

**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 28, 2020

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 28, 2020, 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, 2019. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On Wednesday, January 29, 2020 at 8:30 a.m., Central Time, the Company will host an investor conference call and webcast to review its fourth quarter and year ended 2019 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 29, 2020. 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 28, 2020, 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 20, 2020 to shareholders of record as of the close of business on February 6, 2020. 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 28, 2020
99.2	Presentation materials
99.3	Press release, dated January 28, 2020
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 28, 2020



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

Veritex Holdings, Inc. Reports Fourth Quarter and Year-End 2019 Operating Results

Dallas, TX — January 28, 2020 —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 2019. Net income for the quarter ended December 31, 2019 was \$29.1 million, or \$0.56 diluted earnings per share (“EPS”), compared to \$27.4 million, or \$0.51 diluted EPS, for the quarter ended September 30, 2019 and \$9.8 million, or \$0.40 diluted EPS, for the quarter ended December 31, 2018. Operating net income for the quarter ended December 31, 2019 totaled \$30.3 million, or \$0.58 diluted operating EPS¹, compared to \$28.6 million, or \$0.53 diluted operating EPS¹, for the quarter ended September 30, 2019 and \$11.5 million, or \$0.47 diluted operating EPS¹, for the quarter ended December 31, 2018.

C. Malcolm Holland, III, the Company’s Chairman and Chief Executive Officer said: “2019 was a transformational year for Veritex. We are not only a bigger company, but more importantly a better company, as a result of the Green merger and all the work that was completed in 2019. The fourth quarter loan growth, excluding mortgage warehouse, and deposit growth, excluding time deposits, gives us substantial momentum heading into 2020 where we will look to exploit the merger disruption in Dallas-Fort Worth and Houston while continuing to return excess capital to our shareholders.”

Fourth Quarter 2019 Financial Highlights:

- Diluted EPS was \$0.56 and diluted operating EPS was \$0.58 for the fourth quarter of 2019, resulting in a 23.4% increase in diluted operating EPS compared to the fourth quarter of 2018;
- Return on average assets was 1.43%, operating return on average assets¹ was 1.49% and pre-tax, pre-provision operating return on average assets¹ was 2.07% for the fourth quarter of 2019;
- Return on average tangible common equity was 16.22% and operating return on average tangible common equity¹ was 16.87% for the fourth quarter of 2019;
- Total loans, excluding mortgage warehouse, increased \$86.9 million, or 6.1% annualized, and total deposits, excluding time deposits, increased \$210.1 million, or 21.0% annualized, during the fourth quarter of 2019;
- Increased and extended the previously announced stock buyback program during the fourth quarter of 2019. During the fourth quarter and full year of 2019, Veritex repurchased 1,453,608 and 3,802,711 shares, respectively, of its outstanding common stock under its stock buyback program for an aggregate of \$35.7 million and \$94.5 million, respectively. Since inception, the buyback program has repurchased 7% of outstanding common stock;
- Declared quarterly cash dividend of \$0.17 payable on February 20, 2020 representing a 20% increase in the declared cash dividend from prior quarters.

Summary of Financial Data

	Quarter Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
	(Dollars in thousands)			
GAAP				
Net income	\$ 29,051	\$ 9,825	\$ 90,739	\$ 39,341
Diluted EPS	0.56	0.40	1.68	1.60
Return on average assets ²	1.43 %	1.20 %	1.14 %	1.26 %
Efficiency ratio	47.12	54.27	56.41	54.92
Book value per common share	\$ 23.32	\$ 21.88	\$ 23.32	\$ 21.88
Non-GAAP¹				
Operating net income	\$ 30,294	\$ 11,457	\$ 123,836	\$ 45,251
Diluted operating EPS	0.58	0.47	2.29	1.84
Pre-tax, pre-provision operating return on average assets	2.07 %	1.95 %	2.24 %	2.02 %
Operating return on average assets ²	1.49	1.40	1.56	1.44
Operating efficiency ratio	45.67	50.65	43.80	49.76
Return on average tangible common equity ²	16.22	11.52	13.02	12.89
Operating return on average tangible common equity ²	16.87	13.37	17.39	14.68
Tangible book value per common share	\$ 14.74	\$ 14.74	\$ 14.74	\$ 14.74

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, 2019

Net Interest Income

For the three months ended December 31, 2019, net interest income before provision for loan losses was \$69.9 million and net interest margin was 3.81% compared to \$70.9 million and 3.90%, respectively, for the three months ended September 30, 2019. The \$1.0 million decrease in net interest income was primarily due to a \$3.2 million decrease in interest income on loans driven by a decrease in loan yields and was partially offset by a \$2.2 million decrease in interest expense on interest-bearing transaction and savings deposits. Net interest margin decreased 9 basis points from the three months ended September 30, 2019, primarily due to a 22 basis point decrease in yields earned on loan balances, exceeded by a 33 basis point decrease in the average rate paid on interest-bearing demand and savings deposits during the three months ended December 31, 2019. As a result, the average cost of interest-bearing deposits decreased to 1.59% for the three months ended December 31, 2019 from 1.79% for the three months ended September 30, 2019.

Net interest income before provision for loan losses increased by \$41.2 million from \$28.7 million to \$69.9 million and net interest margin decreased 8 basis points from 3.89% to 3.81% for the three months ended December 31, 2019 as compared to the same period in 2018. The increase in net interest income before provision for loan losses was primarily driven by higher loan balances and interest income resulting from loans acquired from Green Bancorp ("Green") in connection with Veritex's acquisition of Green in January 2019 and organic loan growth. For the three months ended December 31, 2019, average loan balances increased by \$3.2 billion compared to the three months ended December 31, 2018, which resulted in a \$45.8 million increase in interest income. Net interest margin decreased 8 basis points compared to the three months ended December 31, 2018 primarily due to a decrease in the average yield on interest-earning assets during the three months ended December 31, 2019. Average interest-bearing deposit accounts grew to \$4.4 billion for the three months ended December 31, 2019 compared to \$2.0 billion for the three months ended December 31, 2018, primarily due to the acquisition of Green. The average cost of interest-bearing deposits decreased to 1.59% for the three months ended December 31, 2019 from 1.75% for the three months ended December 31, 2018.

Noninterest Income

Noninterest income for the three months ended December 31, 2019 was \$7.1 million, a decrease of \$1.3 million, or 15.4% compared to the three months ended September 30, 2019. The decrease was primarily due to a \$438 thousand loss on sales of certain investment securities, a \$331 thousand decrease in loan fees, and a \$349 thousand decrease in the gain on sale of Small Business Administration ("SBA") loans for the three months ended December 31, 2019.

Compared to the three months ended December 31, 2018, noninterest income for the three months ended December 31, 2019 grew \$3.5 million or 97.1%. The increase was primarily due to a \$2.9 million increase in service charges and fees on acquired deposit accounts resulting from the acquisition of Green deposit accounts and the associated income from these accounts and a \$1.5 million increase in loan fees, partially offset by a \$1.3 million decrease in the gain on sale of SBA loans.

Noninterest Expense

Noninterest expense was \$36.3 million for the three months ended December 31, 2019, compared to \$34.6 million for the three months ended September 30, 2019, an increase of \$1.7 million, or 4.8%. The increase was primarily driven by a \$1.4 million increase in salaries and employee benefits in the three months ended December 31, 2019 as compared to the three months ended September 30, 2019.

Compared to the three months ended December 31, 2018, noninterest expense for the three months ended December 31, 2019 increased \$18.7 million, or 106.9%. The increase was primarily driven by a \$10.6 million increase in salaries and employee benefits due to the addition of new Green employees as a result of the merger, and a \$1.9 million, \$1.8 million and \$1.0 million increase in amortization of intangibles, occupancy and equipment expenses, and data processing and software expenses, respectively, related to the acquisition of Green.

Financial Condition

Total loans were \$5.9 billion at December 31, 2019, an increase of \$37.0 million, or 2.51% annualized, compared to September 30, 2019 and \$3.4 billion, or 132.14%, compared to December 31, 2018. The net increase was the result of Veritex's growth strategy and the acquisition of Green.

Total deposits were \$5.9 billion at December 31, 2019, an increase of \$16.5 million, or 0.3%, compared to September 30, 2019 and an increase of \$3.3 billion, or 124.77%, compared to December 31, 2018. The increase from September 30, 2019 was primarily the result of an increase of \$83.4 million in non-interest bearing demand deposits, which was offset by a decrease of \$66.9 million in interest bearing accounts. The increase from December 31, 2018 was primarily the result of the acquisition of Green.

Asset Quality

Allowance for loan losses as a percentage of loans was 0.50%, 0.45% and 0.75% of total loans held for investment at December 31, 2019, September 30, 2019 and December 31, 2018, respectively. The allowance for loan losses as a percentage of total loans for each of the three quarters ended was determined by an evaluation of the qualitative factors around the nature, volume and mix of the loan portfolio. The increase at December 31, 2019 in the allowance for loan losses as a percentage of loans from September 30, 2019 was primarily attributable to the general provision required from an increase of loans acquired from Green that were re-underwritten in the fourth quarter of 2019. Once an acquired loan undergoes new underwriting and meets the criteria for a new loan, the loan becomes fully subject to Veritex's allowance for loan loss methodology. The decrease in the allowance for loan losses as a percentage of loans held for investment from December 31, 2018 was attributable to the acquisition of Green, as acquired loans are recorded at fair value. Our allowance for loan losses and remaining purchase discount on acquired loans as a percentage of loans held for investment, including mortgage warehouse, was 1.31%, 1.44% and 1.23% of total loans at December 31, 2019, September 30, 2019 and December 31, 2018, respectively.

Veritex recorded a provision for loan losses of \$3.5 million for the quarter ended December 31, 2019 compared to a provision of \$9.7 million and \$1.4 million for the quarter ended September 30, 2019 and December 31, 2018, respectively, which reflects adjustments to provision for loan losses as a result of Veritex's continued organic growth and timing of charge-offs and recoveries recorded during the respective quarters. The decrease in the recorded provision for loan losses compared to the three months ended September 30, 2019 was primarily attributable to a \$6.1 million charge-off during the third quarter of 2019 related to a commercial loan relationship acquired from Sovereign Bancshares, Inc. in 2017. The acquired commercial loan relationship consisted of a \$7.8 million loan to an independent oil and gas exploration company that filed for bankruptcy protection in 2018 and recently entered into a sales process pursuant to Section 363 of the Bankruptcy Code. The increase in the recorded provision for loan losses compared to the three months ended December 31, 2018 was primarily attributable to continued organic growth and loans acquired from Green that were re-underwritten in the fourth quarter of 2019.

Nonperforming assets totaled \$39.4 million, or 0.50%, of total assets at December 31, 2019 compared to \$17.0 million, or 0.21%, of total assets at September 30, 2019 and \$24.7 million, or 0.77%, of total assets at December 31, 2018. The increase of \$22.4 million compared to September 30, 2019 was primarily due to a \$19.6 million increase in certain acquired non-purchased credit impaired loans that moved to nonaccrual status during the fourth quarter 2019 and a \$2.9 million increase in other real estate owned. The \$19.6 million increase in acquired nonaccrual loans due was primarily related to a single commercial loan relationship which required no provision for loan loss after it was individually analyzed for impairment.

Dividend Information

On January 28, 2020, Veritex's Board of Directors declared a quarterly cash dividend of \$0.17 per share on its outstanding shares of common stock, payable on February 20, 2020, to stockholders of record as of February 6, 2020.

Non-GAAP Financial Measures

Veritex's management uses certain non-GAAP (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, tangible book value per common share, operating net income, 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 29, 2020 at 8:30 a.m. Central Time. Participants may pre-register for the call by visiting <https://edge.media-server.com/mmc/p/8groyitg> 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 #8717068. This replay, as well as the webcast, will be available until February 5, 2020.

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, 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, 2018 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. 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, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
(Dollars and shares in thousands)							
Per Share Data (Common Stock):							
Basic EPS	\$ 0.56	\$ 0.52	\$ 0.50	\$ 0.14	\$ 0.41	\$ 1.71	\$ 1.63
Diluted EPS	0.56	0.51	0.49	0.13	0.40	1.68	1.60
Book value per common share	23.32	23.02	22.55	21.88	21.88	23.32	21.88
Tangible book value per common share ¹	14.74	14.61	14.27	13.76	14.74	14.74	14.74
Common Stock Data:							
Shares outstanding at period end	51,064	52,373	53,457	54,563	24,254	51,064	24,254
Weighted average basic shares outstanding for the period	51,472	52,915	53,969	54,293	24,224	53,154	24,169
Weighted average diluted shares outstanding for the period	52,263	53,873	54,929	55,439	24,532	53,978	24,590
Summary Performance Ratios:							
Return on average assets ²	1.43 %	1.36 %	1.36 %	0.38 %	1.20 %	1.14 %	1.26 %
Return on average equity ²	9.63	8.98	8.98	2.52	7.44	7.57	7.73
Return on average tangible common equity ^{1,2}	16.22	15.15	15.26	5.09	11.52	13.02	12.89
Efficiency ratio	47.12	43.67	51.49	82.30	54.27	56.41	54.92
Selected Performance Metrics - Operating:							
Diluted operating EPS ¹	\$ 0.58	\$ 0.53	\$ 0.59	\$ 0.59	\$ 0.47	\$ 2.29	\$ 1.84
Pre-tax, pre-provision operating return on average assets ^{1,2}	2.07 %	2.26 %	2.22 %	2.40 %	1.95 %	2.24 %	2.02 %
Operating return on average assets ^{1,2}	1.49	1.42	1.63	1.69	1.40	1.56	1.44
Operating return on average tangible common equity ^{1,2}	16.87	15.78	18.09	18.81	13.37	17.39	14.68
Operating efficiency ratio ¹	45.67	42.36	43.66	43.54	50.65	43.80	49.60
Veritex Holdings, Inc. Capital Ratios:							
Average stockholders' equity to average total assets	14.88 %	15.11 %	15.13 %	15.18 %	16.14 %	15.07 %	16.25 %
Tier 1 capital to average assets (leverage)	10.17	10.33	10.47	10.57	12.04	10.17	12.04
Common equity tier 1 capital	10.60	10.82	11.32	11.07	11.80	10.60	11.80
Tier 1 capital to risk-weighted assets	11.02	11.26	11.77	11.50	12.18	11.02	12.18
Total capital to risk-weighted assets	13.10	12.26	12.80	12.45	12.98	13.10	12.98
Tangible common equity to tangible assets ¹	10.01	10.17	10.08	10.02	11.78	10.01	11.78
Veritex Bank Capital Ratios:							
Tier 1 capital to average assets (leverage)	11.07 %	10.64 %	10.80 %	10.65 %	10.87 %	11.07 %	10.87 %
Common equity tier 1 capital	12.00	11.61	12.16	11.61	11.01	12.00	11.01
Tier 1 capital to risk-weighted assets	12.00	11.61	12.16	11.61	11.01	12.00	11.01
Total capital to risk-weighted assets	12.44	12.00	12.54	11.93	11.64	12.44	11.64

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

²Annualized ratio for quarterly metrics.

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

	Dec 31, 2019 (unaudited)	Sep 30, 2019 (unaudited)	Jun 30, 2019 (unaudited)	Mar 31, 2019 (unaudited)	Dec 31, 2018
ASSETS					
Cash and cash equivalents	\$ 251,550	\$ 252,592	\$ 265,822	\$ 339,473	\$ 84,449
Securities	997,330	1,023,393	1,020,279	950,671	262,695
Other investments	89,923	89,795	81,088	75,920	23,174
Loans held for sale	14,080	10,715	7,524	8,002	1,258
Loans held for investment, mortgage warehouse	183,628	233,577	200,017	114,158	—
Loans held for investment	5,737,577	5,654,027	5,731,833	5,663,721	2,555,494
Total Loans	5,935,285	5,898,319	5,939,374	5,785,881	2,556,752
Allowance for loan losses	(29,834)	(26,243)	(24,712)	(21,603)	(19,255)
Bank-owned life insurance	80,915	80,411	79,899	79,397	22,064
Bank premises, furniture and equipment, net	118,536	118,449	115,373	119,354	78,409
Other real estate owned	5,995	4,625	1,748	151	—
Intangible assets, net	72,263	75,363	78,347	81,245	15,896
Goodwill	370,658	370,463	370,221	368,268	161,447
Other assets	62,086	75,716	82,667	69,474	22,919
Branch assets held for sale	—	—	—	83,516	—
Total assets	\$ 7,954,707	\$ 7,962,883	\$ 8,010,106	\$ 7,931,747	\$ 3,208,550
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing deposits	\$ 1,556,500	\$ 1,473,126	\$ 1,476,668	\$ 1,439,630	\$ 626,283
Interest-bearing transaction and savings deposits	2,654,972	2,528,293	2,646,154	2,617,117	1,313,161
Certificates and other time deposits	1,682,878	1,876,427	2,042,266	2,240,968	682,984
Total deposits	5,894,350	5,877,846	6,165,088	6,297,715	2,622,428
Accounts payable and accrued expenses	37,197	45,475	44,414	42,621	5,413
Accrued interest payable	6,569	6,054	7,069	6,846	5,361
Advances from Federal Home Loan Bank	677,870	752,907	512,945	252,982	28,019
Subordinated debentures and subordinated notes	145,571	72,284	72,486	72,719	16,691
Other borrowings	2,353	2,787	2,811	2,778	—
Branch liabilities held for sale	—	—	—	62,381	—
Total liabilities	6,763,910	6,757,353	6,804,813	6,738,042	2,677,912
Commitments and contingencies					
Stockholders' equity:					
Common stock	511	524	535	546	243
Additional paid-in capital	1,117,879	1,114,659	1,112,238	1,109,386	449,427
Retained earnings	147,911	125,344	104,652	84,559	83,968
Accumulated other comprehensive (loss)	19,061	23,837	17,741	7,016	(2,930)
Treasury stock	(94,565)	(58,834)	(29,873)	(7,802)	(70)
Total stockholders' equity	1,190,797	1,205,530	1,205,293	1,193,705	530,638
Total liabilities and stockholders' equity	\$ 7,954,707	\$ 7,962,883	\$ 8,010,106	\$ 7,931,747	\$ 3,208,550

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

	For the Quarter Ended				For the Year Ended		
	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Dec 31, 2018	
Interest income:							
Loans, including fees	\$ 82,469	\$ 85,811	\$ 86,786	\$ 85,747	\$ 35,028	\$ 340,813	\$ 134,460
Securities	7,168	7,687	7,397	7,232	1,908	29,484	6,605
Deposits in financial institutions and Fed Funds sold	1,285	1,329	1,372	1,554	833	5,540	3,149
Other investments	820	816	622	691	413	2,949	855
Total interest income	91,742	95,643	96,177	95,224	38,182	378,786	145,069
Interest expense:							
Transaction and savings deposits	8,203	10,381	11,405	10,366	5,412	40,355	17,599
Certificates and other time deposits	9,455	10,283	10,145	8,792	3,394	38,675	9,714
Advances from FHLB	2,661	3,081	2,187	2,055	377	9,984	1,701
Subordinated debentures and subordinated notes	1,559	1,024	998	1,094	304	4,675	1,031
Total interest expense	21,878	24,769	24,735	22,307	9,487	93,689	30,045
Net interest income	69,864	70,874	71,442	72,917	28,695	285,097	115,024
Provision for loan losses	3,493	9,674	3,335	5,012	1,364	21,514	6,603
Net interest income after provision for loan losses	66,371	61,200	68,107	67,905	27,331	263,583	108,421
Noninterest income:							
Service charges and fees on deposit accounts	3,728	3,667	3,422	3,517	832	14,334	3,420
Loan fees	1,921	2,252	1,932	1,677	387	7,782	1,332
Loss on sales of investment securities	(438)	—	(642)	(772)	(42)	(1,852)	(64)
Gain on sales of loans	536	853	1,104	2,370	1,789	4,863	3,056
Rental income	371	369	373	368	310	1,481	1,654
Other	1,014	1,289	(155)	1,324	343	3,472	1,677
Total noninterest income	7,132	8,430	6,034	8,484	3,619	30,080	11,075
Noninterest expense:							
Salaries and employee benefits	18,917	17,530	17,459	18,885	8,278	72,791	31,138
Occupancy and equipment	4,198	4,044	4,014	4,129	2,412	16,385	10,679
Professional and regulatory fees	2,615	2,750	2,814	3,418	1,889	11,597	7,282
Data processing and software expense	1,880	2,252	2,309	1,924	888	8,365	3,020
Marketing	971	708	961	619	570	3,259	1,783
Amortization of intangibles	2,696	2,712	2,719	2,760	835	10,887	3,467
Telephone and communications	466	361	625	395	223	1,847	1,299
Merger and acquisition expense	918	1,035	5,790	31,217	1,150	38,960	5,220
Other	3,623	3,238	3,205	3,646	1,293	13,712	5,371
Total noninterest expense	36,284	34,630	39,896	66,993	17,538	177,803	69,259
Income before income tax expense	37,219	35,000	34,245	9,396	13,412	115,860	50,237
Income tax expense	8,168	7,595	7,369	1,989	3,587	25,121	10,896
Net income	\$ 29,051	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 90,739	\$ 39,341
Basic EPS	\$ 0.56	\$ 0.52	\$ 0.50	\$ 0.14	\$ 0.41	\$ 1.71	\$ 1.63
Diluted EPS	\$ 0.56	\$ 0.51	\$ 0.49	\$ 0.13	\$ 0.40	\$ 1.68	\$ 1.60
Weighted average basic shares outstanding	51,472	52,915	53,969	54,293	24,224	53,154	24,169
Weighted average diluted shares outstanding	52,263	53,873	54,929	55,439	24,532	53,978	24,590

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

	December 31, 2019			For the Quarter Ended September 30, 2019			December 31, 2018		
	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	\$ 5,692,773	\$ 80,779	5.63 %	\$ 5,702,696	\$ 84,022	5.85 %	\$ 2,502,084	\$ 35,028	5.55 %
Loans held for investment, mortgage warehouse	191,132	1,690	3.51	182,793	1,789	3.88	—	—	—
Securities	1,004,342	7,168	2.83	1,022,289	7,687	2.98	263,182	1,908	2.88
Interest-earning deposits in other banks	312,530	1,285	1.63	234,087	1,329	2.25	136,879	833	2.41
Other investments ²	71,791	820	4.53	71,901	816	4.50	25,772	413	6.36
Total interest-earning assets	7,272,568	91,742	5.00	7,213,766	95,643	5.26	2,927,917	38,182	5.17
Allowance for loan losses	(27,564)			(22,539)			(18,338)		
Noninterest-earning assets	798,501			818,150			333,589		
Total assets	<u>\$ 8,043,505</u>			<u>\$ 8,009,377</u>			<u>\$ 3,243,168</u>		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand and savings deposits	\$ 2,621,163	8,203	1.24 %	\$ 2,621,701	\$ 10,381	1.57 %	\$ 1,337,901	5,412	1.60 %
Certificates and other time deposits	1,789,544	9,455	2.10	1,953,084	10,283	2.09	655,776	3,394	2.05
Advances from FHLB	726,352	2,661	1.45	632,754	3,081	1.93	52,436	377	2.85
Subordinated debentures and subordinated notes	118,193	1,559	5.23	74,869	1,024	5.43	16,691	304	7.23
Total interest-bearing liabilities	5,255,252	21,878	1.65	5,282,408	24,769	1.86	2,062,804	9,487	1.82
Noninterest-bearing liabilities:									
Noninterest-bearing deposits	1,540,406			1,467,127			643,958		
Other liabilities	50,656			49,695			12,816		
Total liabilities	6,846,314			6,799,230			2,719,578		
Stockholders' equity	1,197,191			1,210,147			523,590		
Total liabilities and stockholders' equity	<u>\$ 8,043,505</u>			<u>\$ 8,009,377</u>			<u>\$ 3,243,168</u>		
Net interest rate spread ³			3.35 %			3.40 %			3.35 %
Net interest income and margin ⁴		<u>\$ 69,864</u>	3.81 %		<u>\$ 70,874</u>	3.90 %		<u>\$ 28,695</u>	3.89 %

¹ Includes average outstanding balances of loans held for sale of \$10,643, \$8,525, and \$1,019 for the three months ended December 31, 2019, September 30, 2019 and December 31, 2018, respectively.

² The Company historically reported dividend income in the "other noninterest income" line item and has reclassified \$408 of dividend income into other investments as of December 31, 2018 in order to align with industry peers for comparability purposes.

³ Net interest rate spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.

⁴ 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,

	2019			2018		
	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	\$ 5,722,039	\$ 334,025	5.96 %	\$ 2,382,946	\$ 134,460	5.64 %
Loans held for investment, mortgage warehouse	162,325	6,788	4.18	—	—	—
Securities	977,621	29,484	3.02	247,163	6,605	2.67
Interest-earning deposits in other banks	259,866	5,540	2.13	160,402	3,149	1.96
Other investments ²	60,308	2,949	4.89	17,326	855	4.93
Total interest-earning assets	7,182,159	378,786	5.27	2,807,837	145,069	5.17
Allowance for loan losses	(23,533)			(15,324)		
Noninterest-earning assets	799,257			339,915		
Total assets	<u>\$ 7,957,883</u>			<u>\$ 3,132,428</u>		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Interest-bearing demand and savings deposits	\$ 2,648,113	40,355	1.52	\$ 1,277,186	17,599	1.38
Certificates and other time deposits	1,997,090	38,675	1.94	608,041	9,714	1.60
Advances from FHLB	502,681	9,984	1.99	87,366	1,701	1.95
Subordinated debentures and subordinated notes	86,110	4,675	5.43	16,748	1,031	6.16
Total interest-bearing liabilities	5,233,994	93,689	1.79	1,989,341	30,045	1.51
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	1,480,207			621,613		
Other liabilities	44,809			12,456		
Total liabilities	6,759,010			2,623,410		
Stockholders' equity	1,198,873			509,018		
Total liabilities and stockholders' equity	<u>\$ 7,957,883</u>			<u>\$ 3,132,428</u>		
Net interest rate spread ³			3.48 %			3.66 %
Net interest income and margin ⁴		\$ 285,097	3.97 %		\$ 115,024	4.10 %

¹Includes average outstanding balances of loans held for sale of \$8,762 and \$1,198 for the twelve months ended December 31, 2019 and 2018, respectively.

²The Company historically reported dividend income in the "other noninterest income" line item and has reclassified \$835 of dividend income into other investments as of December 31, 2018 in order to align with industry peers for comparability purposes.

³Net interest rate spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.

⁴Net 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, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018
Average yield on interest-earning assets:					
Total loans ¹	5.63 %	5.85 %	5.92 %	5.96 %	5.55 %
Loans held for investment, mortgage warehouse	3.51	3.88	4.56	5.26	—
Securities	2.83	2.98	3.10	3.17	2.88
Interest-bearing deposits in other banks	1.63	2.25	2.41	2.39	2.41
Other investments	4.53	4.50	4.19	4.92	6.36
Total interest-earning assets	5.00 %	5.26 %	5.39 %	5.44 %	5.17 %
Average rate on interest-bearing liabilities:					
Interest-bearing demand and savings deposits	1.24 %	1.57 %	1.69 %	1.64 %	1.60 %
Certificates and other time deposits	2.10	2.09	1.93	1.59	2.05
Advances from FHLB	1.45	1.93	2.62	2.68	2.85
Subordinated debentures and subordinated notes	5.23	5.43	5.32	5.85	7.23
Total interest-bearing liabilities	1.65 %	1.86 %	1.90 %	1.74 %	1.82 %
Net interest rate spread ²	3.35 %	3.40 %	3.49 %	3.70 %	3.35 %
Net interest margin ³	3.81 %	3.90 %	4.00 %	4.17 %	3.89 %

¹ Includes average outstanding balances of loans held for sale of \$10,643, \$8,525, \$8,140, \$7,709 and \$1,019 for the three months ended December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018, 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.

Supplemental Yield Trend

	For the Quarter Ended				
	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018
Average cost of interest-bearing deposits	1.59 %	1.79 %	1.79 %	1.62 %	1.75 %
Average costs of total deposits, including noninterest-bearing	1.18	1.36	1.38	1.25	1.32

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

Loans Held for Investment ("LHI") and Deposit Portfolio Composition

	Dec 31, 2019		Sep 30, 2019		Jun 30, 2019		Mar 31, 2019		Dec 31, 2018						
	(Dollars in thousands)														
Loans Held for Investment²															
Originated Loans															
Commercial	\$	1,190,552	33.9 %	\$	1,027,433	33.4 %	\$	878,970	32.2 %	\$	836,792	33.3 %	\$	697,906	32.9 %
Real Estate:															
Owner occupied commercial		276,508	7.9		253,043	8.2		229,243	8.4		215,088	8.6		188,847	8.9
Commercial		1,024,635	29.2		877,669	28.5		800,506	29.3		752,628	30.0		636,200	30.0
Construction and land		527,985	15.0		490,389	15.9		405,323	14.8		364,812	14.5		303,315	14.3
Farmland		16,939	0.5		7,986	0.3		15,944	0.6		8,247	0.3		7,898	0.4
1-4 family residential		324,725	9.2		315,839	10.3		290,808	10.7		274,880	11.0		235,092	11.1
Multi-family residential		141,414	4.0		95,258	3.1		101,973	3.7		48,777	2.0		47,371	2.2
Consumer		10,096	0.3		8,471	0.3		7,714	0.3		8,587	0.3		4,304	0.2
Total originated LHI	\$	3,512,854	100 %	\$	3,076,088	100 %	\$	2,730,481	100 %	\$	2,509,811	100 %	\$	2,120,933	100 %
Acquired Loans															
Commercial	\$	522,286	23.5 %	\$	683,823	26.5 %	\$	909,074	30.3 %	\$	975,878	30.9 %	\$	62,866	14.4 %
Real Estate:															
Owner occupied commercial		430,274	19.3		463,087	18.0		517,525	17.2		530,026	16.8		132,432	30.5
Commercial		759,566	34.1		832,841	32.3		927,019	30.9		948,815	30.0		145,553	33.5
Construction and land		101,389	4.6		133,233	5.2		138,527	4.6		149,897	4.8		21,548	5.0
Farmland		—	—		—	—		1,528	0.1		1,781	0.1		2,630	0.6
1-4 family residential		225,086	10.1		243,471	9.4		266,248	8.9		295,719	9.4		62,825	14.5
Multi-family residential		178,627	8.0		211,708	8.2		228,904	7.6		238,936	7.6		3,914	0.9
Consumer		7,361	0.4		9,642	0.4		12,848	0.4		13,180	0.4		2,808	0.6
Total acquired LHI	\$	2,224,589	100 %	\$	2,577,805	100 %	\$	3,001,673	100 %	\$	3,154,232	100 %	\$	434,576	100 %
Mortgage warehouse		183,628			233,577			200,017			114,158			—	
Total LHI¹	\$	5,921,071		\$	5,887,470		\$	5,932,171		\$	5,778,201		\$	2,555,509	
Deposits²															
Noninterest-bearing	\$	1,556,500	26.4 %	\$	1,473,126	25.1 %	\$	1,476,668	24.0 %	\$	1,439,630	22.9 %	\$	626,283	23.8 %
Interest-bearing transaction		388,877	6.6		373,997	6.4		373,982	6.1		334,868	5.3		146,969	5.6
Money market		2,180,017	37.0		2,066,315	35.2		2,178,274	35.3		2,169,049	34.4		1,133,045	43.2
Savings		86,078	1.5		87,981	1.5		93,898	1.5		113,200	1.8		33,147	1.3
Certificates and other time deposits		1,682,878	28.5		1,876,427	31.8		2,042,266	33.1		2,240,968	35.6		682,984	26.1
Total deposits	\$	5,894,350	100 %	\$	5,877,846	100 %	\$	6,165,088	100 %	\$	6,297,715	100 %	\$	2,622,428	100 %
Loan to Deposit Ratio		100.5 %		100.2 %		96.2 %		91.8 %		97.4 %					

¹ Total loans held for investment does not include deferred costs of \$134 thousand at December 31, 2019 and September 30, 2019, respectively, deferred fees of \$321 thousand at June 30, 2019 and March 31, 2019, respectively, and deferred fees of \$15 thousand at December 31, 2018.

² LHI and deposit portfolio composition exclude assets and liabilities held for sale as of March 31, 2019.

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

Asset Quality

	For the Quarter Ended					For the Year Ended	
	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
	(Dollars in thousands)						
Nonperforming Assets ("NPAs"):							
Originated nonaccrual loans ¹	\$ 5,100	\$ 5,081	\$ 4,751	\$ 5,739	\$ 5,358	\$ 5,100	\$ 5,358
Acquired nonaccrual loans ¹	24,679	5,091	10,982	12,944	19,387	24,679	19,387
Originated accruing loans 90 or more days past due	2,039	815	12,738	2,329	—	2,039	—
Acquired accruing loans 90 or more days past due ²	1,621	1,379	13,036	1,974	—	1,621	—
Total nonperforming loans held for investment ("NPLs")	33,439	12,366	41,507	22,986	24,745	33,439	24,745
Other real estate owned	5,995	4,625	1,748	151	—	5,995	—
Total NPAs	<u>\$ 39,434</u>	<u>\$ 16,991</u>	<u>\$ 43,255</u>	<u>\$ 23,137</u>	<u>\$ 24,745</u>	<u>\$ 39,434</u>	<u>\$ 24,745</u>
Charge-offs:							
Residential	\$ —	\$ —	\$ (157)	\$ —	\$ —	\$ (157)	\$ —
Commercial	—	(8,101)	(143)	(2,654)	(26)	(10,898)	(175)
Consumer	(48)	(113)	(30)	(74)	—	(265)	(22)
Total charge-offs	<u>(48)</u>	<u>(8,214)</u>	<u>(330)</u>	<u>(2,728)</u>	<u>(26)</u>	<u>(11,320)</u>	<u>(197)</u>
Recoveries:							
Residential	5	—	54	8	—	67	—
Commercial	135	71	10	10	7	226	41
Consumer	6	—	40	46	—	92	—
Total recoveries	<u>146</u>	<u>71</u>	<u>104</u>	<u>64</u>	<u>7</u>	<u>385</u>	<u>41</u>
Net charge-offs	<u>\$ 98</u>	<u>\$ (8,143)</u>	<u>\$ (226)</u>	<u>\$ (2,664)</u>	<u>\$ (19)</u>	<u>\$ (10,935)</u>	<u>\$ (156)</u>
Allowance for loan losses ("ALLL") at end of period	<u>\$ 29,834</u>	<u>\$ 26,243</u>	<u>\$ 24,712</u>	<u>\$ 21,603</u>	<u>\$ 19,255</u>	<u>\$ 29,834</u>	<u>\$ 19,255</u>
Remaining purchase discount ("PD") on acquired loans ³	\$ 47,774	\$ 58,503	\$ 80,365	\$ 83,365	\$ 12,098	\$ 47,774	\$ 12,098
Asset Quality Ratios:							
NPAs to total assets	0.50 %	0.21 %	0.54 %	0.29 %	0.77 %	0.50 %	0.77 %
NPLs to total LHI	0.56	0.21	0.70	0.40	0.97	0.56	0.97
ALLL to total LHI	0.50	0.45	0.42	0.37	0.75	0.50	0.75
ALLL and remaining PD on acquired loans to LHI ³	1.31	1.44	1.77	1.82	1.23	1.31	1.23
Net charge-offs to average loans outstanding	—	0.14	—	0.05	—	0.19	0.01

¹ The Company historically reported in the "acquired nonaccrual loans" line item in the table above only acquired purchased credit impaired ("PCI") loans that were deemed to be on nonaccrual status subsequent to the respective acquisition date. The Company has re-classified \$3,158, \$5,040 and \$2,485 for the three months ended June 30, 2019, March 31, 2019 and December 31, 2018, respectively, and \$2,485 for the year ended December 31, 2018, of acquired non-PCI loans deemed to be on nonaccrual status subsequent to acquisition date from the "originated nonaccrual" line item into the "acquired nonaccrual loans" line item. As a result, both acquired PCI loans and acquired non-PCI loans are reflected in the "acquired nonaccrual loans" line item in order to align with industry peers for comparability purposes.

² Accruing loans greater than 90 days past due exclude PCI loans greater than 90 days past due.

³ Remaining PD on acquired loans includes non-accretible and accretible purchase discount on purchased performing and purchased credit impaired loans for each quarter presented in the table.

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 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 the 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, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders’ equity	\$ 1,190,797	\$ 1,205,530	\$ 1,205,293	\$ 1,193,705	\$ 530,638
Adjustments:					
Goodwill	(370,658)	(370,463)	(370,221)	(368,268)	(161,447)
Core deposit intangibles	(67,563)	(70,014)	(72,465)	(74,916)	(11,675)
Tangible common equity	<u>\$ 752,576</u>	<u>\$ 765,053</u>	<u>\$ 762,607</u>	<u>\$ 750,521</u>	<u>\$ 357,516</u>
Common shares outstanding	51,064	52,373	53,457	54,563	24,254
Book value per common share	\$ 23.32	\$ 23.02	\$ 22.55	\$ 21.88	\$ 21.88
Tangible book value per common share	\$ 14.74	\$ 14.61	\$ 14.27	\$ 13.76	\$ 14.74

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, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018
	(Dollars in thousands)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,190,797	\$ 1,205,530	\$ 1,205,293	\$ 1,193,705	\$ 530,638
Adjustments:					
Goodwill	(370,658)	(370,463)	(370,221)	(368,268)	(161,447)
Core deposit intangibles	(67,563)	(70,014)	(72,465)	(74,916)	(11,675)
Tangible common equity	<u>\$ 752,576</u>	<u>\$ 765,053</u>	<u>\$ 762,607</u>	<u>\$ 750,521</u>	<u>\$ 357,516</u>
Tangible Assets					
Total assets	\$ 7,954,707	\$ 7,962,883	\$ 8,010,106	\$ 7,931,747	\$ 3,208,550
Adjustments:					
Goodwill	(370,658)	(370,463)	(370,221)	(368,268)	(161,447)
Core deposit intangibles	(67,563)	(70,014)	(72,465)	(74,916)	(11,675)
Tangible Assets	<u>\$ 7,516,486</u>	<u>\$ 7,522,406</u>	<u>\$ 7,567,420</u>	<u>\$ 7,488,563</u>	<u>\$ 3,035,428</u>
Tangible Common Equity to Tangible Assets	10.01 %	10.17 %	10.08 %	10.02 %	11.78 %

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 adjusted for amortization of core deposit intangibles as net income available for common stockholders, 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 on average tangible common equity as net income adjusted for amortization of core deposit intangibles (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 common 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 common equity to average tangible common equity and net income to net income adjusted for amortization of core deposit intangibles, net of taxes and presents our return on average tangible common equity:

	For the Quarter Ended					For the Year Ended	
	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
	(Dollars in thousands)						
Net income adjusted for amortization of core deposit intangibles							
Net income	\$ 29,051	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 90,739	\$ 39,341
Adjustments:							
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,477	432	9,830	4,060
Less: Tax benefit at the statutory rate	515	515	515	520	91	2,065	859
Net income adjusted for amortization of core deposit intangibles	\$ 30,987	\$ 29,341	\$ 28,812	\$ 9,364	\$ 10,166	\$ 98,504	\$ 42,542
Average Tangible Common Equity							
Total average stockholders' equity	\$ 1,197,191	\$ 1,210,147	\$ 1,200,632	\$ 1,190,266	\$ 523,590	\$ 1,198,873	\$ 509,018
Adjustments:							
Average goodwill	(370,463)	(370,224)	(369,255)	(366,795)	(161,447)	(369,441)	(160,907)
Average core deposit intangibles	(68,913)	(71,355)	(73,875)	(76,727)	(11,932)	(72,692)	(18,005)
Average tangible common equity	\$ 757,815	\$ 768,568	\$ 757,502	\$ 746,744	\$ 350,211	\$ 756,740	\$ 330,106
Return on Average Tangible Common Equity (Annualized)	16.22 %	15.15 %	15.26 %	5.09 %	11.52 %	13.02 %	12.89 %

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

Operating Net Income, Pre-tax, Pre-provision Operating Earnings and performance metrics calculated using Operating Earnings and Pre-tax, Pre-provision Operating Net Income, 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 and pre-tax, pre-provision operating earnings are non-GAAP measures used by management to evaluate the Company's financial performance. We calculate (a) operating net income as net income plus loss on sale of securities available for sale, net, plus loss (gain) on sale of disposed branch assets, plus lease exit costs, net, plus branch closure expenses, plus one-time issuance of shares to all employees, plus merger and acquisition expenses, less tax impact of adjustments, 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, plus other merger and acquisition discrete tax items. We calculate (b) pre-tax, pre-provision operating earnings as operating net income as described in clause (a) plus provision for income taxes, plus provision for loan losses. We calculate (c) diluted operating earnings per share as operating earnings as described in clause (a) divided by weighted average diluted shares outstanding. We calculate (d) operating return on average tangible common equity as operating earnings as described in clause (a) divided by total average tangible common equity (average stockholders' equity less average goodwill and average core deposit intangibles, net of accumulated amortization.) We calculate (e) operating efficiency ratio as non interest expense plus adjustments to operating non interest expense divided by (i) non interest income plus adjustments to operating non interest income plus (ii) 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, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Dec 31, 2018
	(Dollars in thousands)					
Operating Earnings						
Net income	\$ 29,051	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 39,341
Plus: Loss on sale of securities available for sale, net	438	—	642	772	42	1,852
Plus: Loss (gain) on sale of disposed branch assets ¹	—	—	359	—	—	359
Plus: Lease exit costs, net ²	—	—	—	—	—	1,071
Plus: Branch closure expenses	—	—	—	—	—	172
Plus: One-time issuance of shares to all employees	—	—	—	—	—	421
Plus: Merger and acquisition expenses	918	1,035	5,431	31,217	1,150	38,601
Operating pre-tax income	30,407	28,440	33,308	39,396	11,017	45,879
Less: Tax impact of adjustments ³	(23)	217	1,351	6,717	(440)	8,262
Plus: Tax Act re-measurement	—	—	—	—	—	5
Plus: Other M&A tax items ⁴	829	406	277	—	—	1,512
Plus: Discrete tax adjustments ⁵	(965)	—	—	—	—	(965)
Operating net income	\$ 30,294	\$ 28,629	\$ 32,234	\$ 32,679	\$ 11,457	\$ 45,251
Weighted average diluted shares outstanding	52,263	53,873	54,929	55,439	24,532	24,590
Diluted EPS	\$ 0.56	\$ 0.51	\$ 0.49	\$ 0.13	\$ 0.40	\$ 1.68
Diluted operating EPS	\$ 0.58	\$ 0.53	\$ 0.59	\$ 0.59	\$ 0.47	\$ 1.84

¹ Loss on sale of disposed branch assets for the year ended December 31, 2019 and for the three months ended June 30, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.

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

³ A 2019 and 2018 transaction cost study were completed during the fourth quarter of 2019 and 2018, respectively, resulting in \$1,468 thousand and \$3,460 thousand of expenses paid that are non-deductible merger and acquisition expenses for the year ended December 31, 2019 and 2018, respectively. As such, \$308 thousand and \$727 thousand is the tax impact of these non-deductible expenses that are reflected in the year ended December 31, 2019 and December 31, 2018 tax impact of adjustments amounts reported, respectively. All other adjustments to operating net income are taxed at the statutory rate.

⁴ Other M&A tax items of \$829 thousand, \$406 thousand and \$277 thousand recorded during the three months ended December 31, 2019, September 30, 2019 and June 30, 2019, respectively, relate to permanent tax expense recognized by the Company as a result of deduction limitations on compensation paid to covered employees in excess of the 162(m) limitation directly due to change-in-control payments made to covered employees in connection with the Green acquisition.

⁵ Discrete tax adjustments of \$965 thousand were 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 discrete, non-recurring tax expenses totaling \$0.6 million.

	For the Quarter Ended					For the Year Ended	
	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
	(Dollars in thousands)						
Pre-Tax, Pre-Provision Operating Earnings							
Net Income	\$ 29,051	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 90,739	\$ 39,341
Plus: Provision for income taxes	8,168	7,595	7,369	1,989	3,587	25,121	10,896
Plus: Provision for loan losses	3,493	9,674	3,335	5,012	1,364	21,514	6,603
Plus: Loss on sale of securities available for sale, net	438	—	642	772	42	1,852	42
Plus: Loss (gain) on sale of disposed branch assets ¹	—	—	359	—	—	359	(388)
Plus: Lease exit costs, net ²	—	—	—	—	—	—	1,071
Plus: Branch closure expenses	—	—	—	—	—	—	172
Plus: One-time issuance of shares to all employees	—	—	—	—	—	—	421
Plus: Merger and acquisition expenses	918	1,035	5,431	31,217	1,150	38,601	5,220
Net pre-tax, pre-provision operating earnings	\$ 42,068	\$ 45,709	\$ 44,012	\$ 46,397	\$ 15,968	\$ 178,186	\$ 63,378
Total average assets	\$ 8,043,505	\$ 8,009,377	\$ 3,059,456	\$ 2,989,974	\$ 3,243,168	\$ 7,957,883	\$ 3,132,428
Pre-tax, pre-provision operating return on average assets³	2.07 %	2.26 %	2.22 %	2.40 %	1.95 %	2.24 %	2.02 %
Average Total Assets	\$ 8,043,505	\$ 8,009,377	\$ 7,937,319	\$ 7,841,267	\$ 3,243,168	\$ 7,957,883	\$ 3,132,428
Return on average assets ³	1.43 %	1.36 %	1.36 %	0.38 %	1.20 %	1.14 %	1.26 %
Operating return on average assets ³	1.49	1.42	1.63	1.69	1.40	1.56	1.44
Operating earnings adjusted for amortization of intangibles							
Net operating earnings	\$ 30,294	\$ 28,629	\$ 32,234	\$ 32,679	\$ 11,457	\$ 123,836	\$ 45,251
Adjustments:							
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,477	432	9,830	4,060
Less: Tax benefit at the statutory rate	515	515	515	520	91	2,065	859
Operating earnings adjusted for amortization of intangibles	\$ 32,230	\$ 30,565	\$ 34,170	\$ 34,636	\$ 11,798	\$ 131,601	\$ 48,452
Average Tangible Common Equity							
Total average stockholders' equity	\$ 1,197,191	\$ 1,210,147	\$ 1,200,632	\$ 1,190,266	\$ 523,590	\$ 1,198,873	\$ 509,018
Adjustments:							
Average goodwill	(370,463)	(370,224)	(369,255)	(366,795)	(161,447)	(369,441)	(160,907)
Average core deposit intangibles	(68,913)	(71,355)	(73,875)	(76,727)	(11,932)	(72,692)	(18,005)
Average tangible common equity	\$ 757,815	\$ 768,568	\$ 757,502	\$ 746,744	\$ 350,211	\$ 756,740	\$ 330,106
Operating return on average tangible common equity³	16.87 %	15.78 %	18.09 %	18.81 %	13.37 %	17.39 %	14.68 %
Efficiency ratio	47.12 %	43.67 %	51.49 %	82.30 %	54.27 %	56.41 %	54.92 %
Operating efficiency ratio	45.67 %	42.36 %	43.66 %	43.54 %	50.65 %	43.80 %	49.60 %

¹ Loss on sale of disposed branch assets for the year ended December 31, 2019 and for the three months ended June 30, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.

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

³ Annualized ratio for quarterly metrics.



VERITEX

Investor Presentation

4th Quarter 2019



Safe Harbor

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’s quarterly cash dividend, Veritex’s business and growth strategy, projected plans and objectives. 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, 2018 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. 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;
- Returns on average tangible common equity;
- Operating net income;
- Pre-tax, pre-provision operating earnings;
- Diluted operating earnings per share (“EPS”);
- Operating return on average assets;
- Operating return on average tangible common equity;
- Operating efficiency ratio;
- Operating noninterest income; and
- Operating noninterest expense.

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 2019 Financial Highlights

Quarterly Financial Results

\$ in thousands				
GAAP Financial Highlights				
	4Q19	3Q19	Change	% Change
Net income	\$ 29,051	\$ 27,405	\$ 1,646	6.0%
Diluted EPS	0.56	0.51	0.05	9.8
Return on average assets ("ROA")	1.43%	1.36%	7 bp	5.2
Efficiency Ratio	47.12	43.67	(345 bp)	(7.9)

\$ in thousands				
Non-GAAP Financial Highlights ¹				
	4Q19	3Q19	Change	% Change
Operating net income	\$ 30,294	\$ 28,629	\$ 1,665	5.8%
Diluted operating EPS	0.58	0.53	0.05	9.4
Pre-tax, pre-provision operating ROA	2.07%	2.26%	(19 bp)	(8.4)
Return on average tangible common equity	16.22	15.15	107 bp	7.1
Operating return on average tangible common equity	16.87	15.78	109 bp	6.9
Operating ROA	1.49	1.42	7 bp	4.9
Operating efficiency Ratio	45.67	42.36	331 bp	7.8

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.



Year to Date 2019 Financial Highlights

Full Year Financial Results

\$ in thousands				
GAAP Financial Highlights				
	2019	2018	Change	% Change
Net income	\$ 90,739	\$ 39,341	\$ 51,398	130.6%
Diluted EPS	1.68	1.60	0.08	5.0
Return on average assets ("ROA")	1.14%	1.26%	(12 bp)	(9.5)
Efficiency Ratio	56.41	54.92	149 bp	2.7

\$ in thousands				
Non-GAAP Financial Highlights ¹				
	2019	2018	Change	% Change
Operating net income	\$ 123,836	\$ 45,251	\$ 78,585	173.7%
Diluted operating EPS	2.29	1.84	0.45	24.5
Pre-tax, pre-provision operating ROA	2.24%	2.02%	22 bp	10.9
Return on average tangible common equity	13.02	12.89	13 bp	1.0
Operating return on average tangible common equity	17.39	14.68	271 bp	18.5
Operating ROA	1.56	1.44	12 bp	8.3
Operating efficiency Ratio	43.80	49.76	596 bp	12.0

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.

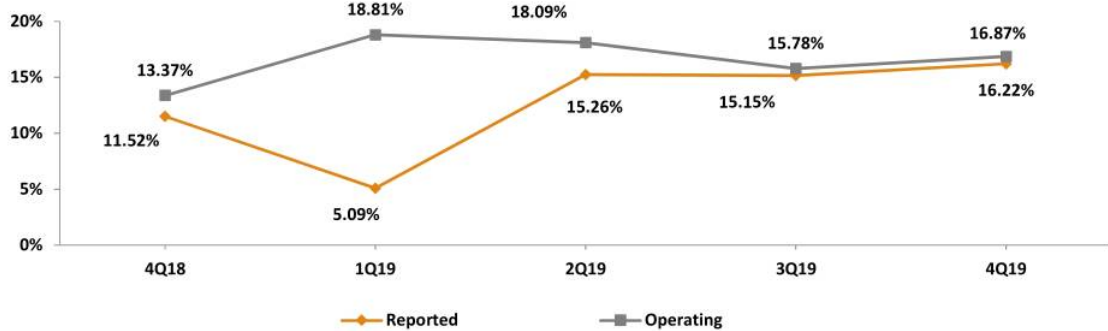


Fully Diluted EPS and ROATCE¹

Diluted Earnings Per Share¹



ROATCE¹

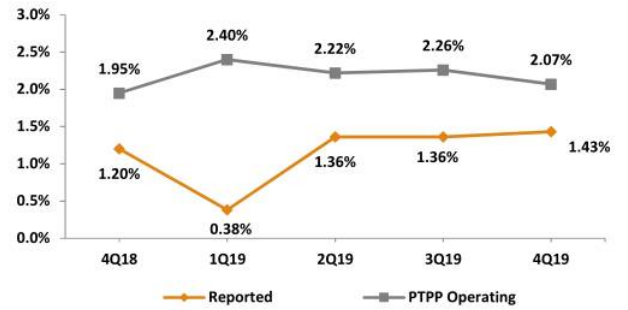
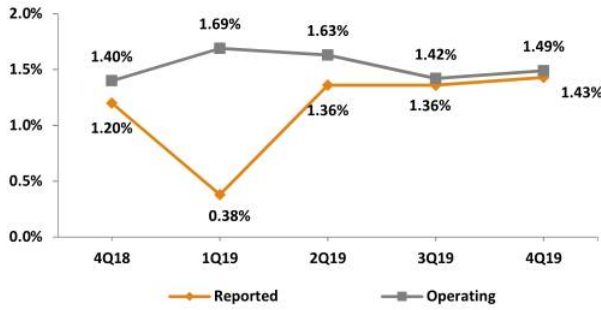


¹ Please refer to the "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.

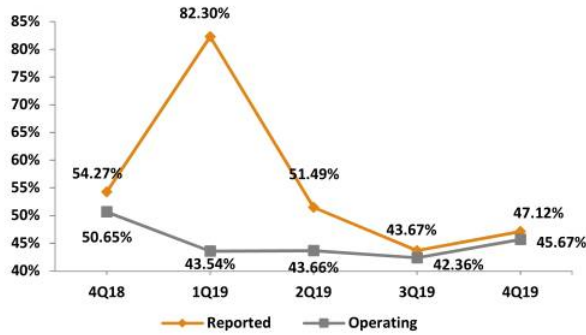


ROAA and Efficiency Ratio¹

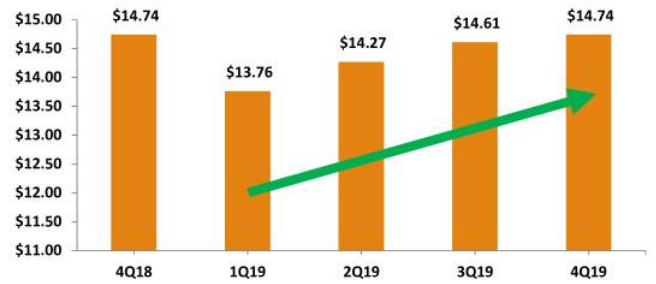
ROAA¹



Efficiency Ratio¹



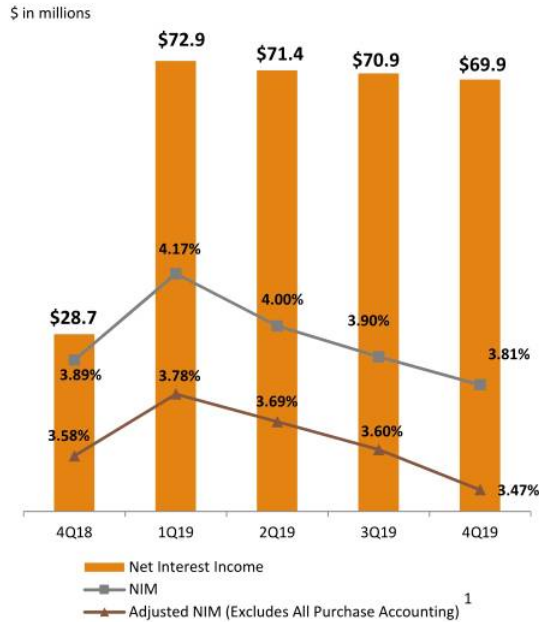
Tangible Book Value per Common Share¹



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 \$69.9 million slightly decreased from 3Q19 and increased \$41.2 million, or 143%, compared to 4Q18, largely due to the Green merger
- Net interest margin of 3.81% down 9 bps compared to 3Q19; includes \$6.3 million of purchase accounting adjustments in 4Q19 compared to \$5.4 million in 3Q19
- 4Q19 interest rate risk metrics for a down 100 rate shock shows a 30% improvement. Change in net interest income moved from (5.7%) at 3Q19 to (4.0%) at 4Q19.

Drivers of NIM decrease		
	NIM	Adj. NIM
3Q19 Net Interest Margin	3.90%	3.60%
Impact of rates on loans	(0.17%)	(0.24%)
Impact of rates on other earnings assets	(0.04%)	(0.04%)
Impact of rates on interest-bearing deposits	0.12%	0.14%
Impact of rates on borrowings	0.04%	0.04%
Impact of sub debt issuance	(0.03%)	(0.03%)
Other changes in volume and mix	(0.01%)	-
4Q19 Net Interest Margin	3.81%	3.47%

¹ Purchase accounting adjustments are primarily comprised of loan accretion and deposit premium amortization of \$5.6 million and \$740 thousand, respectively, in 4Q19, \$4.2 million and \$1.2 million, respectively, in 3Q19, \$3.6 million and \$1.9 million, respectively, in 2Q19, \$4.1 million and \$2.7 million, respectively, in 1Q19 and \$2.8 million and \$158 thousand, respectively, in 4Q18.

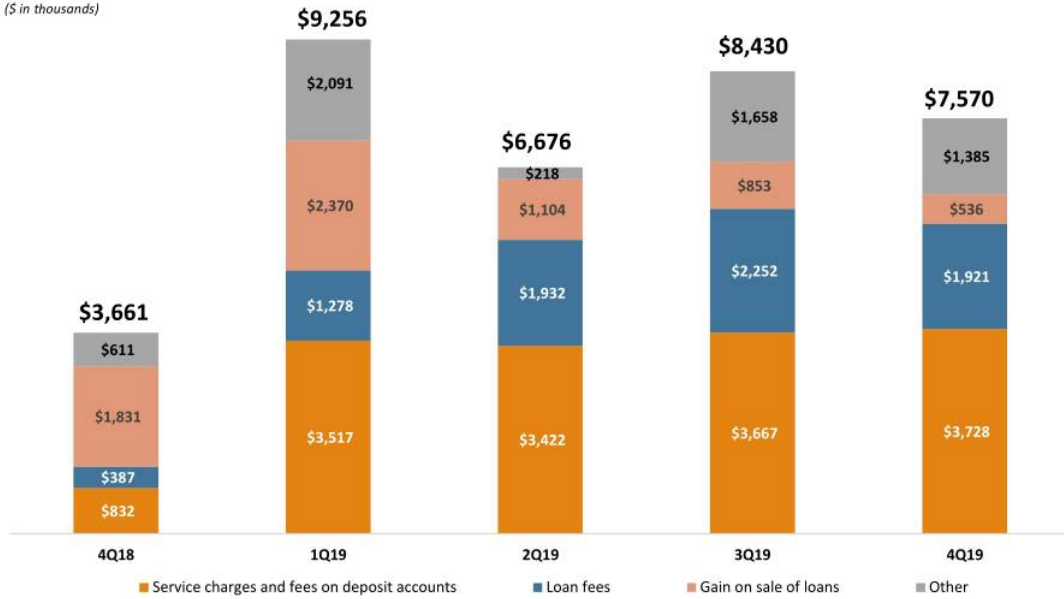


Noninterest Income (Operating)

- Operating noninterest income¹ totaled \$7.6 million for the quarter ended December 31, 2019, a 10.2% decrease over the prior quarter.
- Decline was largely due to lower than expected SBA gain on sales and customer swap revenue.
- Service charges and fees on deposit accounts represent approximately 45% of fee income and have grown 6% since Q1 2019.

Operating Noninterest Income¹ Composition

(\$ in thousands)

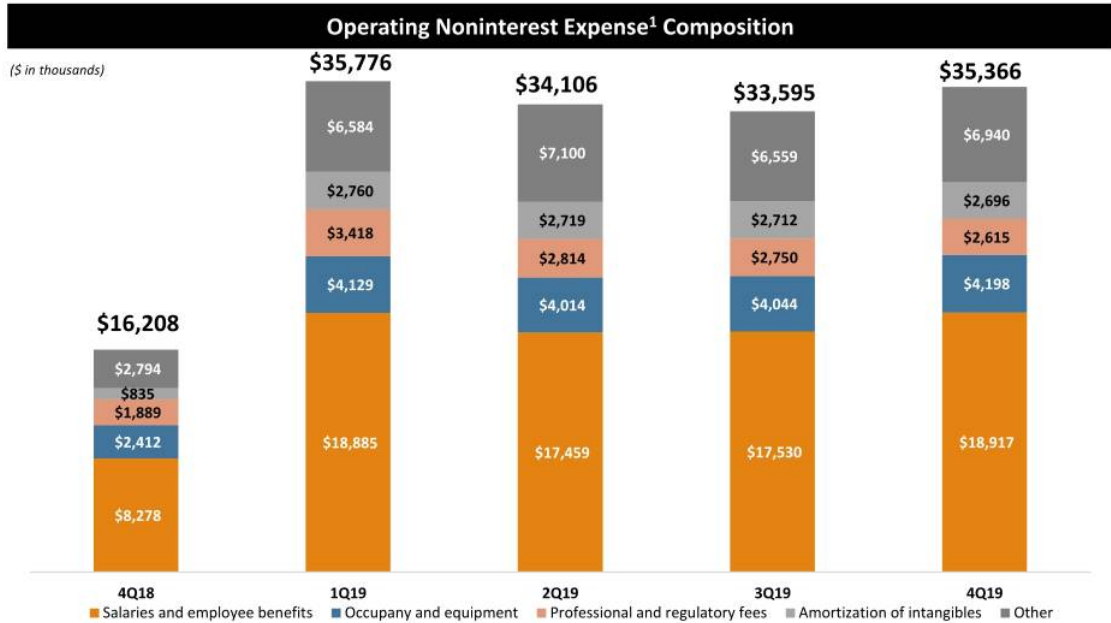


¹ Please refer to the "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of this non-GAAP financial measures.



Noninterest Expense (Operating)

- Operating noninterest expense¹ totaled \$35.4 million for the quarter ended December 31, 2019, a 5.3% increase over the prior quarter.
- Increase was primarily due to higher salaries and employee benefit expenses during 4Q19; 87% of such increase was driven by variable compensation expenses.



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

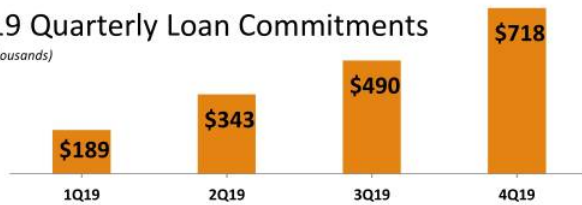


Loans Held For Investment

- Loans held for investment, excluding mortgage warehouse, increased \$86.9 million, or 6.1% on a linked quarter annualized basis.
- Loan production in 4Q19 increased over 45% from 3Q19 to \$718 million; the best production quarter of 2019.

2019 Quarterly Loan Commitments

(*\$ in thousands*)



Variable Rate Loan Floors

Grouping	Total Balance	% of Total Balance	Cumulative % of Total Balance
No Floor	\$ 2,988	72%	72%
Floor Reached	283	7%	79%
0-25 bps to Reach Floor	146	4%	83%
26-50 bps to Reach Floor	86	2%	85%
51-75 bps to Reach Floor	152	4%	89%
76-100 bps to Reach Floor	236	6%	95%
101-125 bps to Reach Floor	69	1%	96%
126-150 bps to Reach Floor	92	2%	98%
151+ bps to Reach Floor	104	2%	100%
	\$ 4,156	100%	

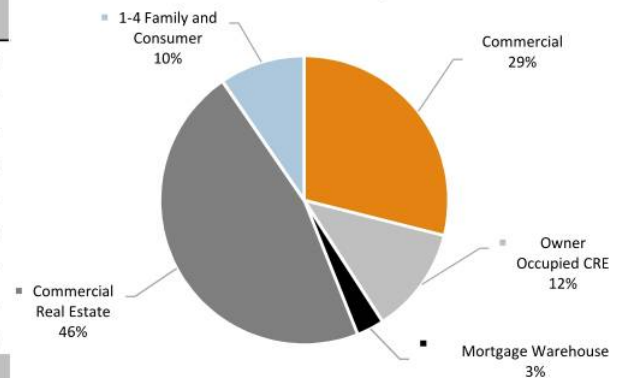
(\$ in millions)	For the Quarter Ended	
	3Q19	4Q19
Originated Loans ¹	3,076	3,513
Acquired non-PCI Loans	2,430	2,098
Acquired PCI loans	148	126
Mortgage warehouse	234	184
Total Loans	5,888	5,921

Qtr / Qtr Change in Balance

Originated Loans ¹	12.7%	14.2%
Acquired non-PCI Loans	-14.1%	-13.7%
Acquired PCI loans	-14.5%	-14.9%
Mortgage warehouse	17.0%	-21.4%
Total Loans	-0.7%	0.6%

Loan Composition

As of December 31, 2019

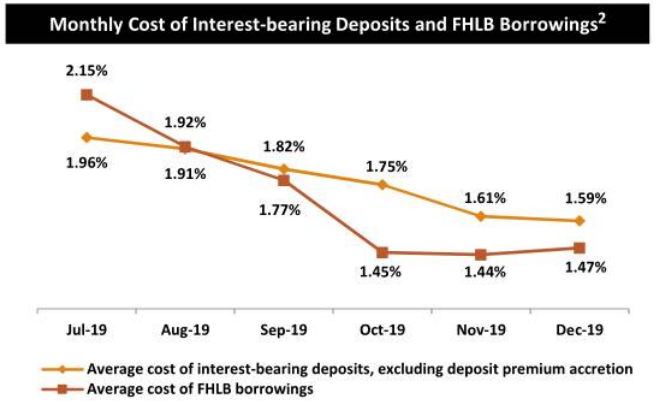
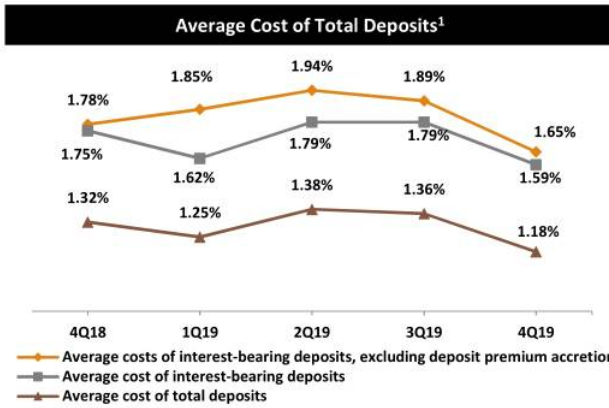
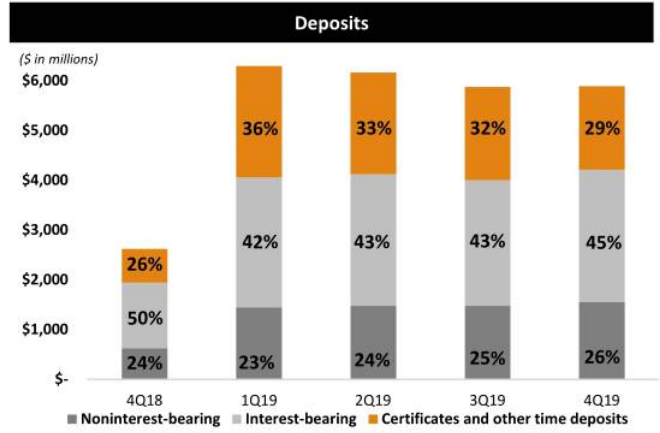


¹ Originated loans includes newly originated loans and purchased loans that have matured and renewed during the quarter.



Deposits and Borrowings

- Total deposits, excluding time deposits, increased \$210 million, or 21% annualized, during the fourth quarter of 2019.
- Noninterest-bearing deposits totaled \$1.6 billion, which comprised 26.4% of total deposits as of December 31, 2019.
- Excluding mortgage warehouse, the loan to deposit ratio was 97.3% at December 31, 2019.
- Reliance on less valuable time deposits has decreased from 36% in 1Q19 to 29% in 4Q19.
- Cost of interest-bearing deposits, excluding deposit premium accretion, declined 24 bps in 4Q19 to 1.65%.

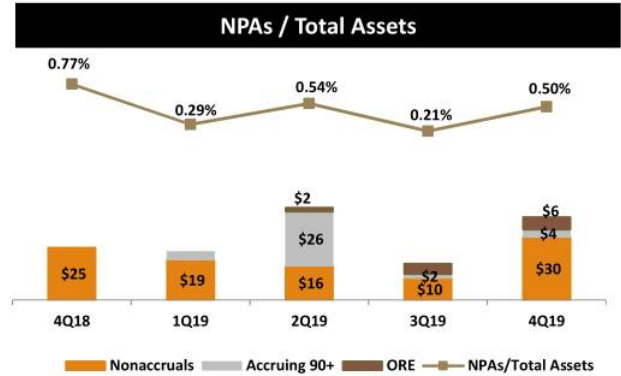
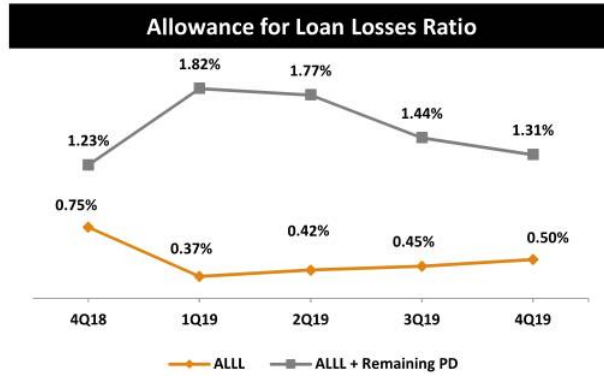


¹ Average costs of total deposits excludes \$132, \$2,731, \$1,355, \$1,210 and \$740 of deposit premium accretion as of 4Q18, 1Q19, 2Q19, 3Q19 and 4Q19, respectively.

² Average costs of interest-bearing deposits excludes \$484, \$391, \$335, \$288, \$248 and \$204 of deposit premium accretion as of July 2019, August 2019, September 2019, October 2019, November 2019 and December 2019, respectively.



Strong Asset Quality



Q4 Provision Breakdown

Specific Reserves	190
General Reserves - Renewed Acquired Loans	1,180
General Reserves - New Loans	2,123
Provision	3,493

Q4 ALLL Rollforward

September 30, 2019 Balance	26,243
Charge-offs	(48)
Recoveries	146
Provision	3,493
December 31, 2019 Balance	29,834

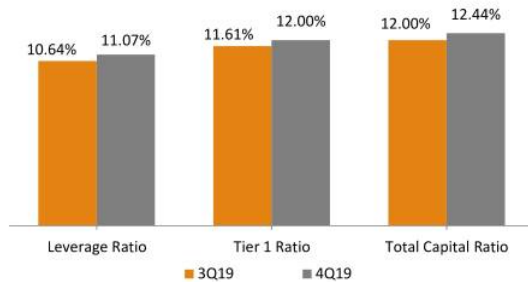


VHI Capital Ratios and Actions

Company Level as of December 31, 2019¹



Bank Level as of December 31, 2019¹



- Dividends

- › On January 28, 2020, declared quarterly cash dividend of \$0.17 per common share payable in February 2020

- Stock Buyback Program

- › Increased to \$175 million from \$100 million and extended previously announced stock buyback program
- › QTD repurchased \$35.7 million in common stock (1,453,608 shares)
- › YTD repurchased \$94.5 million in common stock (3,802,711 shares)
- › Reduction in share count during 2019 of 7%

- 2019 Return to Shareholders

- › **QTD return of \$42.2 million** (\$35.7 million in stock buyback and \$6.5 million in common dividends)
- › **YTD return of \$121.3 million** (\$94.5 million in stock buyback and \$26.8 million in common dividends)

¹ Preliminary

² 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.



Outlook and Focus Through 2020

1

Maintaining strong operating earnings profile, highlighted by 2019 PTPP return on average assets of 2.24%¹, operating return on average tangible common equity of 17.39%¹ and an operating efficiency ratio of 43.80%¹.

2

Retaining a strong balance sheet with significant liquidity, capital and limited credit downside given \$20.5 million in net energy exposure and \$47.8 million in remaining purchase discount on acquired loans.

3

Operating in two of the best markets in the country, Dallas-Fort Worth and Houston, two large markets with favorable market position and scarcity value.

4

Focused on:

- Continuing growth momentum
 - Maintaining asset quality
 - Returning excess capital to shareholders through share repurchases and common stock dividends
-

5

Attractive valuation at 11.9² times 2020 consensus earnings.

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 As of January 17, 2020 and based on 2020 consensus earnings estimate of \$2.40 from individual analyst reports.



Supplemental



Experienced Management Team



Malcolm Holland – *Chairman & Chief Executive Officer*

C. Malcolm Holland, III founded Veritex and has been Chairman of the Board, Chief Executive Officer and President of Veritex since 2009, and Chairman of the board of directors, Chief Executive Officer and President of the Bank since its inception in 2010. Prior to his service at Veritex, Mr. Holland served in various analyst, lending and executive management positions in the Dallas banking market from 1982 to 2009. Mr. Holland is a past president of the Texas Golf Association and served on the Executive Committee of the United States Golf Association from 2013 through 2016. Mr. Holland is an active member and chairman of the business advisory committee of Watermark Community Church and currently serves as a board member for Cannae Holdings, Inc. He served as chairman of the College Golf Fellowship from 2002 to 2013. Mr. Holland received his Bachelor of Business Administration from Southern Methodist University in 1982. With over 35 years of banking experience in the Dallas metropolitan area, Mr. Holland's extensive business and banking experience and his community involvement and leadership skills qualify him to serve on our Board and as its Chairman.



Terry S. Earley – *Chief Financial Officer*

Terry Earley has served as the Executive Vice President and Chief Financial Officer of Veritex and the Bank since January 2019, when he joined us in connection with our acquisition of Green. Mr. Earley is responsible for the Finance, Accounting and Treasury functions of the Bank. From March 2017 through January 2019, Mr. Earley was Executive Vice President and Chief Financial Officer of Green, and from July 2017 through January 2019, he was Chief Financial Officer of Green Bank. From December 2011 to March 2017, Mr. Earley served as Executive Vice President and Chief Financial Officer of Yadkin Financial Corporation and its predecessors. Prior to that, Mr. Earley served as President and Chief Executive Officer of Rocky Mountain Bank and Rocky Mountain Capital, located in Jackson, Wyoming, in 2010, and as Chief Financial Officer of Bancorp of the Southeast, LLC, located in Ponte Vedra, Florida, in 2009. Before that, Mr. Earley served as Chief Financial Officer and Chief Operating Officer of RBC Bank (USA), which he joined in 1992. Mr. Earley is a Certified Public Accountant and received his Bachelor of Business Administration with a concentration in Accounting from the University of North Carolina at Chapel Hill.



LaVonda Renfro – *Chief Administrative Officer*

LaVonda Renfro has served as our Executive Vice President and Chief Administrative Officer of the Bank since 2010. Ms. Renfro is responsible for the overall administration and coordination of the activities of the Bank's branches, including operations, sales and marketing, deposit operations, merchant services, private banking, business banking and treasury management. From 2005 to 2010, Ms. Renfro served as the Retail Executive of Colonial Bank/BB&T. From 1994 to 2005, Ms. Renfro was Senior Vice President, District Manager for Bank of America's Austin and San Antonio Markets.



Clay Riebe – *Chief Credit Officer*

Clay Riebe has served as our Executive Vice President and Chief Credit Officer of the Bank since 2016. Mr. Riebe is responsible for the Bank's credit quality, credit underwriting and administration functions. From 2009 to 2015 he served in various capacities for American Momentum Bank, including Chief Lending Officer and member of the board of the directors. From 2005 to 2009, Mr. Riebe served in various lending functions at Citibank. He began his career at community banks in Texas, including First American Bank Texas, where he served in various lending functions. Mr. Riebe received a Bachelor of Business Management from Texas Tech University in 1983.



Experienced Management Team *(continued)*



Angela Harper – Chief Risk Officer

Angela Harper has served as our Executive Vice President and Chief Risk Officer of the Bank since 2009. Ms. Harper oversees the loan operations, compliance and Bank Secrecy Act departments of Veritex and the Bank. From 2002 to 2009, Ms. Harper served in various capacities at Colonial Bank, including Senior Vice President, Credit Administration Officer and Risk Management Officer for the Texas region. Ms. Harper began her career in banking as a Bank Examiner at the Office of the Comptroller of the Currency from 1991 to 1995 working in the Dallas Duty Station. Ms. Harper received a Bachelor of Business Administration in Finance in 1989 and a Master of Business Administration from Texas Tech University in 1990 and is a Certified Regulatory Compliance Manager.



Jeff Kesler – President – Dallas/Ft. Worth Market

Jeff Kesler has served as our Executive Vice President and Chief Lending Officer of the Bank since 2014. Mr. Kesler is responsible for the Bank's lending functions, including providing leadership to market managers and lending lines of business. From 2013 to 2014, Mr. Kesler served as the Director of Loan Originations for United Development, a real estate investment trust. From 2009 to 2013, Mr. Kesler served as a Market President of the Bank's North Dallas region. Mr. Kesler began his career in 2000 at Colonial Bank where he served in various capacities, eventually becoming an area president for the Dallas and Austin markets. Mr. Kesler received a Bachelor of Business Administration from Fort Hays State University in 2000.



Jon Heine – President – Houston Market

Jon Heine joined Veritex Community Bank as Houston Market President in May 2019. Mr. Heine leads the Bank's efforts in the recently expanded Houston market following the acquisition of Houston-based, Green Bank. He joined the Bank after nearly 19 years at Comerica Bank, where he served as the Regional Manager of Comerica's Wealth Management team in Houston since 2016. Mr. Heine brings broad lending experience having also held various roles in Private Banking, National Dealer Finance, Middle Market and Entertainment Finance in the markets of Texas and California. Mr. Heine received a Bachelor of Business Administration from Texas Tech University in 2000.



Michael Bryan – Chief Information Officer

Michael Bryan has served as our Executive Vice President and Chief Information Officer of the Bank since 2017. Mr. Bryan oversees the information technology department of the Bank. From 2010 to 2017, Mr. Bryan served as Executive Vice President and Chief Information Officer at BNC Bank. From 2007 to 2010, Mr. Bryan served as Bank Technology/Operations Practice Principal at DD&F Consulting Group. From 2004 to 2006, Mr. Bryan served as Global Account Manager at Fujitsu. From 2001 to 2004, Mr. Bryan served as Principal Consultant at Hewlett Packard Enterprise. From 1980 to 2003, Mr. Bryan served as Chief Executive Officer/Owner of BancPro Systems, Inc.



Reconciliation of Non-GAAP Financial Measures

	As of				
	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18
(Dollars in thousands, except per share data)					
Tangible Common Equity					
Total stockholders' equity	\$ 1,190,797	\$ 1,205,530	\$ 1,205,293	\$ 1,193,705	\$ 530,638
Adjustments:					
Goodwill	(370,658)	(370,463)	(370,221)	(368,268)	(161,447)
Core deposit intangibles	(67,563)	(70,014)	(72,465)	(74,916)	(11,675)
Tangible common equity	<u>\$ 752,576</u>	<u>\$ 765,053</u>	<u>\$ 762,607</u>	<u>\$ 750,521</u>	<u>\$ 357,516</u>
Common shares outstanding	51,064	52,373	53,457	54,563,000	24,254
Book value per common share	\$23.32	\$23.02	\$22.55	\$21.88	\$21.88
Tangible book value per common share	\$14.74	\$14.61	\$14.27	\$13.76	\$14.74
Tangible Common Equity					
Total stockholders' equity	\$ 1,190,797	\$ 1,205,530	\$ 1,205,293	\$ 1,193,705	\$ 530,638
Adjustments:					
Goodwill	(370,658)	(370,463)	(370,221)	(368,268)	(161,447)
Core deposit intangibles	(67,563)	(70,014)	(72,465)	(74,916)	(11,675)
Tangible common equity	<u>\$ 752,576</u>	<u>\$ 765,053</u>	<u>\$ 762,607</u>	<u>\$ 750,521</u>	<u>\$ 357,516</u>
Tangible Assets					
Total assets	\$ 7,954,707	\$ 7,962,883	\$ 8,010,106	\$ 7,931,747	\$ 3,208,550
Adjustments:					
Goodwill	(370,658)	(370,463)	(370,221)	(368,268)	(161,447)
Core deposit intangibles	(67,563)	(70,014)	(72,465)	(74,916)	(11,675)
Tangible Assets	<u>\$ 7,516,486</u>	<u>\$ 7,522,406</u>	<u>\$ 7,567,420</u>	<u>\$ 7,488,563</u>	<u>\$ 3,035,428</u>
Tangible Common Equity to Tangible Assets	10.01%	10.17%	10.08%	10.02%	11.78%

Reconciliation of Non-GAAP Financial Measures



	For the Three Months Ended					For the Year Ended	
	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	2019	2018
	(Dollars in thousands)						
Net income available for common stockholders adjusted for amortization of core deposit intangibles							
Net income	\$ 29,051	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 90,739	\$ 39,341
Adjustments:							
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,477	432	9,830	4,060
Less: Tax benefit at the statutory rate	515	515	515	520	91	2,065	859
Net income available for common stockholders adjusted for amortization of intangibles	<u>\$ 30,987</u>	<u>\$ 29,341</u>	<u>\$ 28,812</u>	<u>\$ 9,364</u>	<u>\$ 10,166</u>	<u>\$ 98,504</u>	<u>\$ 42,542</u>
Average Tangible Common Equity							
Total average stockholders' equity	\$ 1,197,191	\$ 1,210,147	\$ 1,200,632	\$ 1,190,266	\$ 523,590	\$ 1,198,873	\$ 509,018
Adjustments:							
Average goodwill	(370,463)	(370,224)	(369,255)	(366,795)	(161,447)	(369,441)	(160,907)
Average core deposit intangibles	(68,913)	(71,355)	(73,875)	(76,727)	(11,932)	(72,692)	(18,005)
Average tangible common equity	<u>\$ 757,815</u>	<u>\$ 768,568</u>	<u>\$ 757,502</u>	<u>\$ 746,744</u>	<u>\$ 350,211</u>	<u>\$ 756,740</u>	<u>\$ 330,106</u>
Return on Average Tangible Common Equity (Annualized)	16.22%	15.15%	15.26%	5.09%	11.52%	13.02%	12.89%



Reconciliation of Non-GAAP Financial Measures

	For the Three Months Ended					For the Year Ended	
	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	2019	2018
(Dollars in thousands, except per share data)							
Operating Earnings							
Net income	\$ 29,051	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 90,739	\$ 39,341
Plus: Loss on sale of securities available for sale, net	438	-	642	772	42	1,852	42
Plus: Loss (gain) on sale of disposed branch assets ¹	-	-	359	-	-	359	(388)
Plus: Lease exit costs, net ²	-	-	-	-	-	-	1,071
Plus: Branch closure expenses	-	-	-	-	-	-	172
Plus: One-time issuance of shares to all employees	-	-	-	-	-	-	421
Plus: Merger and acquisition expenses	918	1,035	5,431	31,217	1,150	38,601	5,220
Operating pre-tax income	30,407	28,440	33,308	39,396	11,017	131,551	45,879
Less: Tax impact of adjustments ³	(23)	217	1,351	6,717	(440)	8,262	633
Plus: Tax Act re-measurement	-	-	-	-	-	-	5
Plus: Other M&A tax items⁴	829	406	277	-	-	1,512	-
Plus: Discrete tax adjustments⁵	(965)	-	-	-	-	(965)	-
Operating net income	<u>\$ 30,294</u>	<u>\$ 28,629</u>	<u>\$ 32,234</u>	<u>\$ 32,679</u>	<u>\$ 11,457</u>	<u>\$ 123,836</u>	<u>\$ 45,251</u>
Weighted average diluted shares outstanding	52,263	53,873	54,929	55,439	24,532	53,978	24,590
Diluted EPS	\$ 0.56	\$ 0.51	\$ 0.49	\$ 0.13	\$ 0.40	\$ 1.68	\$ 1.60
Diluted operating EPS	\$ 0.58	\$ 0.53	\$ 0.59	\$ 0.59	\$ 0.47	\$ 2.29	\$ 1.84

¹ Loss on sale of disposed branch assets for the year ended December 31, 2019 and for the three months ended June 30, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.

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

³ A 2019 and 2018 transaction cost study were completed during the fourth quarter of 2019 and 2018, respectively, resulting in \$1,468 thousand and \$3,460 thousand of expenses paid that are non-deductible merger and acquisition expenses for the year ended December 31, 2019 and 2018, respectively. As such, \$308 thousand and \$727 thousand is the tax impact of these non-deductible expenses that are reflected in the year ended December 31, 2019 and December 31, 2018 tax impact of adjustments amounts reported, respectively. All other adjustments to operating net income are taxed at the statutory rate.

⁴ Other M&A tax items of \$829 thousand, \$406 thousand and \$277 thousand recorded during the three months ended December 31, 2019, September 30, 2019 and June 30, 2019, respectively, relate to permanent tax expense recognized by the Company as a result of deduction limitations on compensation paid to covered employees in excess of the 162(m) limitation directly due to change-in-control payments made to covered employees in connection with the Green acquisition.

⁵ Discrete tax adjustments of \$965 thousand were 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 discrete, non-recurring tax expenses totaling \$0.6 million.



Reconciliation of Non-GAAP Financial Measures

	For the Three Months Ended					For the Year Ended	
	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	2019	2018
(Dollars in thousands, except per share data)							
Pre-Tax, Pre-Provision Operating Earnings							
Net Income	\$ 29,051	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 90,739	\$ 39,341
Plus: Provision for income taxes	8,168	7,595	7,369	1,989	3,587	25,121	10,896
Plus: Provision for loan losses	3,493	9,674	3,335	5,012	1,364	21,514	6,603
Plus: Loss on sale of securities available for sale, net	438	-	642	772	42	1,852	42
Plus: Loss (gain) on sale of disposed branch assets ¹	-	-	359	-	-	359	(388)
Plus: Lease exit costs, net ²	-	-	-	-	-	-	1,071
Plus: Branch closure expenses	-	-	-	-	-	-	172
Plus: One-time issuance of shares to all employees	-	-	-	-	-	-	421
Plus: Merger and acquisition expenses	918	1,035	5,431	31,217	1,150	38,601	5,220
Net pre-tax, pre-provision operating earnings	\$ 42,068	\$ 45,709	\$ 44,012	\$ 46,397	\$ 15,968	\$ 178,186	\$ 63,378
Average total assets	\$ 8,043,505	\$ 8,009,377	\$ 3,059,456	\$ 2,989,974	\$ 3,243,168	\$ 7,957,883	\$ 3,132,428
Pre-tax, pre-provision operating return on average assets³	2.07%	2.26%	2.22%	2.40%	1.95%	2.24%	2.02%
Average total assets	\$ 8,043,505	\$ 8,009,377	\$ 7,937,319	\$ 7,841,267	\$ 3,243,168	\$ 7,957,883	\$ 3,132,428
Return on average assets ³	1.43%	1.36%	1.36%	0.38%	1.20%	1.14%	1.26%
Operating return on average assets ³	1.49%	1.42%	1.63%	1.69%	1.40%	1.56%	1.44%

¹ Loss on sale of disposed branch assets for the year ended December 31, 2019 and for the three months ended June 30, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.

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

³ Annualized ratio for quarterly metrics.



Reconciliation of Non-GAAP Financial Measures

	For the Three Months Ended					For for Year Ended	
	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	2019	2018
	(Dollars in thousands, except per share data)						
Operating earnings adjusted for amortization of intangibles							
Net operating earnings	\$ 30,294	\$ 28,629	\$ 32,234	\$ 32,679	\$ 11,457	\$ 123,836	\$45,251
Adjustments:							
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,477	432	9,830	4,060
Less: Tax benefit at the statutory rate	515	515	515	520	91	2,065	859
Operating earnings adjusted for amortization of intangibles	\$32,230	\$30,565	\$34,170	\$34,636	\$11,798	\$131,601	\$48,452
Average Tangible Common Equity							
Total average stockholders' equity	\$ 1,197,191	\$ 1,210,147	\$ 1,200,632	\$ 1,190,266	\$ 523,590	\$ 1,198,873	\$509,018
Adjustments:							
Average goodwill							
Average core deposit intangibles	(68,913)	(71,355)	(73,875)	(76,727)	(11,932)	(72,692)	(18,005)
Average tangible common equity	\$ 757,815	\$ 768,568	\$ 757,502	\$ 746,744	\$ 350,211	\$ 756,740	\$330,106
Operating Return on average tangible common equity¹	16.87%	15.78%	18.09%	18.81%	13.37%	17.39%	14.68%
Efficiency ratio	47.12%	43.67%	51.49%	82.30%	54.27%	56.41%	54.92%
Operating efficiency ratio	45.67%	42.36%	43.66%	43.54%	50.65%	43.80%	49.60%

¹ Annualized ratio for quarterly metrics.

Reconciliation of Non-GAAP Financial Measures



	As of				
	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18
	(Dollars in thousands, except per share data)				
Operating Noninterest Income					
Noninterest income	\$ 7,132	\$ 8,430	\$ 6,034	\$ 8,484	\$ 3,619
Plus: Loss on sale of securities available for sale, net	438	-	642	772	42
Operating noninterest income	\$ 7,570	\$ 8,430	\$ 6,676	\$ 9,256	\$ 3,661
Operating Noninterest Expense					
Noninterest expense	\$ 36,284	\$ 34,630	\$ 39,896	\$ 66,993	\$ 17,358
Plus: Loss (gain) on sale of disposed branch assets ¹	-	-	359	-	-
Plus: Merger and acquisition expenses	918	1,035	5,431	31,217	1,150
Operating noninterest expense	\$ 35,366	\$ 33,595	\$ 34,106	\$ 35,776	\$ 16,208

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



VERITEX



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

Veritex Holdings, Inc. Declares Cash Dividend on Common Stock

Dallas, TX – January 28, 2020 – 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 \$0.17 per share on its outstanding common stock. The dividend will be paid on or after February 20, 2020 to shareholders of record as of the close of business on February 6, 2020.

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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