

**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): February 13, 2019

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))

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

Emerging growth company

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

Item 7.01 Regulation FD Disclosure

The attached presentation contains information that the members of Veritex Holdings, Inc. (the "Company" or "Veritex") management will use during visits with investors, analysts, and other interested parties to assist their understanding of the Company from time to time throughout the first quarter of 2019.

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

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Presentation materials, dated February 13, 2019

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: February 13, 2019



VERITEX

Fourth Quarter and Full Year 2018
Investor Presentation

Safe Harbor

Forward-looking statements

This presentation includes 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 and 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 impact Veritex expects its acquisition of Green to have on the combined entity’s operations, financial condition, and financial results, and Veritex’s expectations about its ability to successfully integrate the combined businesses and the amount of cost savings and overall operational efficiencies Veritex expects to realize as a result of the acquisition. These forward-looking statements may also include statements about 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 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 words. Further, certain factors that could affect future results and cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to, the possibility that the businesses of Veritex and Green will not be integrated successfully, that the cost savings and any synergies from the acquisition may not be fully realized or may take longer to realize than expected, disruption from the acquisition making it more difficult to maintain relationships with employees, customers or other parties with whom Veritex has (or Green had) business relationships, diversion of management time on merger-related issues, the reaction to the transaction of the companies’ customers, employees and counterparties and other factors, many of which are beyond the control of Veritex and Green. 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, 2017, the Annual Report on Form 10-K filed by Green for the year ended December 31, 2017 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 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 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. All forward-looking statements, expressed or implied, included in this communication 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. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.



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;
- Returns on average tangible common equity;
- Operating earnings;
- Diluted operating earnings per share;
- Operating return on average assets;
- Operating return on average tangible common equity; and
- Operating efficiency ratio.
- Pre-tax, pre-provision operating return on average assets

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



Fourth Quarter 2018 Key Accomplishments

- Consummation of the Green Bank merger on January 1, 2019 becoming one of the 10 largest banks headquartered in Texas
- Announced initiation of a regular quarterly cash dividend of \$0.125 per common share beginning in Q1 2019
- Announced stock buyback program to purchase up to \$50.0 million during 2019 of outstanding common stock
- Diluted EPS was \$0.40 and diluted operating EPS¹ was \$0.47 for the fourth quarter 2018
- Total loans, including held for investment and held for sale, grew by \$110.8 million, or 18.2%²
- Expansion in NIM quarter over quarter to 3.82%³ from 3.73%³, excluding cash collections in excess of expected cash flows on purchased credit impaired (“PCI”) loans
- Total deposits increased by \$343.8 million, or 15.1%, during 2018
- Credit quality remains stable with credit metrics continuing to improve evidenced by a decline in NPAs to total assets to 0.77% as of December 31, 2018

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 Annualized ratio.

³ Excludes \$354 thousand and \$2.0 million of cash collections in excess of expected cash flows on PCI loans for the quarters ended December 31, 2018 and September 30, 2018, respectively. Including the cash collections in excess of expected cash flows, NIM was 3.87% and 4.00% for the quarters ended December 31, 2018 and September 30, 2018, respectively.



Fourth Quarter and Full Year 2018 Highlights

Veritex Holdings, Inc.			Green Bancorp, Inc.		
GAAP			GAAP		
Financial Highlights	Fourth Quarter	Full Year 2018	Financial Highlights	Fourth Quarter	Full Year 2018
Net income	\$9.8 million	\$39.3 million	Net income	\$15.3 million	\$56.7 million
Diluted EPS	\$0.40	\$1.60	Diluted EPS	\$0.41	\$1.50
Return on average assets ²	1.20%	1.26%	Return on average assets ²	1.37%	1.32%
Return on average tangible common equity ²	12.12%	12.89%	Return on average tangible common equity ²	15.20%	14.88%
Efficiency Ratio	54.27%	54.92%	Efficiency Ratio	50.52%	51.26%
Non-GAAP ¹			Non-GAAP ¹		
Financial Highlights	Fourth Quarter	Full Year 2018	Financial Highlights	Fourth Quarter	Full Year 2018
Operating net income	\$11.5 million	\$45.3 million	Operating net income	\$16.5 million	\$60.8 million
Diluted operating EPS	\$0.47	\$1.84	Diluted operating EPS	\$0.44	\$1.61
Operating return on average assets ²	1.40%	1.45%	Operating return on average assets ²	1.49%	1.41%
Operating return on average tangible common equity ²	13.99%	14.68%	Operating return on average tangible common equity ²	16.40%	16.40%
Operating efficiency Ratio	50.65%	49.60%	Operating efficiency Ratio	47.77%	48.95%

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 Annualized ratio.



Fully Diluted EPS and TBVPS



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.



Performance 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.



Performance Metrics

Veritex Holdings, Inc.	Green Bancorp, Inc.
Efficiency Ratio ¹	Efficiency Ratio ¹

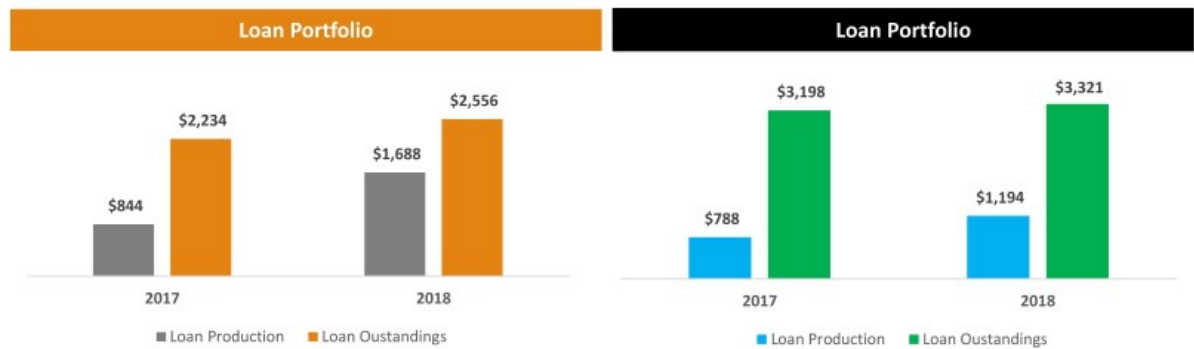


¹ Please refer to the "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.



Loan Portfolio Overview

Veritex Holdings, Inc.	Green Bancorp, Inc.
Highlights	Highlights
<ul style="list-style-type: none"> • Total loans grew \$322.4 million, or 14.4%, over prior year. For the fourth quarter, total loans grew 18.2% annualized • Record 2018 loan production of \$1.7 billion, up 100% over 2017 loan production, excluding acquired loans • Regulatory CRE / Total Risk Based Capital remained steady at 325% 	<ul style="list-style-type: none"> • Total loans grew \$207.5 million¹, or 6.5%, over prior year. • 2018 loan production of \$1.2 billion, up 52% over 2017 • Regulatory CRE / Total Risk Based Capital remained steady at 261%



¹ Loan growth includes \$83.8 million of branch assets (loans) held for sale as of December 31, 2018. \$ in millions



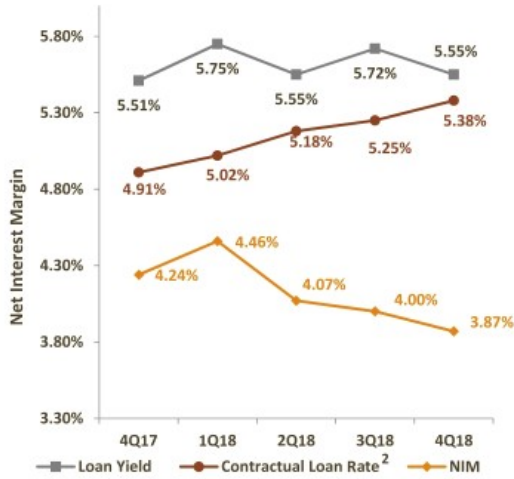
Deposits and Liquidity

Veritex Holdings, Inc.	Green Bancorp, Inc.																								
Highlights	Highlights																								
<ul style="list-style-type: none"> • Noninterest-bearing deposits totaled \$626.3 million, which comprised 23.9% of total deposits as of December 31, 2018 • Total deposits increased by 15.1%, or \$343.8 million, during 2018 • Loan to deposit ratio was 97.4% at December 31, 2018 	<ul style="list-style-type: none"> • Noninterest-bearing deposits totaled \$840.2 million which comprised 23.8% of total deposits as of December 31, 2018 • Total deposits increased by 3.6%, or \$122 million, during 2018 • Loan to deposit ratio was 95.5% at December 31, 2018 																								
Average Cost of Total Deposits	Average Cost of Total Deposits																								
<table border="1"> <caption>Average Cost of Total Deposits - Veritex Holdings, Inc.</caption> <thead> <tr> <th>Quarter</th> <th>Average Cost</th> </tr> </thead> <tbody> <tr> <td>4Q17</td> <td>0.69%</td> </tr> <tr> <td>1Q18</td> <td>0.74%</td> </tr> <tr> <td>2Q18</td> <td>1.05%</td> </tr> <tr> <td>3Q18</td> <td>1.20%</td> </tr> <tr> <td>4Q18</td> <td>1.32%</td> </tr> </tbody> </table>	Quarter	Average Cost	4Q17	0.69%	1Q18	0.74%	2Q18	1.05%	3Q18	1.20%	4Q18	1.32%	<table border="1"> <caption>Average Cost of Total Deposits - Green Bancorp, Inc.</caption> <thead> <tr> <th>Quarter</th> <th>Average Cost</th> </tr> </thead> <tbody> <tr> <td>4Q17</td> <td>0.77%</td> </tr> <tr> <td>1Q18</td> <td>0.79%</td> </tr> <tr> <td>2Q18</td> <td>0.91%</td> </tr> <tr> <td>3Q18</td> <td>1.05%</td> </tr> <tr> <td>4Q18</td> <td>1.23%</td> </tr> </tbody> </table>	Quarter	Average Cost	4Q17	0.77%	1Q18	0.79%	2Q18	0.91%	3Q18	1.05%	4Q18	1.23%
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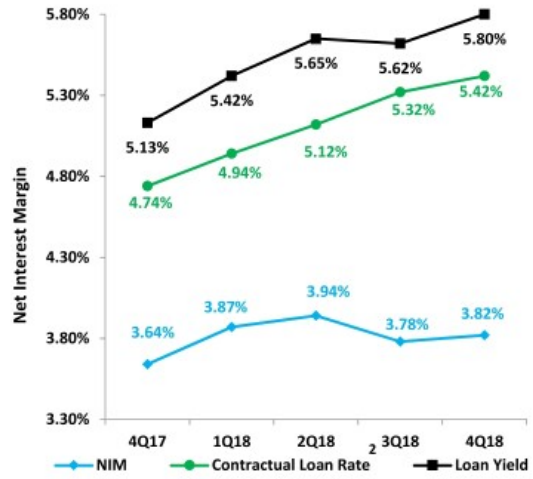
Net Interest Margin

Veritex Holdings, Inc.	Green Bancorp, Inc.
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- Highlights**
- NIM declined to 3.87% in 4Q18 from 4.00% in 3Q18
 - Excluding cash collections in excess of expected cash flows on PCI loans, NIM expanded to 3.82%¹ for the quarter ended December 31, 2018 from 3.73%¹ for the quarter ended September 30, 2018.



- Highlights**
- NIM increased to 3.82% in 4Q18 from 3.78% in 3Q18
 - Loan yields increased to 5.80% as the impact of the September Fed Funds increase impacted the portfolio



¹ Excludes \$354 thousand and \$2.0 million of cash collections in excess of expected cash flows on PCI loans for the quarters ended December 31, 2018 and September 30, 2018, respectively.
² Contractual loan yield excludes loan fees and accretion on purchased performing and PCI loans.
 \$ in millions



Credit Quality

Veritex Holdings, Inc.

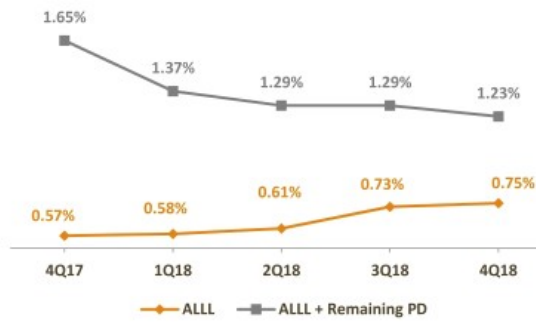


Green Bancorp, Inc.

Asset Quality



Allowance for Loan Losses Ratio¹



Allowance for Loan Losses Ratio¹



¹ Based on percentage of total gross loans held for investment.



Merger Integration Update

Team Impact

- Best-of-blend approach with a “better together” mindset led by dedicated project teams led by member of Veritex and Green
- Talent assessments completed with retention offers extended to 18 key team members with a 100% acceptance rate
- Reinforced focus on investing in our people through the importance of training with the hire of a Director of Training
- Inclusive communication efforts deployed including implementation of streamline credit approval processes

Customer Impact

- Disciplined execution resulting in merger closing on January 1st
- Initiated customer and brand awareness communications through social media, mailings, in-branch marketing and e-mail blasts
- Selected products and services to enhance existing and new customer experiences until full system conversion in late 2Q19
- Initiated an independent brand agency to gauge and challenge our brand awareness to better connect with our customers

Technology Impact

- Continued focus on technology with the following strategic selections made to enhance user experience:
 - Migrate Veritex to Jack Henry (Green’s current technology platform)
 - Migrate Green to Veritex’s e-banking platform
- Our Chief Information Officer hired a new Chief Technology Officer
- Implementation of robust sales pipeline tracking system



Key Success Factors for 2019

Talent/Culture

- Additional relationship management hires
- Monthly employee communications
- Improved focus on training

Capital

- Successful management & implementation of Stock Buyback
- Initiate regular quarterly common dividend

Risk Management

- Dedicated to preserving and enhancing our credit process and structure
- Technology focused upgrades
- Continued focus on BSA/AML, Compliance and CRA teams
- Complete data conversion in Q2 2019

Revenue Synergies

- Deposit growth strategies – “top of mind”
- Treasury management growth through Green platform
- Commencing an HOA division in Q1
- Continued focus on growing the middle market lending business



Analyst Expectation of Operating EPS

Firm	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	2020	Price Target	Rating	Price Target / 2019 EPS
KBW	\$1.67	\$0.56	\$0.60	\$0.66	\$0.68	\$2.50	\$2.70	\$34.00	Outperform	13.6
Piper Jaffray	\$1.67	\$0.59	\$0.61	\$0.65	\$0.70	\$2.56	\$2.73	\$34.00	Overweight	13.3
D.A. Davidson	\$1.67	\$0.56	\$0.63	\$0.68	\$0.68	\$2.56	\$2.74	\$33.00	Buy	12.9
Stephens Inc.	\$1.67	\$0.57	\$0.62	\$0.66	\$0.67	\$2.52	\$2.66	\$32.00	Overweight	12.7
Sandler O'Neill	\$1.67	\$0.54	\$0.58	\$0.62	\$0.65	\$2.40	\$2.65	\$30.00	Buy	12.5
Raymond James	\$1.67	\$0.58	\$0.61	\$0.65	\$0.66	\$2.50	\$2.62	\$29.00	Outperform	11.6
Mean	\$1.67	\$0.57	\$0.61	\$0.65	\$0.67	\$2.51	\$2.68	\$32.00		12.8



Analyst Research Comments After Q4 2018 Earnings

KBW (Gailey): “The quarter included robust loan growth and nice core NIM expansion. It was also nice to see its capital management actions (i.e., buyback and dividend). In ‘19 VBTX will be focused on integrating this transformational deal and is well positioned in nice growth markets.”

Piper Jaffray (Rabatin): “We think closing of the GNBC deal removes a significant overhang to the shares as both entities performed well in Q418. Over time we believe management will be able to create a unified culture ... the combined company could be one of the most profitable banks in Texas.”

D.A. Davidson (Tenner): “Veritex completed the acquisition of Green Bancorp on 1/1/19 and appears well on its way along the integration steps to drive increasing profitability and growth from the combined entity.”

Stephens, Inc. (Olney): “With an eventful 2018 in the books, highlighted by an MOE deal, the focus for VBTX turns to the integration of Green Bank. We believe the recent capital actions represent the evolution of the company that has increased the ROTCE from 10% (during the 2014 IPO) to 18%-19% in 2019.”

Sandler O’Neill (Milsaps): “We continue to believe there is plenty of margin for error with the shares trading at just 10X earnings as we continue to like the risk/reward of owning the combined entity at this valuation...”

Raymond James (Rose): “proven execution of the Green deal, improving profitability, encouraging announcements on the capital front, and the stabilization of credit all set up the company for a transformative year.”





VERITEX

Reconciliation of Non-GAAP Financial Measures

Veritex Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended				
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders' equity	\$ 530,638	\$ 517,212	\$ 508,441	\$ 497,433	\$ 488,929
Adjustments:					
Goodwill	(161,447)	(161,447)	(161,447)	(161,685)	(159,452)
Intangible assets ¹	(15,896)	(16,603)	(17,482)	(18,372)	(22,165)
Tangible common equity	\$ 353,295	\$ 339,162	\$ 329,512	\$ 317,376	\$ 307,312
Common shares outstanding	24,251	24,192	24,181	24,149	24,110
Book value per common share	\$ 21.88	\$ 21.38	\$ 21.03	\$ 20.60	\$ 20.28
Tangible book value per common share	\$ 14.57	\$ 14.02	\$ 13.63	\$ 13.14	\$ 12.75

¹ Intangible assets includes branch intangible assets held for sale of \$1.7 million for the quarter ended December 31, 2017.

	For the Quarter Ended				
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
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Tangible Common Equity					
Total stockholders' equity	\$ 530,638	\$ 517,212	\$ 508,441	\$ 497,433	\$ 488,929
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Tangible common equity	\$ 353,295	\$ 339,162	\$ 329,512	\$ 317,376	\$ 307,312
Tangible Assets					
Total assets	\$ 3,208,550	\$ 3,275,846	\$ 3,133,627	\$ 3,063,319	\$ 2,945,583
Adjustments:					
Goodwill	(161,447)	(161,447)	(161,447)	(161,685)	(159,452)
Intangible assets ¹	(15,896)	(16,603)	(17,482)	(18,372)	(22,165)
Tangible Assets	\$ 3,031,207	\$ 3,097,796	\$ 2,954,698	\$ 2,883,262	\$ 2,763,966
Tangible Common Equity to Tangible Assets	11.66%	10.95%	11.15%	11.01%	11.12%

¹ Intangible assets includes branch intangible assets held for sale of \$1.7 million for the quarter ended December 31, 2017.



Veritex Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended					For the Year Ended	
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
	(Dollars in thousands)						
Net income available for common stockholders adjusted for amortization of core deposit intangibles							
Net income	\$ 9,825	\$ 8,935	\$ 10,193	\$ 10,388	\$ 3,257	\$ 39,341	\$ 15,110
Adjustments:							
Plus: Amortization of intangibles	945	935	975	1,205	685	4,060	1,270
Less: Tax benefit at the statutory rate	204	196	206	253	134	859	445
Net income available for common stockholders adjusted for amortization of intangibles	\$ 10,566	\$ 9,674	\$ 10,962	\$ 11,340	\$ 3,808	\$ 42,542	\$ 15,935
Average Tangible Common Equity							
Total average stockholders' equity	\$ 523,590	\$ 514,876	\$ 504,328	\$ 492,869	\$ 464,614	\$ 509,018	\$ 332,935
Adjustments:							
Average goodwill	(161,447)	(161,447)	(161,433)	(159,272)	(144,042)	(160,907)	(73,656)
Average intangible assets ¹	(16,254)	(17,107)	(17,984)	(20,734)	(14,240)	(18,005)	(5,311)
Average tangible common equity	\$ 345,889	\$ 336,322	\$ 324,911	\$ 312,863	\$ 306,332	\$ 330,106	\$ 253,968
Return on Average Tangible Common Equity (Annualized)	12.12%	11.41%	13.53%	14.70%	4.93%	12.89%	6.27%

¹ Intangible assets includes branch intangible assets held for sale for the quarter ended December 31, 2017.



Veritex Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended					For the Year Ended	
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
	(Dollars in thousands)						
Operating Earnings¹							
Net income available to common stockholders	\$ 9,825	\$ 8,935	\$ 10,193	\$ 10,388	\$ 3,257	\$ 39,341	\$ 15,110
Plus: Loss on sale of securities available for sale, net	42	—	—	—	—	42	—
Less: Gain on sale of disposed branch assets	—	—	—	(388)	—	(388)	—
Plus: Lease exit costs, net ²	—	—	—	1,071	—	1,071	—
Plus: Branch closure expenses	—	—	—	172	—	172	—
Plus: One-time issuance of shares to all employees	—	—	421	—	—	421	—
Plus: Merger and acquisition expenses	1,150	2,692	1,043	335	1,018	5,220	2,691
Operating pre-tax income	11,017	11,627	11,657	11,578	4,275	45,879	17,801
Less: Tax impact of adjustments ³	(440)	538	293	242	356	633	942
Plus: Tax Act re-measurement	—	(688)	(127)	820	3,051	5	3,051
Plus: Other M&A discrete tax items	—	—	—	—	398	—	398
Net operating earnings	\$ 11,457	\$ 10,401	\$ 11,237	\$ 12,156	\$ 7,368	\$ 45,251	\$ 20,308
Weighted average diluted shares outstanding	24,532	24,613	24,546	24,539	23,524	24,590	18,810
Diluted EPS	\$ 0.40	\$ 0.36	\$ 0.42	\$ 0.42	\$ 0.14	\$ 1.60	\$ 0.80
Diluted operating EPS	0.47	0.42	0.46	0.50	0.31	1.84	1.08

¹ The Company previously adjusted operating income by excluding the impact of income recognized on acquired loans. The Company no longer includes this adjustment in order to align with industry peers for comparability purposes.

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

³ During the fourth quarter, the Company initiated a transaction cost study which to date resulted in \$727 thousand of expenses paid that are non-deductible merger and acquisition expenses. As such, the \$727 thousand of non-deductible expenses are reflected in the quarter ended and year-ended December 31, 2018 tax impact of adjustments amounts reported. All other non-merger related adjustments to operating earnings are taxed at the statutory rate.



Veritex Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended				For the Year Ended	
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Dec 31, 2017
	(Dollars in thousands)					
Pre-Tax, Pre-Provision Operating Earnings						
Net income available to common stockholders	\$ 9,825	\$ 8,935	\$ 10,193	\$ 10,388	\$ 3,257	\$ 39,341
Plus: Provision for income taxes	3,587	1,448	2,350	3,511	7,227	10,896
Plus: Provision for loan losses	1,364	3,057	1,504	678	2,529	6,603
Plus: Loss on sale of securities available for sale, net	42	—	—	—	—	42
Plus: Loss (gain) on sale of disposed branch assets	—	—	—	(388)	—	(388)
Plus: Lease exit costs, net ¹	—	—	—	1,071	—	1,071
Plus: Branch closure expenses	—	—	—	172	—	172
Plus: One-time issuances of shares to all employees	—	—	421	—	—	421
Plus: Merger and acquisition expenses	1,150	2,692	1,043	335	1,018	5,220
Net pre-tax, pre-provision operating earnings	\$ 15,968	\$ 16,132	\$ 15,511	\$ 15,767	\$ 14,031	\$ 63,311
Total average assets	\$ 3,243,168	\$ 3,233,214	\$ 3,059,456	\$ 2,989,974	\$ 2,691,288	\$ 3,132,428
Pre-tax, pre-provision operating return on average assets²	1.95%	1.98%	2.03%	2.14%	2.07%	2.02%
Average Total Assets	\$ 3,243,168	\$ 3,233,214	\$ 3,059,456	\$ 2,989,974	\$ 2,691,288	\$ 3,132,428
Return on average assets ²	1.20%	1.10%	1.34%	1.41%	0.48%	1.26%
Operating return on average assets ²	1.40	1.28	1.47	1.65	1.09	1.45
Operating earnings adjusted for amortization of intangibles						
Net operating earnings	\$ 11,457	\$ 10,401	\$ 11,237	\$ 12,156	\$ 7,368	\$ 45,251
Adjustments:						
Plus: Amortization of intangibles	945	935	975	1,205	685	4,060
Less: Tax benefit at the statutory rate	204	196	206	253	134	859
Operating earnings adjusted for amortization of intangibles	\$ 12,198	\$ 11,140	\$ 12,006	\$ 13,108	\$ 7,919	\$ 48,452
Average Tangible Common Equity						
Total average stockholders' equity	\$ 523,590	\$ 514,876	\$ 504,328	\$ 492,869	\$ 464,614	\$ 509,018
Adjustments:						
Average goodwill	(161,447)	(161,447)	(161,433)	(159,272)	(144,042)	(160,907)
Average intangibles assets	(16,254)	(17,107)	(17,984)	(20,734)	(14,240)	(18,005)
Average tangible common equity	\$ 345,889	\$ 336,322	\$ 324,911	\$ 312,863	\$ 306,332	\$ 330,106
Operating Return on average tangible common equity²	13.99%	13.14%	14.82%	16.99%	10.26%	14.68%
Efficiency ratio	54.27%	57.58%	53.51%	54.28%	53.60%	54.92%
Operating efficiency ratio	50.65%	49.09%	48.67%	49.94%	49.98%	49.60%

¹ Lease exit costs, net for the three months ended March 31, 2018 includes a \$1.5 million consent fee and \$240 thousand in professional services paid in January 2018 to separately assign and sublease two of our branch leases that the Company ceased using in 2017 offset by the reversal of the corresponding assigned lease cease-use liability totaling \$669 thousand.

² Annualized ratio.



Green Reconciliation of Non-GAAP Financial Measures

	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total shareholders' equity	\$ 510,579	\$ 490,204	\$ 479,493	\$ 468,878	\$ 463,795
Adjustments:					
Goodwill	85,291	85,291	85,291	85,291	85,291
Core deposit intangibles	7,307	7,584	7,881	8,187	8,503
Tangible common equity	<u>\$ 417,981</u>	<u>\$ 397,329</u>	<u>\$ 386,321</u>	<u>\$ 375,400</u>	<u>\$ 370,001</u>
Common shares outstanding ¹	37,384	37,368	37,289	37,163	37,103
Book value per common share ¹	\$ 13.66	\$ 13.12	\$ 12.86	\$ 12.62	\$ 12.50
Tangible book value per common share ¹	\$ 11.18	\$ 10.63	\$ 10.36	\$ 10.10	\$ 9.97

¹ Excludes the dilutive effect of common stock issuable upon exercise of outstanding stock options. The number of exercisable options outstanding was 659,125 as of Dec 31, 2018; 618,289 as of Sep 30, 2018; 626,923 as of Jun 30, 2018; 627,059 as of Mar 31, 2018; and 754,110 as of Dec 31, 2017.

	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
	(Dollars in thousands)				
Tangible Common Equity					
Total shareholders' equity	\$ 510,579	\$ 490,204	\$ 479,493	\$ 468,878	\$ 463,795
Adjustments:					
Goodwill	85,291	85,291	85,291	85,291	85,291
Core deposit intangibles	7,307	7,584	7,881	8,187	8,503
Tangible common equity	<u>\$ 417,981</u>	<u>\$ 397,329</u>	<u>\$ 386,321</u>	<u>\$ 375,400</u>	<u>\$ 370,001</u>
Tangible Assets					
Total assets	\$ 4,405,753	\$ 4,419,874	\$ 4,391,677	\$ 4,225,247	\$ 4,261,916
Less Adjustments:					
Goodwill	(85,291)	(85,291)	(85,291)	(85,291)	(85,291)
Core deposit intangibles	(7,307)	(7,584)	(7,881)	(8,187)	(8,503)
Tangible assets	<u>\$ 4,313,155</u>	<u>\$ 4,326,999</u>	<u>\$ 4,298,505</u>	<u>\$ 4,131,769</u>	<u>\$ 4,168,122</u>
Tangible Common Equity to Tangible Assets	9.69%	9.18%	8.99%	9.09%	8.88%



Green Reconciliation of Non-GAAP Financial Measures

	As of and for the Quarter Ended				For the Twelve Months Ended		
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Dec 31, 2017	
	(Dollars in thousands)						
Net income adjusted for amortization of core deposit intangibles							
Net income	\$ 15,327	\$ 15,597	\$ 16,421	\$ 9,362	\$ 2,619	\$ 56,707	\$ 34,136
Adjustments:							
Plus: Amortization of core deposit intangibles	277	297	306	316	330	1,196	1,472
Less: Tax benefit at the statutory rate	59	62	64	66	116	251	515
Net income adjusted for amortization of core deposit intangibles	\$ 15,545	\$ 15,832	\$ 16,663	\$ 9,612	\$ 2,833	\$ 57,652	\$ 35,093
Average Tangible Common Equity							
Total average shareholders' equity	\$ 498,521	\$ 485,377	\$ 471,958	\$ 466,015	\$ 465,859	\$ 480,569	\$ 451,147
Adjustments:							
Average goodwill	85,291	85,291	85,291	85,291	85,291	85,291	85,291
Average core deposit intangibles	7,440	7,726	8,029	8,343	8,661	7,881	9,254
Average tangible common equity	\$ 405,790	\$ 392,360	\$ 378,638	\$ 372,381	\$ 371,907	\$ 387,397	\$ 356,602
Return on Average Tangible Common Equity (Annualized)	15.20%	16.01%	17.65%	10.47%	3.02%	14.88%	9.84%



Green Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended					For the Twelve Months Ended	
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
	(Dollars in thousands)						
Operating Earnings							
Net Income	\$ 15,327	\$ 15,597	\$ 16,421	\$ 9,362	\$ 2,619	\$ 56,707	\$ 34,136
Plus: Loss (gain) on sale of securities available-for-sale, net	—	—	(66)	—	—	(66)	38
Plus: Loss on held for sale loans, net	—	—	—	—	1,098	—	2,308
Plus: Stock based compensation expense for performance option vesting	—	—	—	—	3,051	—	3,051
Plus: Shelf and secondary offering expenses	—	—	337	397	—	—	—
Less: Tax benefit at the statutory rate	—	—	\$ 57	\$ 83	1,452	\$ (14)	\$ 1,889
Plus: Non-deductible merger and acquisition expenses	1,232	2,955	—	—	—	4,187	—
Net operating earnings	\$ 16,559	\$ 18,552	\$ 16,635	\$ 9,676	\$ 5,316	\$ 60,842	\$ 37,644
Weighted average diluted shares outstanding	37,767	37,726	37,646	37,586	37,393	37,681	37,297
Diluted earnings per share	\$ 0.41	\$ 0.41	\$ 0.44	\$ 0.25	\$ 0.07	1.50	0.92
Diluted operating earnings per share	0.44	0.49	0.44	0.26	0.14	1.61	1.01
Pre-Tax, Pre-Provision Operating Earnings							
Net Income	\$ 15,327	\$ 15,597	\$ 16,421	\$ 9,362	\$ 2,619	\$ 56,707	\$ 34,136
Plus: Provision for income taxes	4,449	4,943	4,283	2,322	10,142	15,997	26,964
Plus: Provision for loan losses	2,420	320	1,897	9,663	4,405	14,300	14,360
Plus: Loss (gain) on sale of securities available-for-sale, net	—	—	(66)	—	—	(66)	38
Plus: Loss on held for sale loans, net	—	—	—	—	1,098	—	2,308
Plus: Stock based compensation expense for performance option vesting	—	—	—	—	3,051	—	3,051
Plus: Shelf and secondary offering expenses	—	—	337	397	—	—	—
Plus: Merger and acquisition expenses	1,232	2,955	—	—	—	4,187	—
Net pre-tax, pre-provision operating earnings	\$ 23,428	\$ 23,815	\$ 22,872	\$ 21,744	\$ 21,315	\$ 91,125	\$ 80,857



Green Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended				For the Twelve Months Ended		
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Dec 31, 2017	
	(Dollars in thousands)						
Total average assets	\$ 4,423,270	\$ 4,360,244	\$ 4,253,357	\$ 4,204,200	\$ 4,204,105	\$ 4,311,004	\$ 4,112,784
Pre-tax, pre-provision operating return on average assets (annualized)	2.10%	2.17%	2.15%	2.10%	2.01%	2.11%	1.97%
Average Total Assets	\$ 4,423,270	\$ 4,360,244	\$ 4,253,357	\$ 4,204,200	\$ 4,204,105	4,311,004	4,112,784
Return on average assets ¹	1.37%	1.42%	1.54%	0.90%	0.25%	1.32%	0.83%
Operating return on average assets ¹	1.49%	1.69%	1.56%	0.93%	0.50%	1.41%	0.92%
Operating earnings adjusted for amortization of core deposit intangibles							
Operating earnings	\$ 16,559	\$ 18,552	\$ 16,635	\$ 9,676	\$ 5,316	\$ 60,842	\$ 37,644
Adjustments:							
Plus: Amortization of core deposit intangibles	277	297	306	316	330	1,196	1,472
Less: Tax benefit at the statutory rate	58	62	64	66	116	184	515
Operating earnings adjusted for amortization of core deposit intangibles	\$ 16,778	\$ 18,787	\$ 16,877	\$ 9,926	\$ 5,530	\$ 61,854	\$ 38,601
Average Tangible Common Equity							
Total average shareholders' equity	\$ 498,521	\$ 485,377	\$ 471,958	\$ 466,015	\$ 465,859	480,569	451,147
Adjustments:							
Average goodwill	85,291	85,291	85,291	85,291	85,291	85,291	85,291
Average core deposit intangibles	7,440	7,726	8,029	8,343	8,661	7,881	9,254
Average tangible common equity	\$ 405,790	\$ 392,360	\$ 378,638	\$ 372,381	\$ 371,907	\$ 387,397	\$ 356,602
Operating return on average tangible common equity¹	16.40%	19.00%	17.88%	10.81%	5.90%	15.97%	10.82%
Efficiency ratio	50.52%	53.64%	50.05%	50.81%	57.87%	51.26%	52.71%
Operating efficiency ratio	47.77%	47.07%	49.45%	49.90%	47.69%	48.95%	49.32%

¹ Annualized ratio.





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