: Loss on sale of disposed branch assets ¹	—	—	—	—	—	—	359	
Plus: Debt extinguishment costs	9,746	—	1,561	—	—	11,307	—	
Plus: Merger and acquisition expenses	—	—	—	—	918	—	38,601	
Net pre-tax, pre-provision operating earnings	\$ 38,407	\$ 39,265	\$ 45,668	\$ 39,107	\$ 42,068	\$ 162,447	\$ 178,186	
Total average assets	\$ 8,750,141	\$ 8,585,926	\$ 8,689,774	\$ 8,125,782	\$ 8,043,505	\$ 8,525,275	\$ 7,957,883	
Pre-tax, pre-provision operating return on average assets²	1.75 %	1.82 %	2.11 %	1.94 %	2.07 %	1.91 %	2.24 %	
Average Total Assets	\$ 8,750,141	\$ 8,585,926	\$ 8,689,744	\$ 8,125,782	\$ 8,043,505	\$ 8,525,275	\$ 7,957,883	
Return on average assets ²	1.04 %	1.06 %	1.11 %	0.20 %	1.43 %	0.87 %	1.14 %	
Operating return on average assets ²	1.35	1.06	0.98	0.20	1.49	0.91	1.56	
Operating earnings adjusted for amortization of core deposit intangibles								
Operating earnings	\$ 29,730	\$ 22,928	\$ 21,188	\$ 4,134	\$ 30,294	\$ 77,980	\$ 123,836	
Adjustments:								
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,451	2,451	9,804	9,830	
Less: Tax benefit at the statutory rate	515	515	515	515	515	2,060	2,065	
Operating earnings adjusted for amortization of core deposit intangibles	\$ 31,666	\$ 24,864	\$ 23,124	\$ 6,070	\$ 32,230	\$ 85,724	\$ 131,601	
Average Tangible Common Equity								
Total average stockholders' equity	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,183,116	\$ 1,197,191	\$ 1,164,973	\$ 1,198,873	
Adjustments:								
Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,463)	(370,840)	(369,441)	
Average core deposit intangibles	(59,010)	(61,666)	(64,151)	(66,439)	(68,913)	(62,803)	(72,692)	
Average tangible common equity	\$ 766,424	\$ 745,376	\$ 720,807	\$ 745,837	\$ 757,815	\$ 731,330	\$ 756,740	
Operating return on average tangible common equity²	16.44 %	13.27 %	12.90 %	3.27 %	16.87 %	11.72 %	17.39 %	
Efficiency ratio	62.52 %	48.12 %	46.02 %	47.61 %	47.12 %	50.90 %	56.41 %	
Operating efficiency ratio	49.49 %	48.11 %	45.74 %	47.61 %	45.67 %	47.69 %	43.80 %	

¹ Loss on sale of disposed branch assets for the year ended December 31, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.

² Annualized ratio for quarterly metrics.



VBTX

Veritex Holdings, Inc.

**4th Quarter Earnings
Conference Call
January 27, 2020**



Safe Harbor Statement



Forward-looking statements

This presentation contains certain "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 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 date of Veritex Holdings, Inc.'s ("Veritex") quarterly cash dividend, 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, 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," "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, 2019 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. 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 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.

This presentation also includes industry and trade association data, forecasts and information that Veritex has prepared based, in part, upon data, forecasts and information obtained from independent trade associations, industry publications and surveys, government agencies and other information publicly available to Veritex, which information may be specific to particular markets or geographic locations. Some data is also based on Veritex's good faith estimates, which are derived from management's knowledge of the industry and independent sources. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Although Veritex believes these sources are reliable, Veritex has not independently verified the information contained therein. While Veritex is not aware of any misstatements regarding the industry data presented in this presentation, Veritex's estimates involve risks and uncertainties and are subject to change based on various factors. Similarly, Veritex believes that its internal research is reliable, even 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"). However, management believes that certain supplemental non-GAAP financial measures used in managing its business provide meaningful information to investors about underlying trends in its business. Management uses these non-GAAP measures to assess the Company's operating performance and believes that these non-GAAP measures provide information that is important to investors and that is useful in understanding Veritex's results of operations. However, non-GAAP financial measures are supplemental and should be viewed in addition to, and not as an alternative for, Veritex's reported results 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;
- Return on average tangible common equity;
- Operating earnings;
- Pre-tax, pre-provision ("PTPP") operating earnings;
- Diluted operating earnings per share ("EPS");
- Operating return on average assets;
- PTPP operating return on average assets;
- Operating return on average tangible common equity;
- Operating efficiency ratio;
- Operating noninterest income;
- Operating noninterest expense;
- Adjusted net interest margin ("NIM").

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.

Fourth Quarter/Full Year Overview

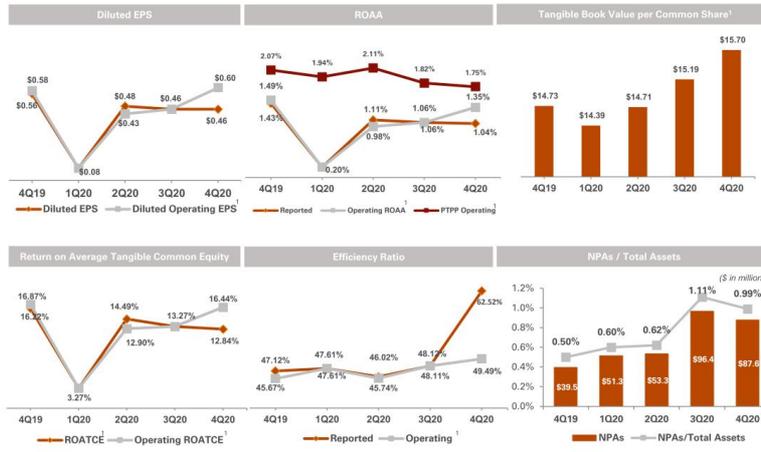


Strong Earnings	<ul style="list-style-type: none">• Net income of \$22.8 million, or \$0.46 diluted earnings per share ("EPS") for 4Q20. Net income of \$73.9 million, or \$1.48 diluted EPS for YTD 2020• Operating net income¹ of \$29.7 million, or \$0.60 diluted operating EPS¹ for 4Q20. Operating net income¹ of \$77.9 million, or \$1.56 diluted operating EPS¹ for YTD 2020• Operating ROATCE^{1, 2} increased to 16.44% in 4Q20 compared to 13.27% in 3Q20
Loan and Deposit Growth	<ul style="list-style-type: none">• Total loans, excluding Paycheck Protection Program ("PPP") loans, increased \$91.3 million, or 5.8% linked quarter annualized ("LQA")• Total deposits grew \$290.3 million, or 18.7% LQA• Total demand deposits grew \$176.4 million, or 36.7% LQA• Average cost of total deposits decreased to 0.38% for 4Q20 from 0.46% for 3Q20
Capital	<ul style="list-style-type: none">• Tangible book value per common share increased to \$15.70 from \$15.19 at September 30, 2020• Declared quarterly dividend of \$0.17 in 1Q21, consistent with each quarter in 2020• Repurchased 347,428 shares during 4Q20 at an average price of \$22.90. Since inception in 1Q19, the Company has repurchased 11.1% of outstanding common stock through its stock buyback program

¹ 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.

² Return on average tangible common equity ("ROATCE")

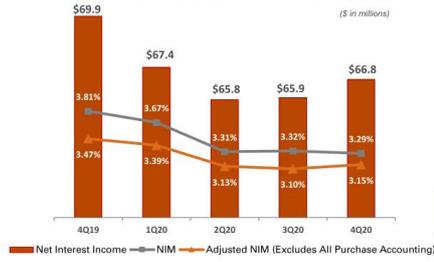
Key Financial Metrics



¹ 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.

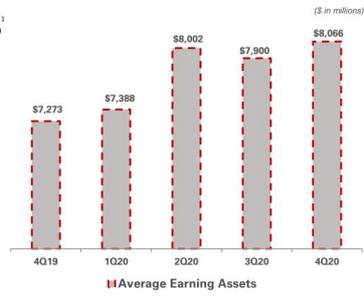


Net Interest Income

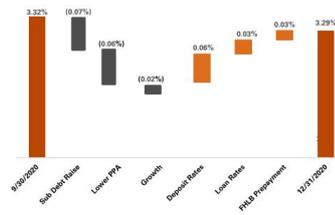


- Net interest income of \$66.8 million, up \$0.9 million from 3Q20 despite \$1.4 million lower purchase accounting accretion and \$1.3 million interest cost of new sub debt raise
- Average earning assets grew \$165.8 million, or 8.4% LQA, during 4Q20
- 4Q20 weighted average loan production rate of 3.84%, excluding mortgage warehouse
- 4Q20 weighted average interest-bearing deposit rate of 26 bps on production

Average Earning Assets



NIM Rollforward

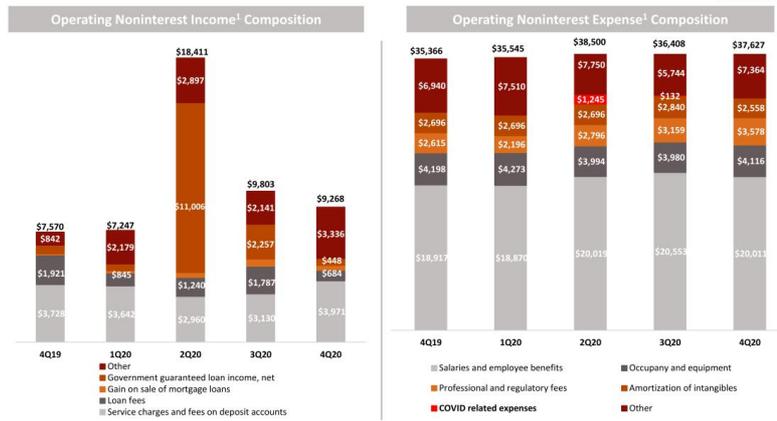


¹ Please refer to the "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.

Operating Noninterest Inc./Exp.



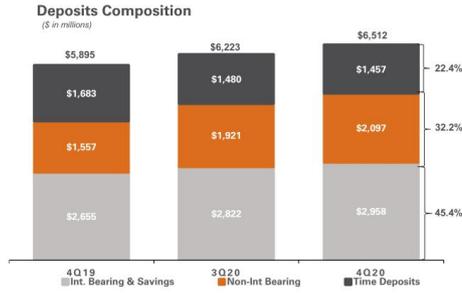
(\$ in thousands)



¹ 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.



Deposit Growth

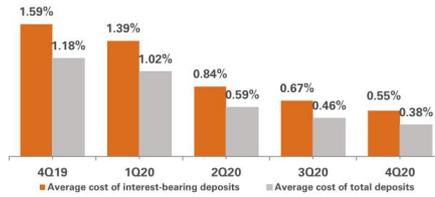


- Total deposit balances increased \$289 million, or 19% LOA¹, and increased \$618 million, or 10.5% YOY¹

	LQA	YOY
Int. Bearing & Savings	+19.3%	+11.4%
Non-Int Bearing	+36.7%	+34.7%
Certificates and Time Deposits	-6.2%	-13.4%

- Total deposit cost down 8 bps compared to 3Q20 due to pricing diligence and product mix
- Excluding MW and PPP loans, the loan to deposit ratio was 89.8% at December 31, 2020 compared to 93.0% at September 30, 2020

Cost of Interest-bearing Deposits and Total Deposits



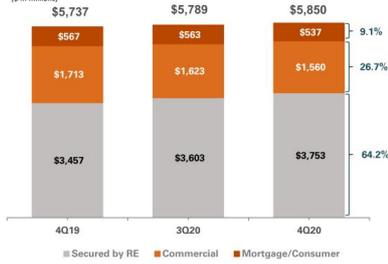
CD Maturity Table

	Balance (\$000)	WA Rate
Q1 2021	320,959	1.18%
Q2 2021	265,102	1.01%
Q3 2021	160,079	1.01%
Q4 2021	163,960	0.89%
Q1 2022	58,111	1.45%
Q2 2022	36,992	0.86%
Q3 2022	56,385	0.49%
Q4 2022	42,549	0.59%
Q1 2023 +	44,578	1.91%
Total	1,148,715	1.05%

¹ Linked quarter annualized ("LQA"), Year-over-year ("YOY")

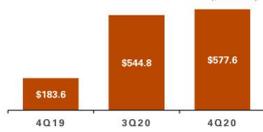
Loan Growth

Loans, excluding PPP and Mortgage Warehouse ("MW")
(\$ in millions)



- Total loans, excluding PPP and MW, increased \$61.7 million, or 4.3% LQA, and increased \$112.9 million, or 2.0% YOY
- Mortgage warehouse increased \$32.8 million, or 24.0% LQA, and increased \$394.0 million, or 214.5% YOY
- In addition to internal pandemic loan reviews in 2020 which covered 71.1% of total commitments, an external loan review was completed during 4Q20 with no significant grade changes
- 51.2% of # of PPP loans outstanding as of December 31, 2020 are under \$50,000

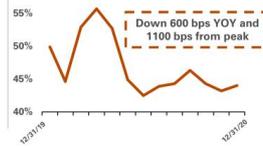
Mortgage Warehouse (\$ in millions)



PPP Loans at Fair Value (\$ in millions)



Revolving C&I Utilization





Allowance for Credit Losses

(\$ in thousands)	September 30, 2020	December 31, 2020	(Decrease) / Increase in ACL	December 31, 2020 Reserve % per Portfolio
Pooled Loans, excluding MW and PPP				
Commercial	\$ 21,059	\$ 14,401	\$ (6,658)	0.95%
CRE	37,915	30,333	(7,582)	1.20%
Multifamily	6,542	6,225	(317)	1.46%
Construction and Land	9,468	7,715	(1,753)	1.10%
1-4 Family Residential	9,860	7,599	(2,261)	1.46%
Consumer	290	224	(66)	1.96%
Total	\$ 85,134	\$ 66,497	\$ (18,637)	1.17%
Specific Reserves - Nonaccruals	\$ 18,892	\$ 16,899	\$ (1,993)	20.79%
PCD Reserves	\$ 17,565	\$ 21,688	\$ 4,123	17.29%
Allowance for Credit Loss ("ACL"), ex. MW and PPP	\$ 121,591	\$ 105,084	\$ (16,507)	
ACL / Total Loans Held for Investment, ex. MW and PPP	2.10%	1.80%		
ACL / Total Loans Held for Investment	1.80%	1.55%		
Reserve for Unfunded Expected to Fund	\$ 9,845	\$ 10,747		
Net Charge-offs	\$ (2,466)	\$ (16,507)		



CECL Modeling Assumptions

- Weighted Moody's Texas unemployment and year-over-year % change in Texas GDP scenarios utilized in CECL model
- Weighted forecasts feature *significant improvement* in forecasted periods compared to forecasts utilized in 3Q20 and 2Q20
- During 4Q20, no additional qualitative factors were utilized outside of the qualitative factors utilized in comparative periods

¹ Total loans excludes Loans Held for Sale, MW and PPP loans.

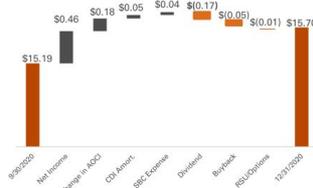
Continued Capital Build

(\$ in thousands)	December 31, 2020	December 31, 2019	\$ Change
Basel III Standardized¹			
CET1 capital	\$ 753,261	\$ 742,675	\$ 10,586
CET1 capital ratio	9.3%	10.6%	
Leverage capital	\$ 782,487	\$ 771,679	\$ 10,808
Leverage capital ratio	9.4%	10.2%	
Tier 1 capital	\$ 782,487	\$ 771,679	\$ 10,808
Tier 1 capital ratio	9.7%	11.0%	
Total capital	\$ 1,099,031	\$ 917,939	\$ 181,092
Total capital ratio	13.6%	13.1%	
Risk weighted assets	\$ 8,105,484	\$ 7,005,619	\$ 1,099,865
Total assets ²	\$ 8,820,871	\$ 7,954,937	\$ 865,934
Tangible common equity / Tangible Assets ³	9.23%	10.01%	

Ratios as of December 31, 2020

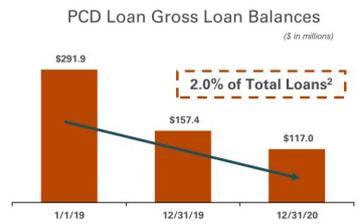
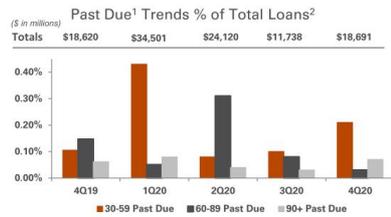
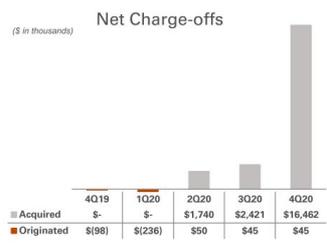
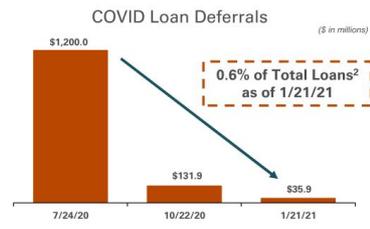


TBV Rollforward



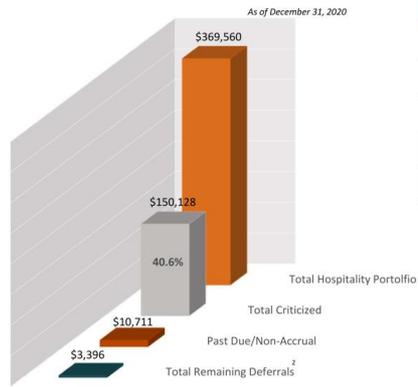
¹ Estimated capital measures inclusive of CECL capital transition provisions as of December 31, 2020.
² Total assets includes PPP loans that we did not utilize the Paycheck Protection Program Liquidity Facility to fund.
³ Please refer to the "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.

Asset Quality



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, MW and PPP loans.

Hospitality Portfolio Drill Down



(\$ in millions)	#	\$ Commitment	\$ Outstanding	Avg. Loan Amount
Term	79	\$ 315.8	\$ 311.1	\$ 3.9
In-Process Construction	4	\$ 65.4	\$ 34.2	\$ 6.8
SBA / USDA	25	\$ 24.3	\$ 24.3	\$ 0.5
Total	108	\$ 405.5	\$ 369.6	\$ 2.8
% of Total Loans¹			6.3%	

- **0.5%** of hotel loans were non-performing as of December 31, 2020
- Weighted average LTV of **60%** on total outstanding
- October 2020 was the best month for property revenue since the pandemic began
- Deferrals have dropped from a peak of **\$215.6 million** to the current level of **\$3.4 million**, or **0.9%** of the portfolio
- Past dues are confined to a SBA 504 loan and SBA 7a loan

¹ Total loans excludes loans held for sale, MW and PPF loans.
² Deferrals based on loan balances as of January 21, 2021.

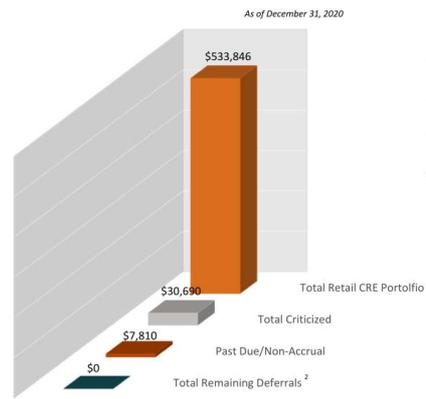
Hospitality Portfolio Drill Down



TOP 10 HOSPITALITY RELATIONSHIPS								
Loan Relationship	Loan Balance (in thousands)	Risk Rating	Hotel Type	Avg. Q4 Occupancy Rates	Rev. Inc. June to Oct.	LTV	Non-Accrual?	Currently on Deferral?
1	37,430	Pass Watch	Luxury	31%	28%	55%	No	No
2	31,894	Special Mention	Economy	82%	36%	64%	No	No
3	25,413	Pass Watch	Luxury	40%	121%	59%	No	No
4	20,884	Pass Watch	Top Tier	41%	22%	62%	No	No
5	16,270	Special Mention	Top Tier	35%	-15%	66%	No	No
6	12,417	Special Mention	Economy	36%	17%	57%	No	No
7	10,623	Pass Watch	Top Tier	90%	39%	67%	No	No
8	9,935	Special Mention	Top Tier	50%	31%	69%	No	No
9	9,400	Pass Watch	Top Tier	Opening 1Q21		75%	No	No
10	9,056	Special Mention	Top Tier	Opening 1Q21		62%	No	No
Total	183,322							
% of Portfolio	50%							

Remaining relationships in the Hospitality portfolio have an average loan balance of **\$2.2 million**

Retail CRE Portfolio Drill Down

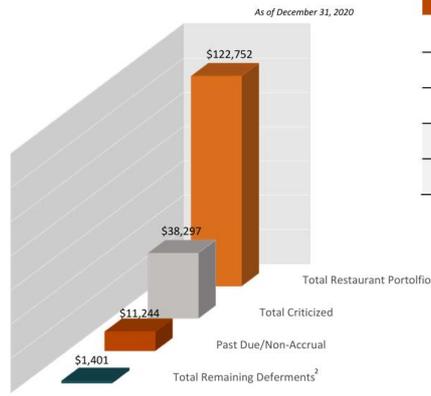


(\$ in millions)	#	\$ Commitment	\$ Outstanding	Avg. Loan Amount
NOCRE Retail	196	\$ 480.0	\$ 453.9	\$ 2.0
Construction Retail	26	\$ 144.3	\$ 80.0	\$ 2.8
Total	222	\$ 624.3	\$ 533.9	\$ 2.3
% of Total Loans¹			9.1%	

- Weighted average LTV of **57.5%** on total outstanding
- Approximately **5.7%** of outstanding exposure are Criticized assets
- **9** borrowers with loans in excess of \$10 million with an average LTV of **58%**
- Approximately **88%** of outstanding exposure is located in the Bank's primary market of Texas
- **0.6%** of retail loans were non-performing as of December 31, 2020

¹ Total loans excludes loans held for sale, MW and PPF loans.
² Deferrals based on loan balances as of January 21, 2021.

Restaurant Portfolio Drill Down

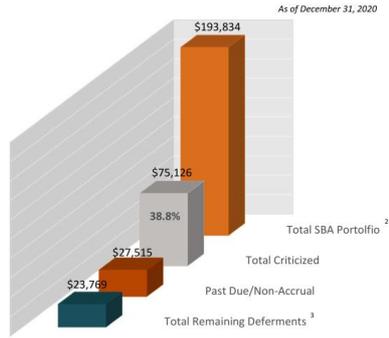


(\$ in millions)	#	\$ Commitment	\$ Outstanding	Avg. Loan Amount
Term	86	\$ 120.4	\$ 103.8	\$ 1.0
In-Process Construction	5	\$ 7.0	\$ 5.4	\$ 1.1
SBA / USDA	30	\$ 13.6	\$ 13.6	\$ 0.3
Total	121	\$ 141.0	\$ 122.8	\$ 0.9
% of Total Loans¹			2.1%	

- **61%** Quick Service / **39%** Full Service
- A total of **80%** of the portfolio is secured by real estate assets with an average LTV of **60%**
- Approximately **92%** of exposure is located within the State of Texas
- **4.0%** of restaurant loans were non-performing with \$1.6 million in specific reserves
- **6** borrowers (11 loans) account for approximately \$43.3 million, or 35%, 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
- Past due / Non-accrual loans are primarily in government guaranteed loans that were problem assets prior to the COVID-19 pandemic

¹ Total loans excludes loans held for sale, MW and PPF loans.
² Deferrals based on loan balances as of January 21, 2021.

Government Guaranteed Drill Down

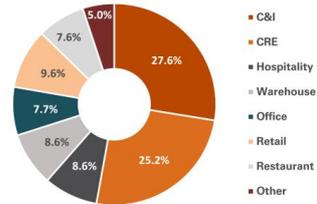


(\$ in millions)	Net Outstanding	Guaranteed	Unguaranteed
SBA 504	\$ 31.1	\$ -	\$ 31.1
SBA 7a RE Secured	\$ 65.8	\$ 15.2	\$ 50.6
SBA 7a Non RE Secured	\$ 42.5	\$ 17.2	\$ 25.3
SBA Other	\$ 21.2	\$ 15.4	\$ 5.8
USDA	\$ 33.2	\$ 0.9	\$ 32.3
Total	\$ 193.8	\$ 48.7	\$ 145.1
% of Total Loans¹	3.3%		

- **67%** secured by real estate
- **\$27.5 million** past due/nonaccrual, or **0.5%** of Total Loans¹
- **53%** of outstanding are acquired SBA loans
- SBA portfolio has an average unguaranteed balance of **\$156 thousand**

¹ Total loans excludes loans held for sale, MW and PPP loans.
² Total SBA portfolio excludes PPP loans.
³ Deferrals based on loan balances as of January 21, 2021.

Industry Breakdown



Talent Investments in Last 6 Months



	Talent Hired	Years of Banking Experience (Average)	
Builder Finance Group	3	25+	<p>75% have experience at \$10b-\$50b banks</p> <p>65% have experience at \$50b+ banks</p>
Private Banking	3	20+	
Syndication Group	1	10+	
Senior Credit Officers	3	25+	
Data Analytics	2	20+	
Chief Technology Officer	1	15	
Director of Loan Operations	1	20+	



Company Overview

- **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 reserves**
 - 1.91% PTPP ROAA¹ for 2020 and 1.80% ACL / Total Loans HFI
- **Strong capital levels²**
 - 9.30% common equity tier 1 ratio
 - 13.56% total risk-based capital ratio
- **Steady balance sheet growth²**
 - Total loans, excluding PPP, increased \$91.3 million, or 5.8% linked quarter annualized
 - Total deposits grew \$290.3 million, or 18.7% linked quarter annualized
 - Total demand deposits grew \$176.4 million, or 36.7% linked quarter annualized
- **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 December 31, 2020.



VBTX
Veritex Holdings, Inc.

**Supplemental
Information**

Reconciliation of Non-GAAP Financial Measures



	As of				
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,203,376	\$ 1,185,337	\$ 1,163,749	\$ 1,149,269	\$ 1,190,797
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(57,758)	(60,209)	(62,661)	(65,112)	(67,563)
Tangible common equity	<u>\$ 774,778</u>	<u>\$ 754,288</u>	<u>\$ 730,248</u>	<u>\$ 713,317</u>	<u>\$ 752,394</u>
Common shares outstanding	49,340	49,650	49,633	49,557	51,064
Book value per common share	\$ 24.39	\$ 23.87	\$ 23.45	\$ 23.19	\$ 23.32
Tangible book value per common share	\$ 15.70	\$ 15.19	\$ 14.71	\$ 14.39	\$ 14.73
	As of				
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
	(Dollars in thousands)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,203,376	\$ 1,185,337	\$ 1,163,749	\$ 1,149,269	\$ 1,190,797
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(57,758)	(60,209)	(62,661)	(65,112)	(67,563)
Tangible common equity	<u>\$ 774,778</u>	<u>\$ 754,288</u>	<u>\$ 730,248</u>	<u>\$ 713,317</u>	<u>\$ 752,394</u>
Tangible Assets					
Total assets	\$ 8,820,871	\$ 8,702,375	\$ 8,587,858	\$ 8,531,624	\$ 7,954,937
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(57,758)	(60,209)	(62,661)	(65,112)	(67,563)
Tangible Assets	<u>\$ 8,392,273</u>	<u>\$ 8,271,326</u>	<u>\$ 8,154,357</u>	<u>\$ 8,095,672</u>	<u>\$ 7,516,534</u>
Tangible Common Equity to Tangible Assets	9.23%	9.12%	8.96%	8.81%	10.01%

Reconciliation of Non-GAAP Financial Measures



	For the Quarter Ended				For the Year Ended	
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019	12/31/2019
(Dollars in thousands)						
Net income available for common stockholders adjusted for amortization of core deposit intangibles						
Net income	\$ 22,801	\$ 22,920	\$ 24,028	\$ 4,134	\$ 29,051	\$ 73,883
Adjustments:						
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,451	2,451	9,804
Less: Tax benefit at the statutory rate	515	515	515	515	515	2,060
Net income available for common stockholders adjusted for amortization of core deposit intangibles	\$ 24,737	\$ 24,856	\$ 25,964	\$ 6,070	\$ 30,987	\$ 81,627
Average Tangible Common Equity						
Total average stockholders' equity	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,183,116	\$ 1,197,191	\$ 1,164,973
Adjustments:						
Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,463)	(370,840)
Average core deposit intangibles	(59,010)	(61,666)	(64,151)	(66,439)	(68,913)	(62,803)
Average tangible common equity	766,424	745,376	720,807	745,837	757,815	731,330
Return on Average Tangible Common Equity (Annualized)	12.84%	13.27%	14.49%	3.27%	16.22%	11.16%

Reconciliation of Non-GAAP Financial Measures



	For the Quarter Ended					For the Year Ended	
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019	12/31/2020	12/31/2019
	(Dollars in thousands)						
Operating Earnings							
Net income	\$ 22,801	\$ 22,920	\$ 24,028	\$ 4,134	\$ 29,051	\$ 73,883	\$ 90,739
Plus: Loss (gain) on sale of securities available for sale, net	256	8	(2,879)	-	438	(2,615)	1,852
Plus: Loss on sale of disposed branch assets ¹	-	-	-	-	-	-	359
Plus: Debt extinguishment costs ²	9,746	-	1,561	-	-	11,307	-
Plus: Merger and acquisition expenses	-	-	-	-	918	-	38,601
Operating pre-tax income	32,803	22,928	22,710	4,134	30,407	82,575	131,551
Less: Tax impact of adjustments	2,100	-	(277)	-	(23)	1,823	8,262
Plus: Other M&A tax items ³	-	-	-	-	829	-	1,512
Plus: Nonrecurring tax adjustments ⁴	(973)	-	(1,799)	-	(965)	(2,772)	(965)
Operating earnings	\$ 29,730	\$ 22,928	\$ 21,188	\$ 4,134	\$ 30,294	\$ 77,980	\$ 123,836
Weighted average diluted shares outstanding	49,837	49,775	49,727	51,056	52,263	50,036	53,978
Diluted EPS	\$ 0.46	\$ 0.46	\$ 0.48	\$ 0.08	\$ 0.56	\$ 1.49	\$ 1.68
Diluted operating EPS	\$ 0.60	\$ 0.46	\$ 0.43	\$ 0.08	\$ 0.58	\$ 1.56	\$ 2.29

¹ Loss on sale of disposed branch assets for the year ended December 31, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.

² Debt extinguishment costs relate to prepayment penalties paid in connection with the early payoff of FHLB structured advances.

³ Other M&A tax items of \$829 thousand recorded during the three months ended December 31, 2019 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 A nonrecurring tax adjustment of \$973 thousand recorded in the fourth quarter of 2020 was primarily due to the reversal of acquired deferred tax liabilities resulting in a tax benefit of \$1.2 million offset by tax expense of \$281 thousand for the setup of an uncertain tax position liability relating to state tax exposure for tax years prior to the year ending December 31, 2020. A nonrecurring tax adjustment of \$1,799 was recorded in the second quarter of 2020 as a result of the Company amending a prior year Green tax 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 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. A nonrecurring tax adjustment of \$965 thousand was recorded during the fourth quarter of 2019 primarily due to the Company recording a net 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 by 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 settlement was offset by various non-recurring tax expenses totaling \$0.6 million.

Reconciliation of Non-GAAP Financial Measures



	For the Quarter Ended				For the Year Ended	
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019	12/31/2019
	(Dollars in thousands)					
Pre-Tax, Pre-Provision Operating Earnings						
Net income	\$ 22,801	\$ 22,920	\$ 24,028	\$ 4,134	\$ 25,051	\$ 73,883
Plus: Provision for income taxes	4,702	6,198	3,987	(684)	8,168	14,203
Plus: Provision for credit losses and unfunded commitments	902	10,139	18,971	35,657	3,493	65,669
Plus: Loss (gain) on sale of securities, net	256	8	(2,879)	-	438	(2,615)
Plus: Loss on sale of disposed branch assets ¹	-	-	-	-	-	359
Plus: Debt extinguishment costs	9,746	-	1,561	-	-	11,307
Plus: Merger and acquisition expenses	-	-	-	-	918	-
Net pre-tax, pre-provision operating earnings	\$ 38,407	\$ 39,265	\$ 45,668	\$ 39,107	\$ 42,068	\$ 178,186
Total average assets						
	\$ 8,750,141	\$ 8,585,926	\$ 8,689,774	\$ 8,125,782	\$ 8,043,505	\$ 8,525,275
Pre-tax, pre-provision operating return on average assets²	1.75%	1.82%	2.11%	1.94%	2.07%	1.91%
Average Total Assets						
	\$ 8,750,141	\$ 8,585,926	\$ 8,689,774	\$ 8,125,782	\$ 8,043,505	\$ 8,525,275
Return on average assets ²	1.04%	1.00%	1.11%	0.20%	1.43%	0.87%
Operating return on average assets ²	1.35%	1.00%	0.98%	0.20%	1.49%	0.91%
Operating earnings adjusted for amortization of core deposit intangibles						
Operating earnings	\$ 29,730	\$ 22,928	\$ 21,188	\$ 4,134	\$ 30,294	\$ 77,980
Adjustments:						
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,451	2,451	9,804
Less: Tax benefit at the statutory rate	515	515	515	515	515	2,080
Operating earnings adjusted for amortization of core deposit intangibles	31,666	24,864	23,124	6,070	32,230	85,724
Average Tangible Common Equity						
Total average stockholders' equity	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,183,116	\$ 1,197,191	\$ 1,164,973
Adjustments:						
Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,463)	(370,840)
Average core deposit intangibles	(59,019)	(61,656)	(64,121)	(66,439)	(68,913)	(62,803)
Average tangible common equity	\$ 766,415	\$ 745,386	\$ 720,837	\$ 745,837	\$ 757,815	\$ 731,330
Operating return on average tangible common equity²	16.44%	13.27%	12.90%	3.27%	16.87%	11.72%
Efficiency ratio	62.52%	48.12%	46.02%	47.61%	47.12%	50.90%
Operating efficiency ratio	49.49%	48.11%	45.74%	47.61%	45.67%	47.69%

¹ Loss on sale of disposed branch assets for the year ended December 31, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.
² Annualized ratio for quarterly metrics.

Reconciliation of Non-GAAP Financial Measures



	As of				
	<u>12/31/2020</u>	<u>9/30/2020</u>	<u>6/30/2020</u>	<u>3/31/2020</u>	<u>12/31/2019</u>
	(Dollars in thousands, except per share data)				
Operating noninterest income					
Noninterest income	\$ 9,012	\$ 9,795	\$ 21,290	\$ 7,247	\$ 7,132
Plus: Loss (gain) on sale of securities available for sale, net	\$ 256	8	(2,879)	-	438
Operating noninterest income	<u>\$ 9,268</u>	<u>\$ 9,803</u>	<u>\$ 18,411</u>	<u>\$ 7,247</u>	<u>\$ 7,570</u>
Operating noninterest expense					
Noninterest expense	\$ 47,373	\$ 36,408	\$ 40,061	\$ 35,545	\$ 36,284
Less: FHLB prepayment fees	\$ 9,746	-	1,561	-	-
Less: Merger and acquisition expenses	\$ -	-	-	-	918
Operating noninterest expense	<u>\$ 37,627</u>	<u>\$ 36,408</u>	<u>\$ 38,500</u>	<u>\$ 35,545</u>	<u>\$ 35,366</u>
Adjusted net interest margin					
	For the Quarter Ended				
	<u>12/31/2020</u>	<u>9/30/2020</u>	<u>6/30/2020</u>	<u>3/31/2020</u>	<u>12/31/2019</u>
	(Dollars in thousands, except per share data)				
Net interest income	\$ 66,766	\$ 65,870	\$ 65,757	\$ 67,405	\$ 69,864
Less: Loan accretion	\$ 2,652	3,953	3,134	4,455	5,582
Less: Deposit premium amortization	\$ 89	110	263	423	740
Adjusted net interest margin	<u>\$ 64,025</u>	<u>\$ 61,807</u>	<u>\$ 62,360</u>	<u>\$ 62,527</u>	<u>\$ 63,542</u>
Total interest-earning assets	\$8,068,652	\$7,899,837	\$8,001,485	\$7,388,028	\$7,272,568
Adjusted net interest margin	3.15%	3.10%	3.13%	3.39%	3.47%



VBTX

Veritex Holdings, Inc.

**4th Quarter Earnings
Conference Call
January 27, 2020**



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

Veritex Holdings, Inc. Declares Cash Dividend on Common Stock

Dallas, TX – January 26, 2021 – Veritex Holdings, Inc. (Nasdaq: VBTX) (“Veritex” or the “Company”), the parent holding company for Veritex Community Bank, today announced the declaration of a quarterly cash dividend of \$0.170 per share on its outstanding common stock. The dividend will be paid on or after February 18, 2021 to shareholders of record as of February 4, 2021.

About Veritex Holdings, Inc.

Headquartered in Dallas, Texas, Veritex is a bank holding company that conducts banking activities through its wholly-owned subsidiary, Veritex Community Bank, with locations throughout the Dallas-Fort Worth metroplex and in the Houston metropolitan area. Veritex Community Bank is a Texas state chartered bank regulated by the Texas Department of Banking and the Board of Governors of the Federal Reserve System. For more information, visit www.veritexbank.com.

Forward Looking Statement

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements include statements regarding Veritex’s projected plans and objectives, including the expected payment date of its common stock dividend. Forward-looking statements are typically identified by words such as “believe,” “expect,” “anticipate,” “intend,” “target,” “estimate,” “continue,” “positions,” “prospects” or “potential,” by future conditional verbs such as “will,” “would,” “should,” “could” or “may”, or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and Veritex assumes no duty to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Source: Veritex Holdings, Inc.

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