

**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): April 24, 2017

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 400
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))

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 Conditions

On April 24, 2017, 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 three months ended March 31, 2017. A copy of the press release is included as Exhibit 99.1 hereto and is incorporated herein by reference.

As provided in General Instructions B2 to Form 8-K, the information furnished in Item 2.02 and Exhibit 99.1 of this Current Report on Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and such information shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events

The portions of the press release that relate solely to the proposed merger between Spartan Merger Sub, Inc., a wholly-owned subsidiary of the Company, and Sovereign Bancshares, Inc. (“Sovereign”) are being filed herewith as Exhibit 99.1 to this Current Report on Form 8-K in compliance with Rule 425 of the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits. The following is furnished as an exhibit to this Current Report on Form 8-K:

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|-------------------------------------|
| 99.1 | Press Release dated April 24, 2017. |

Cautionary Statement Regarding Forward-Looking Statements

The information presented herein and in other documents filed with or furnished to the Securities and Exchange Commission (the “SEC”), in press releases or other public shareholder communications, or in oral statements made with the approval of an authorized executive officer contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving the Company’s and Sovereign’s expectations or predictions of future financial or business performance or conditions. 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 we assume no duty to update forward-looking statements.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date such statements are made. These statements may relate to future financial performance, strategic plans or objectives, revenues or earnings projections, or other financial information. By their nature, these statements are subject to numerous uncertainties that could cause actual results to differ materially from those anticipated in the statements. Statements about the expected timing, completion and effects of the proposed transactions and all other statements in this communication other than historical facts constitute forward-looking statements.

In addition to factors previously disclosed in the Company’s reports filed with the SEC and those identified elsewhere in this communication, the following factors among others, could cause actual results to differ materially from forward-looking statements: delay in closing the Sovereign merger; difficulties and delays in integrating the Company and Sovereign businesses or fully realizing cost savings and other benefits; business disruption following the proposed transaction; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Board of Governors of the Federal Reserve System and legislative and regulatory actions and reforms.

Additional Information About the Proposed Transaction and Where to Find It

This communication is being made in respect of the proposed merger transaction involving the Company and Sovereign. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Investors and security holders are urged to carefully review and consider the Company’s public filings with the SEC, including but not limited to its Annual Reports on Form 10-K, its proxy statements, its Current Reports on Form 8-K and its Quarterly Reports on Form 10-Q. The documents filed by the Company with the SEC may be obtained free of charge from www.veritexbank.com under the Investor Relations tab or at the SEC’s website at www.sec.gov. Alternatively, these documents,

when available, can be obtained free of charge from the Company upon written request to Veritex Holdings, Inc., Attn: Investor Relations, 8214 Westchester Drive, Suite 400, Dallas, Texas 75225 or by calling (972) 349-6200.

In connection with the proposed transaction, the Company has filed a registration statement on Form S-4 with the SEC which includes a joint proxy statement of Sovereign and the Company and a prospectus of the Company, and will file other documents regarding the proposed transaction with the SEC. **Before making any investment decision, investors and security holders of Sovereign and the Company are urged to carefully read the entire registration statement and joint proxy statement/prospectus, as well as any amendments or supplements to these documents and any other relevant documents filed with the SEC, because they will contain important information about the proposed transaction.** A definitive joint proxy statement/prospectus has been sent to the shareholders of each institution seeking the required shareholder approvals. Investors and security holders will be able to obtain the registration statement and the joint proxy statement/prospectus free of charge from the SEC's website or from the Company by writing to the address provided above.

The Company and Sovereign and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from their shareholders in connection with the proposed transaction. Information about the Company's participants may be found in the definitive proxy statement filed with the SEC on April 10, 2017. The definitive proxy statement can be obtained free of charge from the sources indicated above. Additional information regarding the interests of such participants is included in the joint proxy statement/prospectus and will be included in other relevant documents regarding the proposed merger transaction filed with the SEC when they become available, copies of which may also be obtained free of charge from the sources indicated above.

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: April 25, 2017

EXHIBIT INDEX

**Exhibit
Number**

Description of Exhibit

99.1

Press Release dated April 24, 2017.

VERITEX HOLDINGS, INC. REPORTS FIRST QUARTER FINANCIAL RESULTS

Dallas, TX — April 24, 2017 —Veritex Holdings, Inc. (NASDAQ: VBTX), the holding company for Veritex Community Bank, announced today the results for the quarter ended March 31, 2017. The Company reported net income of \$3.1 million, or \$0.20 diluted earnings per share (EPS), compared to \$3.2 million, or \$0.27 diluted EPS, for the quarter ended December 31, 2016 and \$2.8 million, or \$0.26 diluted EPS, for the quarter ended March 31, 2016. Total assets increased \$113.5 million to \$1.5 billion from \$1.4 billion for the quarter ended December 31, 2016, representing a 32.2% annualized growth rate, total loans increased \$29.1 million to \$1.0 billion from \$991.9 million for the quarter ended December 31, 2016 representing a 11.7% annualized growth rate, and total deposits increased \$102.1 million to \$1.2 billion from \$1.1 billion for the quarter ended December 31, 2016 representing a 36.5% annualized growth rate.

Malcolm Holland, the Company's Chairman and Chief Executive Officer, said, "I am pleased with the continued execution of our strategic plan, both on the acquisition and organic growth fronts. On the acquisition front, the merger with Sovereign Bancorp Inc. remains on track and we anticipate a second quarter closing. Veritex and Sovereign integration teams completed the planning phase and are looking forward to a smooth closing and conversion process. Our shareholders and the shareholders of Sovereign approved the merger at the respective special meetings of shareholders on April 6, 2017. The Texas Department of Banking granted its approval of our regulatory application and we are prepared to close following approval from the Federal Reserve. "

"In addition to our efforts on the Sovereign acquisition this quarter, we continue to make meaningful investments to further enhance our organic growth. On March 1, 2017 we welcomed to our team Mr. Bob Stone as Executive Vice President and Managing Director of Commercial Real Estate Lending. Mr. Stone is a successful and well respected lending executive who brings 40 years of commercial real estate lending expertise. We believe he will add tremendous value to our organization over the coming years." Mr. Holland continued, "In addition, we added two other seasoned lenders to our commercial lending team. In January, we announced the opening of our new branch in the attractive Turtle Creek area of Dallas, adding to our network of relationship-driven banking centers targeting private client and small to medium-sized businesses. We are excited about these developments and the positive impact they will have on our franchise and future growth plans."

Mr. Holland also noted, "Even with significant ongoing investments in our infrastructure and expanding growth opportunities, we reported an increase in pre-tax, pre-provision income over both the prior quarter and prior year. Net income declined over the prior quarter primarily due to increased provision expense related to four isolated credit relationships totaling \$603 thousand that were charged off in March. Our low level of nonperforming loans and past due credits continues to reflect 'best in class' status."

First Quarter 2017 Financial Highlights

- Net interest income was \$11.3 million, an increase of \$1.6 million, or 16.1%, compared to \$9.7 million for the same period in 2016.
- Total loans increased \$135.6 million, or 15.3%, to \$1.0 billion compared to \$885.4 million as of March 31, 2016.
- Total deposits increased \$275.6 million, or 29.1%, to \$1.2 billion compared to \$946.1 million as of March 31, 2016.
- Pre-tax, pre-provision income was \$5.3 million, an increase of \$250 thousand, or 4.9%, compared to \$5.1 million for the same period in 2016.
- Total stockholders' equity increased \$107.5 million to \$242.7 million compared to \$135.2 million as of March 31, 2016 with \$95.0 million of the increase related to proceeds from our public offering completed in conjunction with the announcement of Sovereign Bancshares, Inc. ("Sovereign") acquisition.
- Nonperforming assets to total assets and net charge-offs to average loans remained low at 0.19% and 0.06% as of March 31, 2017.

Result of Operations for the Three Months Ended March 31, 2017

Net Interest Income

For the three months ended March 31, 2017, net interest income before provision for loan losses was \$11.3 million and net interest margin was 3.21% compared to \$10.5 million and 3.44%, respectively, for the three months ended December 31, 2016. Net interest income increased \$733 thousand primarily due to an increase of \$410 thousand in interest income on deposits in other banks as average interest-earning deposits in other banks increased \$147.7 million. This increase was driven by proceeds of our

public offering of common stock of \$95 million which settled on December 20, 2016 and excess cash balances resulting from growth in customer deposits. In addition, the change in net interest income resulted from increased interest income on loans of \$199 thousand as average loan balances increased \$35.6 million due to organic loan growth during the three months ended March 31, 2017 compared to the three months ended December 31, 2016. The net interest margin decreased 23 basis points from the three months ended December 31, 2016. The decrease in net interest margin was partially due to a decrease in the average yield in interest-earning assets to 3.73% for the three months ended March 31, 2017 from 4.02% for the three months ended December 31, 2016. This was a result of interest-bearing deposits at other banks representing 20.8% of average interest earning assets for the three months ending March 31, 2017 compared to 12.2% of average interest earning assets at December 31, 2016. Interest-bearing deposits at other banks increased \$147.7 million to \$295.6 million with an average yield of 0.84% compared to \$148.0 million with a 0.54% yield.

Net interest income before provision for loan losses increased by \$1.6 million from \$9.7 million to \$11.3 million for the three months ended March 31, 2017 as compared to the same period during 2016. The increase in net interest income before provision for loan losses was primarily due to \$1.5 million in increased interest income on loans resulting from average loan balance increases of \$150.8 million compared to March 31, 2016. The net interest margin declined to 3.21% from the three months ended March 31, 2017 from 3.87% for the same three-month period in 2016. The 66 basis point decrease in net interest margin was partially due to increases in interest-bearing deposits in other banks and a resulting change in mix as described above for the three months ended March 31, 2017 compared to interest-bearing deposits in other banks of \$70.1 million with an average yield of 0.53% representing 7.0% for the same period in 2016. The increase in interest-bearing deposits in other banks was primarily driven by proceeds of our public offering of common stock and increases in customer deposits as described above. In addition, the average yield on loans decreased 7 basis points to 4.78% for the three months ended March 31, 2017 from 4.85% for the same period in 2016. Decline in loan yields was the result of competitive pricing pressure and resulting yields on new loan originations and renewals below average yield of amortizing or paid-off loans. Also impacting the net interest margin decline was the increasing rate paid on interest-bearing liabilities. The rate paid on interest-bearing liabilities increased from 0.67% for the three months ended March 31, 2016 to 0.81% for the same period in 2017. The 14 basis point increase was related to an increase in premium money market accounts of \$589.5 million with an average rate of 0.87% representing 65.2% of interest bearing liabilities for the three months ended March 31, 2017 compared to \$329.7 million with an average rate of 0.73% representing 50.1% of interest bearing liabilities.

Noninterest Income

Noninterest income for the three months ended March 31, 2017 was \$1.5 million, a decrease of \$289 thousand or 15.8% compared to the three months ended December 31, 2016. The net decrease was primarily a result of decreased gains on sale of Small Business Administration (“SBA”) loans of \$114 thousand, decreased gains on sale of mortgage loans of \$109 thousand, and a decrease in dividend income from the bi-annual dividends received on Federal Reserve Bank stock of \$100 thousand received and included in other noninterest income in the three months ended December 31, 2016.

Compared to the three months ended March 31, 2016, noninterest income grew \$162 thousand or 11.8%. The increase was primarily a result of an increase in ATM and debit card fees of \$70 thousand, increased gain on sale of SBA loans of \$255 thousand, and increased gains on sale of mortgage loans of \$23 thousand. In addition, the net gains were offset by the reduction in gain on sale of loans due to the one time \$193 thousand gain on sale of loans acquired with the IBT loan portfolio in March 31, 2016 which was not a factor as of March 31, 2017.

Noninterest Expense

Noninterest expense was \$7.5 million for the three months ended March 31, 2017, compared to noninterest expense of \$7.1 million for the three months ended December 31, 2016, an increase of \$366 thousand or 5.2%. The increase was primarily due to increases in salaries and employee benefits and professional fees.

Salaries and employee benefits expense was \$3.9 million for the three months ended March 31, 2017, compared to \$3.7 million for the three months ended December 31, 2016, an increase of \$258 thousand or 7.1%. The increase was primarily attributable to employee compensation increases of \$137 thousand resulting from annual merit increases and the addition of four new full-time equivalent employees and \$168 thousand relating to an increase in payroll taxes on annual bonuses. Additionally, Federal Deposit Insurance Corporation (“FDIC”) assessment fees increased \$45 thousand and lease expenses increased \$52 thousand primarily due to the opening of the Turtle Creek branch in January 2017. Nonrecurring acquisition related costs were \$88 thousand for the three months ended March 31, 2017.

Compared to the three months ended March 31, 2016, noninterest expense increased \$1.5 million, or 24.7%, to \$7.5 million for the three months ended March 31, 2017. The increase was primarily due to increases in salaries and employee benefits and in professional fees.

Salaries and employee benefits expense was \$3.9 million for the three months ended March 31, 2017, compared to \$3.2 million for the three months ended March 31, 2016, an increase of \$734 thousand or 23.1%. The increase was primarily attributable to employee compensation increases of \$411 thousand resulting from annual merit increases and the addition of twelve new full-time equivalent employees and a \$204 thousand increase in incentive costs primarily relating to lender incentives.

Additionally, FDIC assessment fees increased \$122 thousand, occupancy expenses increased \$125 thousand, and professional expenses increased \$225 thousand primarily due to an increase in professional services relating to the Sovereign merger as well as director compensation costs compared to the three months ended March 31, 2016.

Income Taxes

Income tax expense for the three months ended March 31, 2017 totaled \$1.4 million, a decrease of \$280 thousand, or 17.2%, compared to the three months ended December 31, 2016. The Company's effective tax rate, before reporting the net impact of discrete items, was approximately 34.2% and 34.3% for the three months ended March 31, 2017 and the three months ended December 31, 2016, respectively. The Company's provision for income taxes for the three months ended March 31, 2017, was impacted by a net discrete tax benefit of \$172 thousand associated with the recognition of excess tax benefit realized on share-based payment awards. The Company's effective tax rate, after including the net impact of discrete tax items, was approximately 30.4% and 34.3%, respectively for the three months ended March 31, 2017 and the three months ended December 31, 2016.

Compared to the three months ended March 31, 2016, income tax expense decreased \$80 thousand, or 5.6%, to \$1.4 million for the three months ended March 31, 2017. The Company's effective tax rate, before reporting the net impact of discrete items, was approximately 34.2% for the three months ended March 31, 2017 compared to 34.1%. The change in income tax expense from the three months ended March 31, 2016 was primarily due to the \$205 thousand increase in net operating income offset by the impact of the net discrete tax benefit of \$172 thousand during the three months ended March 31, 2017 compared to the \$16 thousand net discrete item during the three months ended March 31, 2016. The Company's effective tax rate, after including the net impact of discrete tax items, was approximately 30.4% and 33.7% for the three months ended March 31, 2017 and the three months ended March 31, 2016.

Financial Condition

Loans (excluding loans held for sale and deferred loan fees) at March 31, 2017 were \$1.0 billion, a increase of \$29.1 million or 2.9% compared to \$991.9 million at December 31, 2016. The net increase from December 31, 2016 was primarily the result of gross loan growth of \$135.2 million which was offset by \$106.1 million in loan pay downs and payoffs during the first quarter.

Loans (excluding loans held for sale and deferred loan fees) increased \$135.6 million, or 15.3%, compared to \$885.4 million at March 31, 2016. The growth over March 31, 2016 is due to the continued execution and success of our organic growth strategy.

Deposits at March 31, 2017 were \$1.2 billion, an increase of \$102.1 million, or 9.1%, compared to \$1.1 billion at December 31, 2016. The increase from December 31, 2016 was primarily due to an increase of \$81.3 million in savings accounts, \$10.6 million in non-interest bearing deposits, \$10.3 million in business checking, and \$4.6 million in money market accounts. The increase in deposits was primarily due to a single customer deposit of \$71.4 million; the remaining deposit increase was due to organic growth, partially offset by wholesale deposit repayment of \$4.0 million.

Deposits increased \$275.6 million, or 29.1%, compared to \$946.1 million at March 31, 2016. The increase from March 31, 2016 was primarily due to an increase in financial institution money market accounts of \$163.7 million resulting from the launch of a correspondent banking group, organic growth in retail and business money market accounts of \$52.9 million, growth in time deposits of \$33.8 million, and an increase of \$41.7 million in noninterest bearing deposits which was partially offset by decreases in wholesale deposits of \$104.2 million.

Advances from the Federal Home Loan Bank were \$38.3 million at March 31, 2017 and December 31, 2016 compared to \$38.4 million at March 31, 2016.

Asset Quality

The allowance for loan losses was 0.86%, 0.86%, and 0.83% of total loans at March 31, 2017, December 31, 2016, and March 31, 2016, respectively. The allowance for loan losses as a percentage of total loans over the three quarter periods was determined by the qualitative factors around the nature, volume and mix of the loan portfolio.

The provision for loan losses for the three months ended March 31, 2017 totaled \$890 thousand compared to \$440 thousand for three months ended December 31, 2016. The increase in provision for loan losses for the three months ended March 31, 2017 compared to December 31, 2016 was due to an increase in general provision requirements related to the charge-off of five C&I credits across four lending relationships totaling \$603 thousand. The lending relationships were each in different industries with a unique set of circumstances that resulted in the decision to charge-off these loans. In addition, there was an increase in general provision requirements as loans held for investment increased 2.9% for the three months ended March 31, 2017. The increase of \$45 thousand in provision for loan losses from March 31, 2016 to March 31, 2017 was due to the general provision required from the charge-off of loans in the period which was partially offset by a decrease in loan growth compared to the same period in 2016.

Other real estate owned totaled \$998 thousand at March 31, 2017 compared to \$662 thousand at December 31, 2016 and \$493 thousand at March 31, 2016. Non-accrual loans were \$1.7 million at March 31, 2017 compared to \$941 thousand at December 31, 2016 and \$525 thousand at March 31, 2016. At March 31, 2017 and December 31, 2016, non-accrual loans to our total loans held for investment was minimal at 0.17% and 0.09%, respectively.

Nonperforming assets totaled \$2.9 million, or 0.19%, of total assets at March 31, 2017 compared to \$2.4 million, or 0.17%, of total assets at December 31, 2016. Nonperforming assets were \$1.2 million, or 0.11%, of total assets at March 31, 2016. The increase of \$458 thousand in nonperforming assets compared to December 31, 2016 was primarily due to an increase in non-accrual loans of \$745 thousand and an increase in other real estate owned of \$336 thousand which was partially offset by a decrease in accruing loans past due over 90 days of \$623 thousand.

Non-GAAP Financial Measures

The Company's management uses certain non-GAAP (generally accepted accounting principles) financial measures to evaluate its performance. Specifically, the Company reviews and reports tangible book value per common share, the tangible common equity to tangible assets ratio and pre-tax, pre-provision income. The Company has included in this release information related to these non-GAAP financial measures for the applicable periods presented. Please refer to "Consolidated Financial Highlights" at the end of this release for a reconciliation of these non-GAAP financial measures.

About Veritex Holdings, Inc.

Headquartered in Dallas, Texas, Veritex Holdings, Inc. is a bank holding company that conducts banking activities through its wholly-owned subsidiary, Veritex Community Bank, with eleven branch locations throughout the Dallas metropolitan area and one mortgage office. 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

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This release may contain certain forward-looking statements within the meaning of the securities laws that are based on various facts and derived utilizing important assumptions, current expectations, estimates and projections about the Company and its subsidiaries. Forward-looking statements include information regarding the Company's future financial performance, business and growth strategy, projected plans and objectives, and related transactions, integration of the acquired businesses, ability to recognize anticipated operational efficiencies, and other projections based on macroeconomic and industry trends, which are inherently unreliable due to the multiple factors that impact economic 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. Further, certain factors that could affect our future results and cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to whether the Company can: successfully implement its growth strategy, including identifying acquisition targets and consummating suitable acquisitions; continue to sustain internal growth rate; provide competitive products and services that appeal to its customers and target market; continue to have access to debt and equity capital markets; and achieve its performance

goals. Other risks include, but are not limited to: difficulties and delays in integrating the Company's and Sovereign's businesses or fully realizing cost savings and benefits; the possibility that credit quality could deteriorate; actions of competitors; changes in laws and regulations (including changes in governmental interpretations of regulations and changes in accounting standards); business description following the Sovereign acquisition; economic conditions, including currency rate fluctuations and interest rate fluctuations; and weather. These and various other factors are discussed in the Company's Final Prospectus Supplement, dated December 15, 2016, filed pursuant to Rule 424(b)(5), the Company's joint proxy statement/prospectus filed on February 17, 2017, the Company's Annual Report on Form 10-K filed on March 10, 2017, and other reports and statements the Company has filed with the Securities and Exchange Commission. Copies of such filings are available for download free of charge from the Investor Relations section on the Company's website, www.veritexbank.com, under the "About Us" tab.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Consolidated Financial Highlights - (Unaudited)
(In thousands, except share and per share data)

| | At and For the Three Months Ended | | | | |
|--|-----------------------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2017 | December 31, 2016 | September 30, 2016 | June 30, 2016 | March 31, 2016 |
| Selected Financial Data: | | | | | |
| Net income | \$ 3,098 | \$ 3,190 | \$ 3,375 | \$ 3,173 | \$ 2,813 |
| Total assets | 1,522,015 | 1,408,507 | 1,269,238 | 1,215,497 | 1,130,480 |
| Total loans ⁽¹⁾ | 1,020,970 | 991,897 | 926,712 | 928,000 | 885,415 |
| Provision for loan losses | 890 | 440 | 238 | 527 | 845 |
| Allowance for loan losses | 8,816 | 8,524 | 8,102 | 7,910 | 7,372 |
| Noninterest-bearing deposits | 338,226 | 327,614 | 304,972 | 354,570 | 296,481 |
| Total deposits | 1,221,696 | 1,119,630 | 1,077,217 | 1,027,729 | 946,058 |
| Total stockholders' equity | 242,725 | 239,088 | 142,423 | 138,850 | 135,241 |
| Summary Performance Ratios: | | | | | |
| Return on average assets ⁽²⁾ | 0.83% | 0.97% | 1.10% | 1.12% | 1.04% |
| Return on average equity ⁽²⁾ | 5.20 | 8.11 | 9.50 | 9.26 | 8.39 |
| Net interest margin ⁽³⁾ | 3.21 | 3.44 | 3.70 | 3.90 | 3.87 |
| Efficiency ratio ⁽⁴⁾ | 58.26 | 57.39 | 56.64 | 54.13 | 54.01 |
| Noninterest expense to average assets ⁽²⁾ | 1.99 | 2.16 | 2.29 | 2.23 | 2.20 |
| Summary Credit Quality Data: | | | | | |
| Nonaccrual loans | \$ 1,686 | \$ 941 | \$ 1,087 | \$ 1,028 | \$ 525 |
| Accruing loans 90 or more days past due | 212 | 835 | 357 | 5,634 | 141 |
| Other real estate owned | 998 | 662 | 662 | 493 | 493 |
| Nonperforming assets to total assets | 0.19% | 0.17% | 0.17% | 0.59% | 0.11% |
| Nonperforming loans to total loans | 0.19 | 0.18 | 0.16 | 0.72 | 0.08 |
| Allowance for loan losses to total loans | 0.86 | 0.86 | 0.87 | 0.85 | 0.83 |
| Net charge-offs to average loans outstanding | 0.06 | 0.03 | 0.03 | 0.03 | 0.03 |
| Capital Ratios: | | | | | |
| Total stockholders' equity to total assets | 15.95% | 16.97% | 11.22% | 11.42% | 11.96% |
| Tangible common equity to tangible assets ⁽⁵⁾ | 14.31 | 15.23 | 9.14 | 9.25 | 9.63 |
| Tier 1 capital to average assets | 14.65 | 16.82 | 9.82 | 10.21 | 10.38 |
| Tier 1 capital to risk-weighted assets | 19.94 | 20.72 | 12.04 | 11.88 | 12.03 |
| Common equity tier 1 (to risk weighted assets) | 19.66 | 20.42 | 11.72 | 11.56 | 11.69 |
| Total capital to risk-weighted assets | 21.20 | 22.02 | 13.38 | 13.23 | 13.38 |

(1) Total loans does not include loans held for sale and deferred fees. Loans held for sale were \$1.9 million at March 31, 2017, \$5.2 million at December 31, 2016, \$4.9 million at September 30, 2016, \$4.8 million at December 31, 2016 and \$3.6 million at March 31, 2016. Deferred fees were \$48 thousand at March 31, 2017, \$55 thousand at December 31, 2016, \$51 thousand at September 30, 2016, \$52 thousand at December 31, 2016, and \$65 thousand at March 31, 2016.

(2) We calculate our average assets and average equity for a period by dividing the sum of our total assets or total stockholders' equity, as the case may be, at the close of business on each day in the relevant period, by the number of days in the period. We have calculated our return on average assets and return on average equity for a period by dividing net income for that period by our average assets and average equity, as the case may be, for that period.

(3) Net interest margin represents net interest income, annualized on a fully tax equivalent basis, divided by average interest-earning assets.

(4) Efficiency ratio represents noninterest expense divided by the sum of net interest income and noninterest income.

(5) We calculate tangible common equity as total stockholders' equity less preferred stock, goodwill, core deposit intangibles and other intangible assets, net of accumulated amortization, and we calculate tangible assets as total assets less goodwill, and core deposit intangibles and other intangible assets, net of accumulated amortization. Tangible common equity to tangible assets is a non-GAAP financial measure, and, as we calculate tangible common equity to tangible assets, the most directly comparable GAAP financial measure is total stockholders' equity to total assets. Our management believe that this measure is important to many investors in the market place who are interested in relative changes from period to period in common equity and total assets, each exclusive of changes in intangible assets. 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. See our reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures in the table captioned "Reconciliation GAAP—NON-GAAP—(Unaudited)."

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Condensed Consolidated Balance Sheets - (Unaudited)
(In thousands, except share and per share data)

| | March 31, 2017 | December 31, 2016 | September 30, 2016 | June 30, 2016 | March 31, 2016 |
|---|---------------------|----------------------|-----------------------|---------------------|---------------------|
| ASSETS | | | | | |
| Cash and due from banks | \$ 23,021 | \$ 15,631 | \$ 15,837 | \$ 12,951 | \$ 12,416 |
| Interest bearing deposits in other banks | 262,714 | 219,160 | 162,750 | 114,293 | 79,967 |
| Total cash and cash equivalents | 285,735 | 234,791 | 178,587 | 127,244 | 92,383 |
| Investment securities | 138,698 | 102,559 | 86,772 | 83,677 | 79,146 |
| Loans held for sale | 1,925 | 5,208 | 4,856 | 4,793 | 3,597 |
| Loans, net | 1,012,106 | 983,318 | 918,559 | 920,039 | 877,978 |
| Accrued interest receivable | 2,845 | 2,907 | 2,414 | 2,259 | 2,252 |
| Bank-owned life insurance | 20,224 | 20,077 | 19,922 | 19,767 | 19,614 |
| Bank premises, furniture and equipment, net | 17,521 | 17,413 | 17,501 | 17,243 | 17,248 |
| Non-marketable equity securities | 7,375 | 7,366 | 7,358 | 7,035 | 5,541 |
| Investment in unconsolidated subsidiary | 93 | 93 | 93 | 93 | 93 |
| Other real estate owned | 998 | 662 | 662 | 493 | 493 |
| Intangible assets, net | 2,161 | 2,181 | 2,257 | 2,264 | 2,347 |
| Goodwill | 26,865 | 26,865 | 26,865 | 26,865 | 26,865 |
| Other assets | 5,469 | 5,067 | 3,392 | 3,725 | 2,923 |
| Total assets | \$ 1,522,015 | \$ 1,408,507 | \$ 1,269,238 | \$ 1,215,497 | \$ 1,130,480 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| Deposits: | | | | | |
| Noninterest-bearing | \$ 338,226 | \$ 327,614 | \$ 304,972 | \$ 354,570 | \$ 296,481 |
| Interest-bearing | 883,470 | 792,016 | 772,245 | 673,159 | 649,577 |
| Total deposits | 1,221,696 | 1,119,630 | 1,077,217 | 1,027,729 | 946,058 |
| Accounts payable and accrued expenses | 1,631 | 2,914 | 2,082 | 1,611 | 2,122 |
| Accrued interest payable and other liabilities | 9,655 | 534 | 1,098 | 855 | 573 |
| Advances from Federal Home Loan Bank | 38,271 | 38,306 | 38,341 | 38,375 | 38,410 |
| Junior subordinated debentures | 3,093 | 3,093 | 3,093 | 3,093 | 3,093 |
| Subordinated notes | 4,944 | 4,942 | 4,984 | 4,984 | 4,983 |
| Total liabilities | 1,279,290 | 1,169,419 | 1,126,815 | 1,076,647 | 995,239 |
| Commitments and contingencies | | | | | |
| Stockholders' equity: | | | | | |
| Common stock | 152 | 152 | 107 | 107 | 107 |
| Additional paid-in capital | 211,512 | 211,173 | 116,315 | 116,111 | 115,876 |
| Retained earnings | 32,388 | 29,290 | 26,101 | 22,725 | 19,552 |
| Unallocated Employee Stock Ownership Plan shares | (209) | (209) | (309) | (309) | (309) |
| Accumulated other comprehensive (loss) income | (1,048) | (1,248) | 279 | 286 | 85 |
| Treasury stock, 10,000 shares at cost | (70) | (70) | (70) | (70) | (70) |
| Total stockholders' equity | 242,725 | 239,088 | 142,423 | 138,850 | 135,241 |
| Total liabilities and stockholders' equity | \$ 1,522,015 | \$ 1,408,507 | \$ 1,269,238 | \$ 1,215,497 | \$ 1,130,480 |

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Condensed Consolidated Statements of Income - (Unaudited)
(In thousands, except share and per share data)

| | For the Three Months Ended | | | | |
|--|----------------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2017 | December 31, 2016 | September 30, 2016 | June 30, 2016 | March 31, 2016 |
| Interest income: | | | | | |
| Interest and fees on loans | \$ 11,883 | \$ 11,684 | \$ 11,589 | \$ 11,052 | \$ 10,355 |
| Interest on investment securities | 575 | 396 | 335 | 344 | 335 |
| Interest on deposits in other banks | 610 | 200 | 129 | 80 | 92 |
| Interest on other | 1 | 1 | 1 | 1 | 1 |
| Total interest income | 13,069 | 12,281 | 12,054 | 11,477 | 10,783 |
| Interest expense: | | | | | |
| Interest on deposit accounts | 1,647 | 1,600 | 1,381 | 1,072 | 935 |
| Interest on borrowings | 169 | 161 | 156 | 177 | 158 |
| Total interest expense | 1,816 | 1,761 | 1,537 | 1,249 | 1,093 |
| Net interest income | 11,253 | 10,520 | 10,517 | 10,228 | 9,690 |
| Provision for loan losses | 890 | 440 | 238 | 527 | 845 |
| Net interest income after provision for loan losses | 10,363 | 10,080 | 10,279 | 9,701 | 8,845 |
| Noninterest income: | | | | | |
| Service charges and fees on deposit accounts | 509 | 537 | 433 | 443 | 434 |
| Gain on sales of investment securities | — | — | — | — | 15 |
| Gain on sales of loans | 747 | 970 | 1,036 | 620 | 662 |
| Bank-owned life insurance | 187 | 194 | 193 | 191 | 193 |
| Other | 92 | 123 | 231 | 158 | 69 |
| Total noninterest income | 1,535 | 1,824 | 1,893 | 1,412 | 1,373 |
| Noninterest expense: | | | | | |
| Salaries and employee benefits | 3,908 | 3,650 | 3,920 | 3,589 | 3,174 |
| Occupancy and equipment | 1,011 | 949 | 923 | 894 | 901 |
| Professional fees | 798 | 943 | 785 | 503 | 573 |
| Data processing and software expense | 360 | 308 | 296 | 270 | 284 |
| FDIC assessment fees | 258 | 213 | 179 | 132 | 137 |
| Marketing | 244 | 279 | 293 | 211 | 200 |
| Other assets owned expenses and write-downs | 25 | 24 | 9 | 55 | 75 |
| Amortization of intangibles | 95 | 95 | 95 | 95 | 95 |
| Telephone and communications | 102 | 107 | 98 | 100 | 97 |
| Other | 649 | 516 | 431 | 452 | 439 |
| Total noninterest expense | 7,450 | 7,084 | 7,029 | 6,301 | 5,975 |
| Net income from operations | 4,448 | 4,820 | 5,143 | 4,812 | 4,243 |
| Income tax expense | 1,350 | 1,630 | 1,768 | 1,639 | 1,430 |
| Net income | \$ 3,098 | \$ 3,190 | \$ 3,375 | \$ 3,173 | \$ 2,813 |
| Basic earnings per share | \$ 0.20 | \$ 0.28 | \$ 0.32 | \$ 0.30 | \$ 0.26 |
| Diluted earnings per share | \$ 0.20 | \$ 0.27 | \$ 0.31 | \$ 0.29 | \$ 0.26 |
| Weighted average basic shares outstanding | 15,199,924 | 11,298,689 | 10,705,115 | 10,696,366 | 10,693,800 |
| Weighted average diluted shares outstanding | 15,631,934 | 11,652,651 | 11,024,695 | 10,993,921 | 10,963,986 |

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Reconciliation GAAP — NON-GAAP - (Unaudited)
(In thousands, except share and per share data)

The following table reconciles, at the dates set forth below, total stockholders' equity to tangible common equity and total assets to tangible assets and presents our tangible book value per share compared to our book value per common share:

| | March 31, 2017 | December 31, 2016 | September 30, 2016 | June 30, 2016 | March 31, 2016 |
|---|---------------------|----------------------|-----------------------|---------------------|---------------------|
| Tangible Common Equity | | | | | |
| Total stockholders' equity | \$ 242,725 | \$ 239,088 | \$ 142,423 | \$ 138,850 | \$ 135,241 |
| Adjustments: | | | | | |
| Goodwill | (26,865) | (26,865) | (26,865) | (26,865) | (26,865) |
| Intangible assets | (2,161) | (2,181) | (2,257) | (2,264) | (2,347) |
| Total tangible common equity | <u>\$ 213,699</u> | <u>\$ 210,042</u> | <u>\$ 113,301</u> | <u>\$ 109,721</u> | <u>\$ 106,029</u> |
| Tangible Assets | | | | | |
| Total assets | \$ 1,522,015 | \$ 1,408,507 | \$ 1,269,238 | \$ 1,215,497 | \$ 1,130,480 |
| Adjustments: | | | | | |
| Goodwill | (26,865) | (26,865) | (26,865) | (26,865) | (26,865) |
| Intangible assets | (2,161) | (2,181) | (2,257) | (2,264) | (2,347) |
| Total tangible assets | <u>\$ 1,492,989</u> | <u>\$ 1,379,461</u> | <u>\$ 1,240,116</u> | <u>\$ 1,186,368</u> | <u>\$ 1,101,268</u> |
| Tangible Common Equity to Tangible Assets | 14.31% | 15.23% | 9.14% | 9.25% | 9.63% |
| Common shares outstanding | 15,229 | 15,195 | 10,736 | 10,728 | 10,724 |
| Book value per common share ⁽¹⁾ | \$ 15.94 | \$ 15.73 | \$ 13.27 | \$ 12.94 | \$ 12.61 |
| Tangible book value per common share ⁽²⁾ | \$ 14.03 | \$ 13.82 | \$ 10.55 | \$ 10.23 | \$ 9.89 |

(1) We calculate book value per common share as stockholders' equity less preferred stock at the end of the relevant period divided by the outstanding number of shares of our common stock at the end of the relevant period.

(2) We calculate tangible book value per common share as total stockholders' equity less preferred stock, goodwill, and intangible assets, net of accumulated amortization at the end of the relevant period, divided by the outstanding number of shares of our common stock at the end of the relevant period. Tangible book value per common share is a non-GAAP financial measure, and, as we calculate tangible book value per common share, the most directly comparable GAAP financial measure is total stockholders' equity per common share. Our management believes that this measure is important to many investors in the market place who are interested in changes from period to period on book value per common share exclusive of changes in intangible assets. Goodwill and other intangible assets have the effect of increasing total book value while not increasing our tangible book value.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Reconciliation GAAP — NON-GAAP - (Unaudited)
(In thousands)

The following table reconciles net income from operations to pre-tax, pre-provision income:

| | For the Three Months Ended | | | | |
|--|----------------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2017 | December 31, 2016 | September 30, 2016 | June 30, 2016 | March 31, 2016 |
| Pre-Tax, Pre-Provision Income | | | | | |
| Provision for loan losses | \$ 890 | \$ 440 | \$ 238 | \$ 527 | \$ 845 |
| Net income from operations | 4,448 | 4,820 | 5,143 | 4,812 | 4,243 |
| Total pre-tax, pre-provision income ⁽¹⁾ | <u>\$ 5,338</u> | <u>\$ 5,260</u> | <u>\$ 5,381</u> | <u>\$ 5,339</u> | <u>\$ 5,088</u> |

(1) We calculate pre-tax, pre-provision income by adding the total provision for loan losses to net income from operations for the relevant period. Pre-tax pre-provision income is a non-GAAP financial measure and as we calculate pre-tax, pre-provision income, the most directly comparable GAAP financial measure is net income. Our management believe that this measure is important to many investors in the market place who are interested in understanding our operating performance before provision for loan losses, which can vary from quarter to quarter, and income taxes.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Net Interest Margin - (Unaudited)
(In thousands)

For the Three Months Ended

| | March 31, 2017 | | | December 31, 2016 | | | March 31, 2016 | | |
|---|-----------------------------|-------------------------------|--------------------|-----------------------------|-------------------------------|--------------------|-----------------------------|-------------------------------|--------------------|
| | 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 |
| Assets | | | | | | | | | |
| Interest-earning assets: | | | | | | | | | |
| Total loans ⁽¹⁾ | \$ 1,007,622 | \$ 11,883 | 4.78% | \$ 971,977 | \$ 11,684 | 4.78% | \$ 856,861 | \$ 10,355 | 4.85% |
| Securities available for sale | 119,226 | 575 | 1.96 | 96,814 | 396 | 1.63 | 77,567 | 335 | 1.73 |
| Investment in subsidiary | 93 | 1 | 4.36 | 93 | 1 | 4.28 | 93 | 1 | 4.31 |
| Interest-bearing deposits in other banks | 295,637 | 610 | 0.84 | 147,974 | 200 | 0.54 | 70,103 | 92 | 0.53 |
| Total interest-earning assets | 1,422,578 | 13,069 | 3.73 | 1,216,858 | 12,281 | 4.02 | 1,004,624 | 10,783 | 4.31 |
| Allowance for loan losses | (8,558) | | | (8,353) | | | (6,891) | | |
| Noninterest-earning assets | 103,692 | | | 98,381 | | | 90,275 | | |
| Total assets | <u>\$ 1,517,712</u> | | | <u>\$ 1,306,886</u> | | | <u>\$ 1,088,008</u> | | |
| Liabilities and Stockholders' Equity | | | | | | | | | |
| Interest-bearing liabilities: | | | | | | | | | |
| Interest-bearing deposits | \$ 858,420 | \$ 1,647 | 0.78% | \$ 784,778 | \$ 1,600 | 0.81% | \$ 605,829 | \$ 935 | 0.62% |
| Advances from FHLB | 38,293 | 70 | 0.74 | 38,328 | 58 | 0.60 | 43,596 | 62 | 0.57 |
| Other borrowings | 8,064 | 99 | 4.98 | 8,077 | 103 | 5.07 | 8,076 | 96 | 4.77 |
| Total interest-bearing liabilities | 904,777 | 1,816 | 0.81 | 831,183 | 1,761 | 0.84 | 657,501 | 1,093 | 0.67 |
| Noninterest-bearing liabilities: | | | | | | | | | |
| Noninterest-bearing deposits | 368,117 | | | 315,988 | | | 293,438 | | |
| Other liabilities | 3,209 | | | 3,153 | | | 2,624 | | |
| Total noninterest-bearing liabilities | 371,326 | | | 319,141 | | | 296,062 | | |
| Stockholders' equity | 241,609 | | | 156,562 | | | 134,445 | | |
| Total liabilities and stockholders' equity | <u>\$ 1,517,712</u> | | | <u>\$ 1,306,886</u> | | | <u>\$ 1,088,008</u> | | |
| Net interest rate spread ⁽²⁾ | | | 2.92% | | | 3.18% | | | 3.64% |
| Net interest income | | <u>\$ 11,253</u> | | | <u>\$ 10,520</u> | | | <u>\$ 9,690</u> | |
| Net interest margin ⁽³⁾ | | | 3.21% | | | 3.44% | | | 3.87% |

(1) Includes average outstanding balances of loans held for sale of \$2,094, \$5,517 and \$3,542 for the three months ended March 31, 2017, December 31, 2016, and March 31, 2016, respectively.

(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.