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): July 28, 2020

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

Texas	**001-36682**	**27-0973566**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(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. o

Item 2.02 Results of Operations and Financial Condition
Item 7.01 Regulation FD Disclosure

On July 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 second quarter ended June 30, 2020. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On Wednesday, July 29, 2020 at 8:30 a.m., Central Time, the Company will host an investor conference call and webcast to review its second quarter 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 July 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 July 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 August 20, 2020 to shareholders of record as of the close of business on August 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.

Exhibit Number	Description
99.1	Press release, dated July 28, 2020
99.2	Presentation materials
99.3	Press release, dated July 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:	July 28, 2020

VERITEX HOLDINGS, INC. REPORTS SECOND QUARTER OPERATING RESULTS

Dallas, TX — July 28, 2020 —Veritex Holdings, Inc. (“Veritex” or the “Company”) (Nasdaq: VBTX), the holding company for Veritex Community Bank, today announced the results for the quarter ended June 30, 2020.

“The second quarter was dominated by significant pandemic and economic challenges. Despite those headwinds, we delivered solid results while supporting our employees, customers and communities,” said C. Malcolm Holland, III, the Company’s Chairman and Chief Executive Officer. “Our quarterly results reflect strong pre-tax, pre-provision operating net revenue, continued building of our allowance for credit losses and higher capital levels. I couldn’t be more proud of what the team accomplished during such a disruptive operating period.”

Second Quarter Highlights

- Net income of $24.0 million, or $0.48 diluted earnings per share (“EPS”), compared to $4.1 million, or $0.08 diluted EPS, for the quarter ended March 31, 2020 and $26.9 million, or $0.49 diluted EPS, for the quarter ended June 30, 2019;
- Pre-tax, pre-provision operating earnings[1] totaled $45.7 million, compared to $39.1 million for the quarter ended March 31, 2020 and $44.0 million for the quarter ended June 30, 2019;
- Provision for credit losses and unfunded commitments was $19.0 million, compared to $35.7 million for the quarter ended March 31, 2020, as a result of continued disruptions in the global economy from the COVID-19 pandemic and its impact on the Texas economic forecasts that drive the Company’s current expected credit loss (“CECL”) model;
- Allowance for credit losses (“ACL”) to total loans held for investments (“LHI”), excluding mortgage warehouse (“MW”) and Paycheck Protection Program (“PPP”) loans, was 2.01% for the quarter ended June 30, 2020 compared to 1.73% for the quarter ended March 31, 2020. Net charge-offs to average loans outstanding and nonperforming assets to total assets remained essentially flat quarter over quarter at 3 basis points and 62 basis points, respectively;
- During the second quarter of 2020, the Company funded $400.9 million of PPP loans through the Small Business Administration (“SBA”) as a result of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. The Company elected to carry these loans at fair value, and as a result, the Company recognized $12.5 million of PPP fee income, gross, during the second quarter of 2020;
- Total deposits grew $325.6 million from the first quarter of 2020, or 22.4% annualized, with the average cost of interest-bearing deposits decreasing to 0.84% for the three months ended June 30, 2020 from 1.39% for the three months ended March 31, 2020;
- Declared quarterly cash dividend of $0.17 payable on August 20, 2020.

Financial Highlights	QTD		YTD	
	Q2 2020	Q1 2020	Q2 2020	Q2 2019
	(Dollars in thousands) (unaudited)			
GAAP				
Net income	$ 24,028	$ 4,134	$ 28,162	$ 34,283
Diluted EPS	0.48	0.08	0.56	0.62
Return on average assets[2]	1.11 %	0.20 %	0.68 %	0.88 %
Efficiency ratio	46.02	47.61	46.76	67.28
Book value per common share	$ 23.45	$ 23.19	$ 23.45	$ 22.55
Non-GAAP[1]				
Operating earnings	$ 21,188	$ 4,134	$ 25,322	$ 64,913
Diluted operating EPS	0.43	0.08	0.50	1.18
Pre-tax, pre-provision operating earnings	45,668	39,107	84,775	90,409
Pre-tax, pre-provision operating return on average assets	2.11 %	1.94 %	2.03 %	2.31 %
Operating return on average assets[2]	0.98	0.20	0.61	1.66
Operating efficiency ratio	45.74	47.61	46.62	43.60
Tangible book value per common share	$ 14.71	$ 14.39	$ 14.71	$ 14.27

[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.

Second Quarter Global Economic Developments

The COVID-19 pandemic has caused significant disruptions to the global economy and the communities which we serve. In response to the pandemic, we have implemented our operational response and preparedness plan during the first and second quarters of 2020, which includes dispersion of critical operational processes, increased monitoring focused on higher risk operations, enhanced remote access security and further restricted internet access, enhanced security around wire transfer execution and flexible scheduling provided to employees who are unable to work from home. Additionally, we are focused on taking care of our clients and communities who may be experiencing financial hardship due to the pandemic, including through our loan deferment program and participation in the PPP designed to provide a direct incentive for small businesses.

Results of Operations for the Three Months Ended June 30, 2020

Net Interest Income

For the three months ended June 30, 2020, net interest income before provision for credit losses was $65.8 million and net interest margin was 3.31% compared to $67.4 million and 3.67%, respectively, for the three months ended March 31, 2020. The $1.6 million decrease in net interest income was primarily due to a $7.4 million decrease in interest income on loans, slightly offset by a $4.1 million decrease in interest expense on transaction and savings deposits. Net interest margin decreased 36 basis points from the three months ended March 31, 2020 primarily due to a decrease in yields earned on loan balances and an unfavorable increase in the mix of lower yielding assets, partially offset by decreases in the average rates paid on interest-bearing demand and savings deposits and certificate and other time deposits during the three months ended June 30, 2020. As a result, the average cost of interest-bearing deposits decreased 55 basis points to 0.84% for the three months ended June 30, 2020 from 1.39% for the three months ended March 31, 2020.

Net interest income before provision for credit losses decreased by $5.6 million from $71.4 million to $65.8 million and net interest margin decreased by 69 basis points from 4.00% to 3.31% for the three months ended June 30, 2020 as compared to the same period in 2019. The decrease in net interest income before provision for credit losses was primarily due to a $16.3 million decrease in interest income on loans, partially offset by an $8.9 million decrease in interest expenses on transaction and savings deposits during the three months ended June 30, 2020 compared to the three months ended June 30, 2019. Net interest margin decreased 69 basis points from the three months ended June 30, 2019 primarily due to a decrease in yields earned on loan balances, partially offset by decreases in the average rate paid on interest-bearing demand and savings deposits for the three months ended June 30, 2020 and an unfavorable shift in the mix of earning assets compared to the three months ended June 30, 2019. As a result, the average cost of interest-bearing deposits decreased 95 basis points to 0.84% for the three months ended June 30, 2020 from 1.79% for the three months ended June 30, 2019.

Noninterest Income

Noninterest income for the three months ended June 30, 2020 was $21.3 million, an increase of $14.0 million, or 193.8%, compared to the three months ended March 31, 2020. The increase was primarily due to a $10.6 million of increase in government guaranteed loan income, net. In the second quarter, the Company earned fee income of 5% on PPP loans under $350 thousand, 3% on PPP loans between $350 thousand and $2 million and 1% on PPP loans greater than $2 million totaling $12.5 million. The recognized fee was partially offset by a valuation allowance on the PPP loans of $2.0 million as the Company elected to carry these loans at fair value.

Compared to the three months ended June 30, 2019, noninterest income for the three months ended June 30, 2020 increased by $15.3 million, or 252.8%. The increase was primarily due to a $10.0 million increase in government guaranteed loan income, net, as a result of the fee income earned PPP loans discussed above and a $3.5 million increase in gain on sales of investment securities.

Noninterest Expense

Noninterest expense was $40.1 million for the three months ended June 30, 2020, compared to $35.5 million for the three months ended March 31, 2020, an increase of $4.5 million, or 12.7%. The increase was primarily driven by a $1.1 million increase in salaries and employee benefits, a $0.6 million increase in Federal Deposit Insurance Corporation ("FDIC") assessment fees, and a $1.6 million increase in bank service charges resulting from pre-payment fees on Federal Home Loan Bank ("FHLB") advances paid off early in the second quarter of 2020. Noninterest expense for the three months ended June 30, 2020 includes $1.2 million of COVID related expenses primarily related to Community Reinvestment Act donations, lender incentives, employee overtime and cleaning services.

Compared to the three months ended June 30, 2019, noninterest expense for the three months ended June 30, 2020 increased by $165 thousand, or 0.4%.

Financial Condition

Total loans were $6.6 billion at June 30, 2020, an increase of $355.9 million, or 22.8% annualized, compared to March 31, 2020. The net increase was primarily the result of the Company's origination of $400.9 million of loans in the second quarter of 2020 under the PPP. The Company has elected to carry such PPP loans at fair value, which represent $398.9 million of the Company's outstanding loan balance as of the second quarter 2020.

Total deposits were $6.1 billion at June 30, 2020, an increase of $325.6 million, or 22.4% annualized, compared to March 31, 2020. The increase was primarily the result of increases of $177.3 million and $358.4 million in interest-bearing transaction and savings deposits and noninterest-bearing demand deposits, respectively, partially offset by a decrease of $210.1 million in certificates and other time deposits.

Goodwill

During the second quarter of 2020, the Company observed a significant decline in the market valuation of our common shares as a result of sustained economic disruption occurring after the first quarter of 2020, including but not limited to the COVID-19 pandemic. As a result of the sustained economic disruption, the Company determined a triggering event had occurred that required an interim quantitative impairment assessment for the Company's reporting unit to determine if it is more likely than not that the fair value is less than the carrying value as a result of a sustained price decrease. The Company determined the fair value of its reporting unit using a combination of a market and income approach. The fair value of our reporting unit exceeded its related carrying value by approximately 26%.

Asset Quality and Adoption of ASU 2016-13

Nonperforming assets totaled $53.3 million, or 0.62% of total assets at June 30, 2020, compared to $39.4 million, or 0.50% of total assets, at December 31, 2019. The Company had a net charge-off of $1.8 million for the quarter, which is primarily the result of one relationship charge-off that was fully reserved against in the first quarter of 2020.

The Company recorded a provision for credit losses for the three months ended June 30, 2020 of $16.2 million, compared to $31.8 million and $3.3 million for the three months ended March 31, 2020 and June 30, 2019, respectively. The decrease in the recorded provision for credit losses for the three months ended June 30, 2020 was primarily attributable to changes in the Texas economic forecasts used in the CECL model in the second quarter of 2020 to reflect the expected impact of the COVID-19 pandemic as of June 30, 2020, as compared to our Texas economic forecasts and expected impact of the COVID-19 pandemic as of March 31, 2020. In the second quarter of 2020, we also recorded a $2.8 million provision for unfunded commitments which was also attributable to the change in the Texas economic forecasts as a result of the COVID-19 pandemic compared to a $3.9 million provision for unfunded commitments recorded for the three months ended March 31, 2020. Allowance for credit losses as a percentage of loans HFI, excluding MW and PPP loans, was 2.01%, 1.73% and 0.43% of total loans at June 30, 2020, March 31, 2020 and June 30, 2019, respectively.

Dividend Information

On July 28, 2020, Veritex's Board of Directors declared a quarterly cash dividend of $0.17 per share on its outstanding shares of common stock. The dividend will be paid on or after August 20, 2020 to stockholders of record as of the close of business on August 6, 2020.

Non-GAAP Financial Measures

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

Conference Call

The Company will host an investor conference call to review the results on Wednesday, July 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/pckpzcgt** and will receive a unique PIN, which can be used when dialing in for the call. This will allow attendees to access 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, https://ir.veritexbank.com/. An audio replay will be available one hour after the conclusion of the call at (855) 859-2056, Conference
#3693902. This replay, as well as the webcast, will be available until August 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, the impact of certain changes in Veritex's accounting policies, standards and interpretations, the effects of the COVID-19 pandemic and actions taken in response thereto, Veritex's future financial performance, business and growth strategy, projected plans and objectives, as well as other projections based on macroeconomic and industry trends, which are inherently unreliable due to the multiple factors that impact broader economic and industry trends, and any such variations may be material. Statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans" and similar expressions or future

or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts, although not all forward-looking statements include the foregoing words. We refer you to the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Veritex's Annual Report on Form 10-K for the year ended December 31, 2019 and any updates to those risk factors set forth in Veritex's Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission ("SEC"), which are available on the SEC's website at www.sec.gov. If one or more events related to these or other risks or uncertainties materialize, or if Veritex's underlying assumptions prove to be incorrect, actual results may differ materially from what Veritex anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Veritex does not undertake any obligation, and specifically declines any obligation, to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law. All forward-looking statements, expressed or implied, included in this earnings release are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Veritex or persons acting on Veritex's behalf may issue.

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

	For the Three Months Ended					Six Months Ended	
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
	(Dollars and shares in thousands)						
Per Share Data (Common Stock):							
Basic EPS	$ 0.48	$ 0.08	$ 0.56	$ 0.52	$ 0.50	$ 0.56	$ 0.63
Diluted EPS	0.48	0.08	0.56	0.51	0.49	0.56	0.62
Book value per common share	23.45	23.19	23.32	23.02	22.55	23.45	22.55
Tangible book value per common share[1]	14.71	14.39	14.73	14.61	14.27	14.71	14.27
Common Stock Data:							
Shares outstanding at period end	49,633	49,557	51,064	52,373	53,457	49,633	53,457
Weighted average basic shares outstanding for the period	49,597	50,725	51,472	52,915	53,969	50,161	54,130
Weighted average diluted shares outstanding for the period	49,727	51,056	52,263	53,873	54,929	50,383	54,929
Summary of Credit Ratios:							
ACL to total LHI, excluding mortgage warehouse and PPP loans	2.01 %	1.73 %	0.52 %	0.46 %	0.43 %	2.01 %	0.43 %
Nonperforming assets to total assets	0.62 %	0.60 %	0.50 %	0.21 %	0.54 %	0.62 %	0.60 %
Net charge-offs to average loans outstanding	0.03	—	—	0.14	—	0.03	—
Summary Performance Ratios:							
Return on average assets[2]	1.11	0.20	1.43	1.36	1.36	0.68	0.88
Return on average equity[2]	8.36	1.41	9.63	8.98	8.98	4.96	5.79
Return on average tangible common equity[1, 2]	14.49	3.27	16.22	15.15	15.26	9.12	10.26
Efficiency ratio	46.02	47.61	47.12	43.67	51.49	46.76	67.28
Selected Performance Metrics - Operating:							
Diluted operating EPS[1]	$ 0.43	$ 0.08	$ 0.58	$ 0.53	$ 0.59	$ 0.50	$ 1.18
Pre-tax, pre-provision operating return on average assets[1, 2]	2.11 %	1.94 %	2.07 %	2.26 %	2.22 %	2.03 %	2.31 %
Operating return on average assets[1, 2]	0.98	0.20	1.49	1.42	1.63	0.61	1.66
Operating return on average tangible common equity[1, 2]	12.90	3.27	16.87	15.78	18.09	8.31	18.50
Operating efficiency ratio[1]	45.74	47.61	45.67	42.36	43.66	46.62	43.60
Veritex Holdings, Inc. Capital Ratios:							
Tier 1 capital to average assets (leverage)	9.16	9.49	10.17	10.33	10.47	9.16	10.47
Common equity tier 1 capital	9.66	9.53	10.60	10.82	11.32	9.66	11.32
Tier 1 capital to risk-weighted assets	10.05	9.92	11.02	11.26	11.77	10.05	11.77
Total capital to risk-weighted assets	12.71	12.48	13.10	12.26	12.80	12.71	12.80
Tangible common equity to tangible assets[1]	8.96	8.81	10.01	10.17	10.08	8.96	10.08

[1]Refer to the section titled "Reconciliation of Non-GAAP Financial Measures" after the financial highlights for a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP measures.
[2]Annualized ratio.

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

	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019
	(unaudited)	(unaudited)		(unaudited)	(unaudited)
ASSETS					
Cash and cash equivalents	$ 160,306	$ 430,842	$ 251,550	$ 252,592	$ 265,822
Securities	1,112,061	1,117,804	997,330	1,023,393	1,020,279
Other securities	104,213	112,775	84,063	85,007	76,016
Loans held for sale	28,041	15,048	14,080	10,715	7,524
PPP loans, at fair value	398,949	—	—	—	—
Loans held for investment, mortgage warehouse	441,992	371,161	183,628	233,577	200,017
Loans held for investment	5,726,873	5,853,735	5,737,577	5,654,027	5,731,833
Total loans	6,595,855	6,239,944	5,935,285	5,898,319	5,939,374
Allowance for credit losses	(115,365)	(100,983)	(29,834)	(26,243)	(24,712)
Bank-owned life insurance	81,876	81,395	80,915	80,411	79,899
Bank premises, furniture and equipment, net	115,560	116,056	118,536	118,449	115,373
Other real estate owned	7,716	7,720	5,995	4,625	1,748
Intangible assets, net	66,705	69,444	72,263	75,363	78,347
Goodwill	370,840	370,840	370,840	370,463	370,221
Other assets	88,091	85,787	67,994	80,504	87,739
Total assets	$ 8,587,858	$ 8,531,624	$ 7,954,937	$ 7,962,883	$ 8,010,106
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing deposits	$ 1,907,697	$ 1,549,260	$ 1,556,500	$ 1,473,126	$ 1,476,668
Interest-bearing transaction and savings deposits	2,714,149	2,536,865	2,654,972	2,528,293	2,646,154
Certificates and other time deposits	1,503,701	1,713,820	1,682,878	1,876,427	2,042,266
Total deposits	6,125,547	5,799,945	5,894,350	5,877,846	6,165,088
Accounts payable and other liabilities	64,625	56,339	37,427	45,475	44,414
Accrued interest payable	4,088	5,407	6,569	6,054	7,069
Advances from Federal Home Loan Bank	1,087,794	1,377,832	677,870	752,907	512,945
Subordinated debentures and subordinated notes	140,283	140,406	145,571	72,284	72,486
Securities sold under agreements to repurchase	1,772	2,426	2,353	2,787	2,811
Total liabilities	7,424,109	7,382,355	6,764,140	6,757,353	6,804,813
Commitments and contingencies					
Stockholders' equity:					
Common stock	555	554	549	524	535
Additional paid-in capital	1,122,063	1,119,757	1,117,879	1,114,659	1,112,238
Retained earnings	143,277	127,812	147,911	125,344	104,652
Accumulated other comprehensive income	42,014	45,306	19,061	23,837	17,741
Treasury stock	(144,160)	(144,160)	(94,603)	(58,834)	(29,873)
Total stockholders' equity	1,163,749	1,149,269	1,190,797	1,205,530	1,205,293
Total liabilities and stockholders' equity	$ 8,587,858	$ 8,531,624	$ 7,954,937	$ 7,962,883	$ 8,010,106

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

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
Interest income:							
Loans, including fees	$ 70,440	$ 77,861	$ 82,469	$ 85,811	$ 86,786	$ 148,301	$ 172,533
Investment securities	7,825	7,397	7,168	7,687	7,397	15,222	14,629
Deposits in financial institutions and Fed Funds sold	186	871	1,285	1,329	1,372	1,057	2,926
Other investments	891	850	820	816	622	1,741	1,313
Total interest income	79,342	86,979	91,742	95,643	96,177	166,321	191,401
Interest expense:							
Transaction and savings deposits	2,471	6,552	8,203	10,381	11,405	9,023	21,771
Certificates and other time deposits	6,515	8,240	9,455	10,283	10,145	14,755	18,937
Advances from FHLB	2,801	2,879	2,661	3,081	2,187	5,680	4,242
Subordinated debentures and subordinated notes	1,798	1,903	1,559	1,024	998	3,701	2,092
Total interest expense	13,585	19,574	21,878	24,769	24,735	33,159	47,042
Net interest income	65,757	67,405	69,864	70,874	71,442	133,162	144,359
Provision for credit losses	16,172	31,776	3,493	9,674	3,335	47,948	8,347
Provision for unfunded commitments	2,799	3,881	—	—	—	6,680	—
Net interest income after provisions	46,786	31,748	66,371	61,200	68,107	78,534	136,012
Noninterest income:							
Service charges and fees on deposit accounts	2,960	3,642	3,728	3,667	3,422	6,602	6,939
Loan fees	1,240	845	1,921	2,252	1,932	2,085	3,609
Gain (loss) on sales of investment securities	2,879	—	(438)	—	(642)	2,879	(1,414)
Gain on sales of mortgage loans held for sale	308	142	81	138	143	450	256
Government guaranteed loan income, net	11,006	439	560	930	961	11,445	3,218
Rental income	547	551	371	369	373	1,098	741
Other	2,350	1,628	909	1,074	(155)	3,978	1,169
Total noninterest income	21,290	7,247	7,132	8,430	6,034	28,537	14,518
Noninterest expense:							
Salaries and employee benefits	20,019	18,870	18,917	17,530	17,459	38,889	36,344
Occupancy and equipment	3,994	4,273	4,198	4,044	4,014	8,267	8,143
Professional and regulatory fees	2,796	2,196	2,615	2,750	2,814	4,992	6,232
Data processing and software expense	2,434	2,089	1,880	2,252	2,309	4,523	4,233
Marketing	561	1,083	971	708	961	1,644	1,580
Amortization of intangibles	2,696	2,696	2,696	2,712	2,719	5,392	5,479
Telephone and communications	308	319	466	361	625	627	1,020
Merger and acquisition expense	—	—	918	1,035	5,790	—	37,007
COVID expenses	1,245	—	—	—	—	1,245	—
Other	6,008	4,019	3,623	3,238	3,205	10,027	6,851
Total noninterest expense	40,061	35,545	36,284	34,630	39,896	75,606	106,889
Income before income tax expense	28,015	3,450	37,219	35,000	34,245	31,465	43,641
Income tax (benefit) expense	3,987	(684)	8,168	7,595	7,369	3,303	9,358
Net income	$ 24,028	$ 4,134	$ 29,051	$ 27,405	$ 26,876	$ 28,162	$ 34,283
Basic EPS	$ 0.48	$ 0.08	$ 0.56	$ 0.52	$ 0.50	$ 0.56	$ 0.63
Diluted EPS	$ 0.48	$ 0.08	$ 0.56	$ 0.51	$ 0.49	$ 0.56	$ 0.62
Weighted average basic shares outstanding	49,597	50,725	51,472	52,915	53,969	50,161	54,130
Weighted average diluted shares outstanding	49,727	51,056	52,263	53,873	54,929	50,383	54,929

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(In thousands except percentages)

	For the Three Months Ended								
	June 30, 2020			March 31, 2020			June 30, 2019		
	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate
Assets									
Interest-earning assets:									
Loans[1]	$ 5,797,989	$ 67,404	4.68 %	$ 5,784,965	$ 76,527	5.32 %	$ 5,762,257	$ 85,030	5.92 %
Loans held for investment, mortgage warehouse	304,873	2,279	3.01	163,646	1,334	3.28	154,586	1,756	4.56
PPP loans	303,223	757	1.00	—	—	—	—		—
Securities	1,117,964	7,825	2.82	1,038,954	7,397	2.86	956,160	7,397	3.10
Interest-bearing deposits in other banks	366,764	186	0.20	308,546	871	1.14	228,461	1,372	2.41
Other investments[2]	110,672	891	3.24	91,917	850	3.72	59,508	622	4.19
Total interest-earning assets	8,001,485	79,342	3.99	7,388,028	86,979	4.74	7,160,972	96,177	5.39
Allowance for loan losses	(110,483)			(44,270)			(23,891)		
Noninterest-earning assets	798,772			782,024			800,238		
Total assets	$ 8,689,774			$ 8,125,782			$ 7,937,319		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand and savings deposits	$ 2,684,897	$ 2,471	0.37 %	$ 2,638,633	$ 6,552	1.00 %	$ 2,713,735	$ 11,405	1.69 %
Certificates and other time deposits	1,625,971	6,515	1.61	1,650,678	8,240	2.01	2,107,567	10,145	1.93
Advances from FHLB	1,206,930	2,801	0.93	937,901	2,879	1.23	334,926	2,187	2.62
Subordinated debentures and subordinated notes	142,549	1,798	5.07	145,189	1,903	5.27	75,252	998	5.32
Total interest-bearing liabilities	5,660,347	13,585	0.97	5,372,401	19,574	1.47	5,231,480	24,735	1.90
Noninterest-bearing liabilities:									
Noninterest-bearing deposits	1,826,327			1,523,702			1,456,538		
Other liabilities	47,302			46,563			48,669		
Total liabilities	7,533,976			6,942,666			6,736,687		
Stockholders' equity	1,155,798			1,183,116			1,200,632		
Total liabilities and stockholders' equity	$ 8,689,774			$ 8,125,782			$ 7,937,319		
Net interest rate spread[2]			3.02 %			3.27 %			3.49 %
Net interest income		$ 65,757			$ 67,405			$ 71,442	
Net interest margin[3]			3.31 %			3.67 %			4.00 %

[1] Includes average outstanding balances of loans held for sale of $22,958, $10,995 and $8,140 for the three months ended June 30, 2020, March 31, 2020, and June 30, 2019, respectively, and average balances of loans held for investment, excluding mortgage warehouse.
[2] Net interest rate spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.
[3] Net interest margin is equal to net interest income divided by average interest-earning assets.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(In thousands except percentages)

	Six Months Ended					
	June 30, 2020			June 30, 2019		
	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate
Assets						
Interest-earning assets:						
Loans[1]	$ 5,790,227	$ 143,931	5.00 %	$ 5,746,746	$ 169,224	5.94 %
Loans held for investment, mortgage warehouse	234,260	3,613	3.10	137,280	3,309	4.86
PPP loans	152,861	757	1.00	—	—	—
Securities	1,078,459	15,222	2.84	941,336	14,629	3.13
Interest-bearing deposits in other banks	337,655	1,057	0.63	246,201	2,926	2.40
Other investments[2]	101,294	1,741	3.46	48,578	1,313	5.45
Total interest-earning assets	7,694,756	166,321	4.35	7,120,141	191,401	5.42
Allowance for loan losses	(77,376)			(21,988)		
Noninterest-earning assets	763,567			789,890		
Total assets	$ 8,380,947			$ 7,888,043		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Interest-bearing demand and savings deposits	$ 2,668,726	$ 9,023	0.68 %	$ 2,675,237	$ 21,771	1.64 %
Certificates and other time deposits	1,639,807	14,755	1.81	2,124,951	18,937	1.80
Advances from FHLB	1,072,416	5,680	1.07	322,879	4,242	2.65
Subordinated debentures and subordinated notes	143,869	3,701	5.17	75,515	2,092	5.59
Total interest-bearing liabilities	5,524,818	33,159	1.21	5,198,582	47,042	1.82
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	1,675,015			1,456,086		
Other liabilities	38,488			39,385		
Total liabilities	7,238,321			6,694,053		
Stockholders' equity	1,142,626			1,193,990		
Total liabilities and stockholders' equity	$ 8,380,947			$ 7,888,043		
Net interest rate spread[3]			3.14 %			3.60 %
Net interest income		$ 133,162			$ 144,359	
Net interest margin[4]			3.48 %			4.09 %

[1] Includes average outstanding balances of loans held for sale of $16,977 and $7,925 for the six months ended June 30, 2020 and June 30, 2019, respectively, and average balances of loans held for investment, excluding mortgage warehouse.
[2] The Company historically reported dividend income in other noninterest income and has re-classed $1,287 of dividend income into other investments as of June 30, 2019 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.

Yield Trend

	For the Three Months Ended				
	June 30, 2020	**March 31, 2020**	**December 31, 2019**	**September 30, 2019**	**June 30, 2019**
Average yield on interest-earning assets:					
Loans[1]	4.68 %	5.32 %	5.63 %	5.85 %	5.92 %
Loans held for investment, mortgage warehouse	3.01	3.28	3.51	3.88	4.56
PPP loans	1.00	—	—	—	—
Securities	2.82	2.86	2.83	2.98	3.10
Interest-bearing deposits in other banks	0.20	1.14	1.63	2.25	2.41
Other investments	3.24	3.72	4.53	4.50	4.19
Total interest-earning assets	3.99 %	4.74 %	5.00 %	5.26 %	5.39 %
Average rate on interest-bearing liabilities:					
Interest-bearing demand and savings deposits	0.37 %	1.00 %	1.24 %	1.57 %	1.69 %
Certificates and other time deposits	1.61	2.01	2.10	2.09	1.93
Advances from FHLB	0.93	1.23	1.45	1.93	2.62
Subordinated debentures and subordinated notes	5.07	5.27	5.23	5.43	5.32
Total interest-bearing liabilities	0.97 %	1.47 %	1.65 %	1.86 %	1.90 %
Net interest rate spread[2]	3.02 %	3.27 %	3.35 %	3.40 %	3.49 %
Net interest margin[3]	3.31 %	3.67 %	3.81 %	3.90 %	4.00 %

[1]Includes average outstanding balances of loans held for sale of $22,958, $10,995, $10,643, $8,525 and $8,140 for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, respectively, and average balances of loans held for investment, excluding mortgage warehouse.
[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 Three Months Ended				
	June 30, 2020	**March 31, 2020**	**December 31, 2019**	**September 30, 2019**	**June 30, 2019**
Average cost of interest-bearing deposits	0.84 %	1.39 %	1.59 %	1.79 %	1.79 %
Average costs of total deposits, including noninterest-bearing	0.59	1.02	1.18	1.36	1.38

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(In thousands except percentages)

Total LHI and Deposit Portfolio Composition

	June 30, 2020		March 31, 2020		December 31, 2019		September 30, 2019		June 30, 2019	
	(Dollars in thousands)									
LHI[1]										
Commercial	$ 1,555,300	27.2 %	$ 1,777,603	30.4 %	$ 1,712,838	29.9 %	$ 1,711,256	30.3 %	$ 1,788,044	31.2 %
Real Estate:										
Owner occupied commercial	769,952	13.4	723,839	12.4	706,782	12.3	716,130	12.7	746,768	13.0
Commercial	1,847,480	32.3	1,828,386	31.2	1,784,201	31.1	1,710,510	30.3	1,727,525	30.1
Construction and land	599,510	10.5	566,470	9.7	629,374	11.0	623,622	11.0	543,850	9.5
Farmland	14,723	0.3	14,930	0.3	16,939	0.3	7,986	0.1	17,472	0.3
1-4 family residential	528,688	9.2	536,892	9.2	549,811	9.6	559,310	9.9	557,056	9.7
Multi-family residential	394,829	6.9	388,374	6.6	320,041	5.6	306,966	5.4	330,877	5.8
Consumer	14,932	0.2	15,771	0.2	17,457	0.2	18,113	0.3	20,562	0.4
Total LHI	$ 5,725,414	100 %	$ 5,852,265	100 %	$ 5,737,443	100 %	$ 5,653,893	100 %	$ 5,732,154	100 %
Mortgage warehouse	441,992		373,161		183,628		233,577		200,017	
PPP loans	398,949		—		—		—		—	
Total LHI[1]	$ 6,566,355		$ 6,225,426		$ 5,921,071		$ 5,887,470		$ 5,932,171	
Deposits										
Noninterest-bearing	$ 1,907,697	31.2 %	$ 1,549,260	26.7 %	$ 1,556,500	26.4 %	$ 1,473,126	25.1 %	$ 1,476,668	24.0 %
Interest-bearing transaction	343,640	5.6	306,641	5.3	388,877	6.6	373,997	6.4	373,982	6.1
Money market	2,272,520	37.1	2,143,874	37.0	2,180,017	37.0	2,066,315	35.2	2,178,274	35.3
Savings	97,989	1.6	86,350	1.5	86,078	1.5	87,981	1.5	93,898	1.5
Certificates and other time deposits	1,503,701	24.5	1,713,820	29.5	1,682,878	28.6	1,876,427	31.8	2,042,266	33.1
Total deposits	$ 6,125,547	100 %	$ 5,799,945	100 %	$ 5,894,350	100 %	$ 5,877,846	100 %	$ 6,165,088	100 %
Loan to Deposit Ratio	107.2 %		107.3 %		100.5 %		100.2 %		96.2 %	
Loan to Deposit Ratio, excluding mortgage warehouse and PPP loans	93.5 %		100.9 %		97.3 %		96.2 %		93.0 %	

[1] Total LHI does not include deferred costs of $1.5 million at June 30, 2020 and $1.5 million at March 31, 2020, deferred fees of $134 thousand at December 31, 2019 and September 30, 2019, respectively, and $321 thousand at June 30, 2019.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights
(In thousands except percentages)

Asset Quality

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
	(Dollars in thousands)						
Nonperforming Assets ("NPAs"):							
Nonaccrual loans	$ 43,594	$ 38,836	$ 29,779	$ 10,172	$ 15,733	$ 43,594	$ 15,733
Accruing loans 90 or more days past due[1]	2,021	4,764	3,660	2,194	25,774	2,021	25,774
Total nonperforming loans held for investment ("NPLs")	45,615	43,600	33,439	12,366	41,507	45,615	41,507
Other real estate owned	7,716	7,720	5,995	4,625	1,748	7,716	1,748
Total NPAs	$ 53,331	$ 51,320	$ 39,434	$ 16,991	$ 43,255	$ 53,331	$ 43,255
Charge-offs:							
Residential	$ —	$ —	$ —	$ —	$ (157)	$ —	$ (157)
Commercial	(1,740)	—	—	(8,101)	(143)	(1,740)	(2,797)
Consumer	(57)	(68)	(48)	(113)	(30)	(125)	(104)
Total charge-offs	(1,797)	(68)	(48)	(8,214)	(330)	(1,865)	(3,058)
Recoveries:							
Residential	—	1	5	—	54	1	62
Commercial	7	29	135	71	10	36	20
Consumer	—	274	6	—	40	274	86
Total recoveries	7	304	146	71	104	311	168
Net charge-offs	$ (1,790)	$ 236	$ 98	$ (8,143)	$ (226)	$ (1,554)	$ (2,890)
CECL transition adjustment	$ —	$ 39,137	$ —	$ —	$ —	$ 39,137	$ —
Allowance for credit losses ("ACL") at end of period	$ 115,365	$ 100,983	$ 29,834	$ 26,243	$ 24,712	$ 115,365	$ 24,712
Asset Quality Ratios:							
NPAs to total assets	0.62 %	0.60 %	0.50 %	0.21 %	0.54 %	0.62 %	0.54 %
NPLs to total LHI, excluding mortgage warehouse and PPP loans	0.80	0.75	0.58	0.22	0.72	0.80	0.72
ACL to total LHI, excluding mortgage warehouse and PPP loans	2.01	1.73	0.52	0.46	0.43	2.01	0.43
Net charge-offs to average loans outstanding	0.03	—	—	0.14	—	0.03	0.05

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

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

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

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

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

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

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

	As of				
	June 30, 2020	**Mar 31, 2020**	**Dec 31, 2019**	**Sep 30, 2019**	**June 30, 2019**
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders' equity	$ 1,163,749	$ 1,149,269	$ 1,190,797	$ 1,205,530	$ 1,205,293
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,463)	(370,221)
Core deposit intangibles	(62,661)	(65,112)	(67,563)	(70,014)	(72,465)
Tangible common equity	$ 730,248	$ 713,317	$ 752,394	$ 765,053	$ 762,607
Common shares outstanding	49,633	49,557	51,064	52,373	53,457
Book value per common share	$ 23.45	$ 23.19	$ 23.32	$ 23.02	$ 22.55
Tangible book value per common share	$ 14.71	$ 14.39	$ 14.73	$ 14.61	$ 14.27

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				
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019
	(Dollars in thousands)				
Tangible Common Equity					
Total stockholders' equity	$ 1,163,749	$ 1,149,269	$ 1,190,797	$ 1,205,530	$ 1,205,293
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,463)	(370,221)
Core deposit intangibles	(62,661)	(65,112)	(67,563)	(70,014)	(72,465)
Tangible common equity	$ 730,248	$ 713,317	$ 752,394	$ 765,053	$ 762,607
Tangible Assets					
Total assets	$ 8,587,858	$ 8,531,624	$ 7,954,937	$ 7,962,883	$ 8,010,106
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,463)	(370,221)
Core deposit intangibles	(62,661)	(65,112)	(67,563)	(70,014)	(72,465)
Tangible Assets	$ 8,154,357	$ 8,095,672	$ 7,516,534	$ 7,522,406	$ 7,567,420
Tangible Common Equity to Tangible Assets	8.96 %	8.81 %	10.01 %	10.17 %	10.08 %

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) return as net income available for common stockholders adjusted for amortization of core deposit intangibles as net income, plus amortization of core deposit intangibles, less tax benefit at the statutory rate; (b) average tangible common equity as total average stockholders' equity less average goodwill and average core deposit intangibles, net of accumulated amortization; and (c) return (as described in clause (a)) divided by average tangible common equity (as described in clause (b)). For return on average tangible common equity, the most directly comparable financial measure calculated in accordance with GAAP is return on average equity.

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

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

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
	(Dollars in thousands)						
Net income available for common stockholders adjusted for amortization of core deposit intangibles							
Net income	$ 24,028	$ 4,134	$ 29,051	$ 27,405	$ 26,876	$ 28,162	$ 34,283
Adjustments:							
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,451	2,451	4,902	4,928
Less: Tax benefit at the statutory rate	515	515	515	515	515	1,030	1,035
Net income available for common stockholders adjusted for amortization of core deposit intangibles	$ 25,964	$ 6,070	$ 30,987	$ 29,341	$ 28,812	$ 32,034	$ 38,176
Average Tangible Common Equity							
Total average stockholders' equity	$ 1,155,798	$ 1,183,116	$ 1,197,191	$ 1,210,147	$ 1,200,632	$ 1,142,626	$ 1,193,990
Adjustments:							
Average goodwill	(370,840)	(370,840)	(370,463)	(370,224)	(369,255)	(370,840)	(368,524)
Average core deposit intangibles	(64,151)	(66,439)	(68,913)	(71,355)	(73,875)	(65,296)	(75,293)
Average tangible common equity	$ 720,807	$ 745,837	$ 757,815	$ 768,568	$ 757,502	$ 706,490	$ 750,173
Return on Average Tangible Common Equity (Annualized)	14.49 %	3.27 %	16.22 %	15.15 %	15.26 %	9.12 %	10.26 %

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

Operating Earnings, Pre-tax, Pre-provision Operating Earnings and performance metrics calculated using Operating Earnings and Pre-tax, Pre-provision Operating Earnings, including Diluted Operating Earnings per Share, Operating Return on Average Assets, Pre-tax, Pre-Provision Operating Return on Average Assets, Operating Return on Average Tangible Common Equity and Operating Efficiency Ratio. Operating earnings 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 earnings as net income plus loss(gain) on sale of securities available for sale, net, plus loss (gain) on sale of disposed branch assets, plus FHLB pre-payment fees, plus merger and acquisition expenses, less tax impact of adjustments, plus other merger and acquisition tax items, plus re-measurement of deferred tax assets as a result of the reduction in the corporate income tax rate under the Tax Cuts and Jobs Act. We calculate (b) pre-tax, pre-provision operating earnings as operating earnings 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), adjusted for the amortization of intangibles, 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 Three Months Ended					For the Six Months Ended	
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
	(Dollars in thousands)						
Operating Earnings							
Net income	$ 24,028	$ 4,134	$ 29,051	$ 27,405	$ 26,876	$ 28,162	$ 34,283
Plus: (Gain) loss on sale of securities available for sale, net	(2,879)	—	438	—	642	(2,879)	1,414
Plus: Loss on sale of disposed branch assets[1]	—	—	—	—	359	—	359
Plus: FHLB pre-payment fees	1,561	—	—	—	—	1,561	—
Plus: Merger and acquisition expenses	—	—	918	1,035	5,431	—	36,648
Operating pre-tax income	22,710	4,134	30,407	28,440	33,308	26,844	72,704
Less: Tax impact of adjustments	(277)	—	(23)	217	1,351	(277)	8,068
Plus: Other M&A tax items[2]	—	—	829	406	277	—	277
Plus: Discrete tax adjustments[3]	(1,799)	—	(965)	—	—	(1,799)	—
Operating earnings	$ 21,188	$ 4,134	$ 30,294	$ 28,629	$ 32,234	$ 25,322	$ 64,913
Weighted average diluted shares outstanding	49,727	51,056	52,263	53,873	54,929	50,383	54,929
Diluted EPS	$ 0.48	$ 0.08	$ 0.56	$ 0.51	$ 0.49	$ 0.56	$ 0.62
Diluted operating EPS	0.43	0.08	0.58	0.53	0.59	0.50	1.18

[1] Loss on sale of disposed branch assets for the three months ended June 30, 2019 is included in merger and acquisition expense in the condensed consolidated statements of income.
[2] 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.
[3] 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. A discrete tax benefit of $1,799 was recorded in the second quarter of 2020 as a result of the Company amending a prior year Green tax return to carry back a net operating loss ("NOL") incurred by Green on January 1, 2019. The Company was allowed to carry back this NOL as result of a provision in the CARES Act which permits NOLs generated in tax years 2018, 2019 or 2020 to be carried back five years.

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
	(Dollars in thousands)						
Pre-Tax, Pre-Provision Operating Earnings							
Net income	$ 24,028	$ 4,134	$ 29,051	$ 27,405	$ 26,876	$ 28,162	$ 34,283
Plus: Provision (benefit) for income taxes	3,987	(684)	8,168	7,595	7,369	3,303	9,358
Pus: Provision for credit losses and unfunded commitments	18,971	35,657	3,493	9,674	3,335	54,628	8,347
Plus: (Gain) loss on sale of securities available for sale, net	(2,879)	—	438	—	642	(2,879)	1,414
Plus: Loss on sale of disposed branch assets[1]	—	—	—	—	359	—	359
Plus: FHLB pre-payment fees	1,561	—	—	—	—	1,561	—
Plus: Merger and acquisition expenses	—	—	918	1,035	5,431	—	36,648
Pre-tax, pre-provision operating earnings	$ 45,668	$ 39,107	$ 42,068	$ 45,709	$ 44,012	$ 84,775	$ 90,409
Average total assets	$ 8,689,774	$ 8,125,782	$ 8,043,505	$ 8,009,377	$ 7,937,319	$ 8,380,947	$ 7,888,043
Pre-tax, pre-provision operating return on average assets[2]	2.11 %	1.94 %	2.07 %	2.26 %	2.22 %	2.03 %	2.31 %
Average total assets	$ 8,689,774	$ 8,125,782	$ 8,043,505	$ 8,009,377	$ 7,937,319	$ 8,380,947	$ 7,888,043
Return on average assets[2]	1.11 %	0.20 %	1.43 %	1.36 %	1.36 %	0.68 %	0.88 %
Operating return on average assets[2]	0.98	0.20	1.49	1.42	1.63	0.61	1.66
Operating earnings adjusted for amortization of core deposit intangibles							
Operating earnings	$ 21,188	$ 4,134	$ 30,294	$ 28,629	$ 32,234	$ 25,322	$ 64,913
Adjustments:							
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,451	2,451	4,902	4,928
Less: Tax benefit at the statutory rate	515	515	515	515	515	1,030	1,035
Operating earnings adjusted for amortization of core deposit intangibles	$ 23,124	$ 6,070	$ 32,230	$ 30,565	$ 34,170	$ 29,194	$ 68,806
Average Tangible Common Equity							
Total average stockholders' equity	$ 1,155,798	$ 1,183,116	$ 1,197,191	$ 1,210,147	$ 1,200,632	$ 1,142,626	$ 1,193,990
Adjustments:							
Less: Average goodwill	(370,840)	(370,840)	(370,463)	(370,224)	(369,255)	(370,840)	(368,524)
Less: Average core deposit intangibles	(64,151)	(66,439)	(68,913)	(71,355)	(73,875)	(65,296)	(75,293)
Average tangible common equity	$ 720,807	$ 745,837	$ 757,815	$ 768,568	$ 757,502	$ 706,490	$ 750,173
Operating return on average tangible common equity[2]	12.90 %	3.27 %	16.87 %	15.78 %	18.09 %	8.31 %	18.50 %
Efficiency ratio	46.02 %	47.61 %	47.12 %	43.67 %	51.49 %	46.76 %	67.28 %
Operating efficiency ratio	45.74 %	47.61 %	45.67 %	42.36 %	43.66 %	46.62 %	43.60 %

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

VERITEX

Investor Presentation

2nd Quarter 2020

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 Holdings, Inc.’s (“Veritex”) quarterly cash dividend, impact of certain changes in Veritex’s accounting policies, standards and interpretation, the effects of the COVID-19 pandemic and actions taken in response thereto, 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, 2019 and any updates to those risk factors set forth in Veritex’s Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission (“SEC”), which are available on the SEC’s website at www.sec.gov. If one or more events related to these or other risks or uncertainties materialize, or if Veritex’s underlying assumptions prove to be incorrect, actual results may differ materially from what Veritex anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Veritex does not undertake any obligation, and specifically declines any obligation, to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law. All forward-looking statements, expressed or implied, included in this presentation are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Veritex or persons acting on Veritex’s behalf may issue.

This presentation also includes industry and trade association data, forecasts and information that Veritex has prepared based, in part, upon data, forecasts and information obtained from independent trade associations, industry publications and surveys, government agencies and other information publicly available to Veritex, which information may be specific to particular markets or geographic locations. Some data is also based on Veritex's good faith estimates, which are derived from management's knowledge of the industry and independent sources. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Although Veritex believes these sources are reliable, Veritex has not independently verified the information contained therein. While Veritex is not aware of any misstatements regarding the industry data presented in this presentation, Veritex's estimates involve risks and uncertainties and are subject to change based on various factors. Similarly, Veritex believes that its internal research is reliable, even though such research has not been verified by independent sources.

Risk Factor Update

The novel coronavirus ("COVID-19") and the impact of actions to mitigate it could have a material adverse effect our business, financial condition and results of operations, and such effects will depend on future developments, which are highly uncertain and are difficult to predict.

COVID-19 has led to federal, state and local governments enacting various restrictions in an attempt to limit the spread of the virus, including the declaration of a federal National Emergency; multiple cities' and states' declarations of states of emergency; school and business closings; limitations on social or public gatherings and other social distancing measures, such as working remotely, travel restrictions, quarantines and shelter in place orders. Such measures have significantly contributed to rising unemployment and reductions in consumer and business spending. In response to the economic and financial effects of COVID-19, the Federal Reserve Board has sharply reduced interest rates and instituted quantitative easing measures as well as domestic and global capital market support programs. In addition, the Trump Administration, Congress, various federal agencies and state governments have taken measures to address the economic and social consequences of the pandemic, including the passage of the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, and the Main Street Lending Program. The CARES Act, among other things, provides certain measures to support individuals and businesses in maintaining solvency through monetary relief, including in the form of financing, loan forgiveness and automatic forbearance. Beginning in early April 2020, we began processing loan applications under the Paycheck Protection Program created under the CARES Act. The Federal Reserve's Main Street Lending Program will offer deferred interest on 4-year loans to small and mid-sized businesses. Other banking regulatory agencies have encouraged lenders to extend additional loans, and the federal government is considering additional stimulus and support legislation focused on providing aid to various sectors, including small businesses. The full impact on our business activities as a result of new government and regulatory policies, programs and guidelines, as well as regulators' reactions to such activities, remains uncertain.

The economic effects of the COVID-19 outbreak have had a destabilizing effect on financial markets, key market indices and overall economic activity. The uncertainty regarding the duration of the pandemic and the resulting economic disruption has caused increased market volatility and may lead to an economic recession and/or a significant decrease in consumer confidence and business generally. The continuation of these conditions caused by the outbreak, including the impacts of the CARES Act and other federal and state measures, specifically with respect to loan forbearances, can be expected to adversely impact our businesses and results of operations and the operations of our borrowers, customers and business partners. In particular, these events can be expected to, among other things:

- impair the ability of borrowers to repay outstanding loans or other obligations, resulting in increases in delinquencies;
- impair the value of collateral securing loans (particularly with respect to real estate);
- impair the value of our securities portfolio;
- require an increase in our allowance for credit losses or unfunded commitments;
- adversely affect the stability of our deposit base, or otherwise impair our liquidity;
- reduce our wealth management revenues and the demand for our products and services;
- create stress on our operations and systems associated with our participation in the Paycheck Protection Program as a result of high demand and volume of applications;
- result in increased compliance risk as we become subject to new regulatory and other requirements associated with the Paycheck Protection Program and other new programs in which we participate;
- impair the ability of loan guarantors to honor commitments;
- negatively impact our regulatory capital ratios;
- negatively impact the productivity and availability of key personnel and other employees necessary to conduct our business, and of third-party service providers who perform critical services for us, or otherwise cause operational failures due to changes in our normal business practices necessitated by the outbreak and related governmental actions;
- increase cyber and payment fraud risk, given increased online and remote activity; and
- broadly result in lost revenue and income.

Prolonged measures by health or other governmental authorities encouraging or requiring significant restrictions on travel, assembly or other core business practices could further harm our business and those of our customers, in particular our small to medium sized business customers. Although we have business continuity plans and other safeguards in place, there is no assurance that they will be effective.

The ultimate impact of these factors is highly uncertain at this time and we do not yet know the full extent of the impacts on our business, our operations or the global economy as a whole. However, the decline in economic conditions generally and a prolonged negative impact on small to medium sized businesses, in particular, due to COVID-19 may result in a material adverse effect to our business, financial condition and results of operations and may heighten many of our known risks described in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2019.

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.

Q2 2020 – Positioning for Challenges Ahead

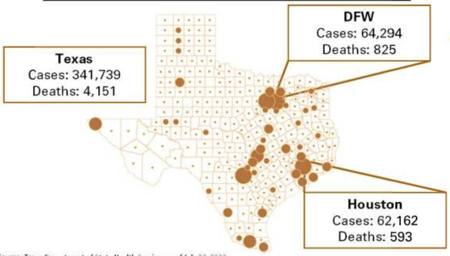
Strong PTPP Earnings	• Pre-tax pre-provision operating earnings of $45.7 million – 2.11% of average assets annualized • Net income of $24.0 million, or $0.48 diluted earnings per share ("EPS")
Building Reserves	• Provision for credit losses and unfunded commitments of $19.0 million for the quarter • Allowance for credit losses coverage increased to 2.01% of total loans, excluding mortgage warehouse and Paycheck Protection Program ("PPP") loans compared to 1.73% in the first quarter of 2020 • Net charge-offs of $1.8 million for the quarter, or 3 bps to average loans outstanding
Capital Strong & Growing	• Maintained strong regulatory capital metrics – total common equity tier 1 capital increased $24.6 million, or 13 bps to 9.66% • Declared regular quarterly dividend of $0.17 • No share repurchases during the quarter
Loan and Deposit Growth	• Originated 2,116 PPP loans totaling $400.9 million, increasing our total loans to $6.6 billion, or 22.8% annualized growth • Mortgage warehouse lending (counter cyclical) increased 19.1% over 1Q20 and 121% over 2Q19 • Transactional deposits grew $535.7 million, or 52.4% annualized

Pandemic Response

Business as "Unusual"

TOP 5 PRIORITIES

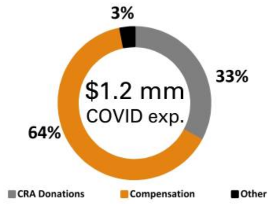
- Protection of life/safety of people
- Sustaining/supporting critical processes
- Communicate frequently and effectively
- Support remote working success
- Provide seamless service to clients



Source: Texas Department of State Health Services as of July 22, 2020.

Operational Response and Preparedness

- Dispersion of critical operational processes (IT, Wire, Deposit Operations, HR, Digital Banking, Factoring, Branches, Branch Operations, Loan operations, Information Security, Fraud, BSA).
- Increased monitoring focused on higher risk operations, enhanced remote access security and further restricted internet access.
- Enhanced security around wire transfer execution.
- Flexible scheduling is being provided to those that are unable to work from home.
- Restructured loan approval process by eliminating Executive Loan Committee meetings using already in place approval limits.
- Implemented a Small Business Administration ("SBA") module to enable SBA team to offer Paycheck Protection Program ("PPP") loans to small business clients.
- 308, or 57%, of Veritex employees are working remotely



Taking Care of Clients and Communities

Paycheck Protection Program (“PPP”)

- As an SBA preferred lender, Veritex is participating in the CARES Act PPP loan program
- Elected the fair value option to account for PPP loans for reporting purposes
- Total gross fees recognized in second quarter of 2020 approximated $12.5 million
- Effective yield on PPP loans was 1% in accordance with program guidelines

As of June 30, 2020

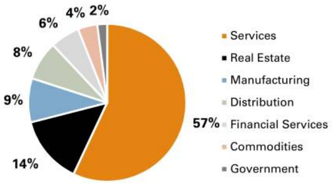
($ in millions)	# of Loans	$ of Loans
PPP Loans Funded	2,116	$ 400.9 million
Fair Value Adj. (priced at $99.5)[1]	2,116	($ 2.0 million)
PPP Loans at Fair Value	2,116	$ 398.9 million

Average loan approximately $189 thousand; Weighted average fee – 3.13%

Loan Origination Pool	Total Funded	# of Loans	SBA Fee %	$ Fee
< 150,000	$ 71,494	1,580	5.00%	$ 3.6
$150,001 - $350,000	$ 68,651	301	5.00%	$ 3.4
$350,000 - $2,000,000	$ 146,443	205	3.00%	$ 4.4
> $2,000,000	$ 114,366	30	1.00%	$ 1.1
TOTAL	**$ 400,954**	**2,116**		**$ 12.5**

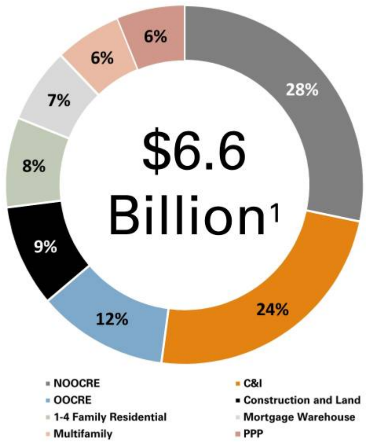
[1] Fair value price was based on a level 2 broker quote.

PPP by Sector



Credit Outlook

Loan Portfolio by Loan Type



NOOCRE

Outstanding:	$1.8 Billion
Unfunded:	$127.5Million
Average Loan:	$2.8 Million
WA LTV:	59%
NPL:	1.10%

C&I

Outstanding:	$1.6 Billion
Unfunded:	$685.3 Million
Average Loan:	$393 Thousand
NPL:	1.12%

OOCRE

Outstanding:	$723.8 Million
Unfunded:	$20.5 Million
Average Loan:	$941 Thousand
WA LTV:	62%
NPL:	0.51%

Construction

Outstanding:	$566.5 Million
Unfunded:	$630.9 Million
Average Loan:	$1.7 Million
WA LTV:	57%
NPL:	0.13%
WA % Complete:	50%

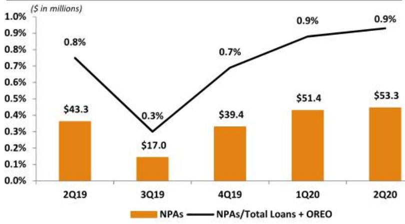
Multifamily

Outstanding:	$388.4 Million
Unfunded:	$10.1 Million
Average Loan:	$5.3 Million
WA LTV:	69%
NPL:	0%

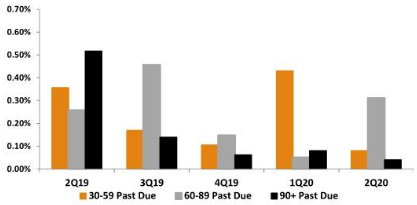
[1] Total loans excludes Loans Held for Sale.

Asset Quality Remains Stable

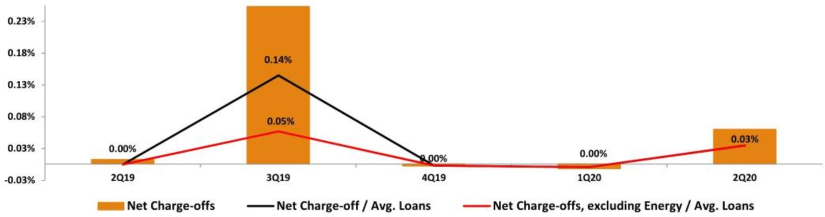
NPAs / Total Loans + OREO



Past Due[1] Trends % of Total Loans[2]



Net Charge-off Trends



[1] Past due loans exclude purchased credit deteriorated loans that are accounted for on a pooled basis and non-accrual loans.
[2] Total loans excludes Loans Held for Sale, Mortgage Warehouse and PPP loans.

Pandemic Portfolio Review

Timing – Review performed during June 2020

Phase 1 Scope – All relationships above $2 million that ***one or more*** of the following applies:

- High Risk Industry
- Received a Round 1 Deferment
- Received a PPP loan

Phase 2 Scope – All relationships above $20 million in commitments

Penetration – Phase 1 and Phase 2 targeted review covered $4.9 billion, or 55.2%, of total commitments

Results

- **2.3% of the total committed bank $s were downgraded to Special Mention, or $203.2 million**
  - $126.1 Million of downgrades to Special Mention were in the Hospitality portfolio
  - $25.4 Million of downgrades to Special Mention were in the Retail CRE portfolio
- **0.3% of the total committed bank $s were downgraded to Substandard, or $31.0 Million**
  - $3.8 Million is in the Hospitality portfolio
  - $17 Million relates to a student housing property that is underperforming due to COVID issues
  - $10 Million downgrade is related to a fuel jobber/C-Store operator who is demonstrating poor operating performance

Next Steps

- Reviews will be conducted quarterly as real time data is collected on borrowers performance in the portfolio

Loan Deferment Program

Round 1: The Loan Deferment Program addresses the significant payment challenges faced by our customers caused by the COVID-19 virus. ***Initially 90-day deferral of principal and/or interest***

Round 2: The second round of the Loan Deferment Program takes a deeper dive into the reasons for the additional deferment request, the actual financial performance of the borrower and the actions being taken by the borrower outside of the deferment request. ***Extended 90-day deferral of principal and/or interest***

Round 2 Deferment Request Process

1. Request Deferment in Writing (E-mail) →
2. Complete Financial Update Received →
3. Senior Credit Officer Reviews Risk Rating →
4. *IF APPROVED* Loan Servicing Preps Deferment Form →
5. Deferment Form Sent to Borrower for Execution →
6. Payment Due Date Extended ***90 Days***

Round 1

Approved Deferments	
CRE Retail	$338.5 million
CRE Hospitality	$215.6 million
CRE Office	$201.9 million
C&I	$164.4 million
CRE Other	$83.7 million
CRE Warehouse	$79.1 million
CRE Multifamily	$63.1 million
Residential RE	$43.6 million
Construction	$7.9 million
Consumer	$1.0 million
Total	**$1.2 billion**
% of Total Outstanding	**18.2%**

Round 2

As of July 24, 2020

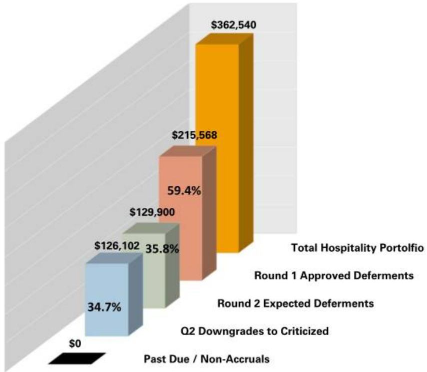
	Approved	Expected
CRE Retail	$3.6 million	$3.9 million
CRE Hospitality	$59.6 million	$70.3 million
CRE Office	-	$7.2 million
C&I	$10.2 million	$31.7 million
CRE Other	$4.3 million	$19.0 million
CRE Warehouse	$3.6 million	$3.3 million
CRE Multifamily	-	$6.2 million
Residential RE	$4.6 million	$0.3 million
Construction	-	$0.3 million
Consumer	-	-
Total	**$85.9 million**	**$142.2 million**
% of Total Outstanding	**1.5%**	**2.5%**

High Risk Industry

Hospitality

($ in millions)	#	$ Commitment	$ Outstanding	Avg. Loan Amount
Term	82	$ 341.4	$ 335.9	$ 4.1
In-Process Construction	5	$ 65.4	$ 6.6	$ 1.3
SBA / USDA	45	$ 20.1	$ 20.1	$ 0.5
Total	**132**	**$ 426.9**	**$ 362.6**	**$ 2.7**
% of Total Loans[1]			**6.3%**	

- ***34%*** Top Tier Hotels (Marriott, Hilton, Starwood, Hyatt) / ***42%*** National Economy Hotels (Intercontinental, Wyndham, Best Western) / ***19%*** Luxury Boutique / ***5%*** No Flag
- Weighted average LTV of ***61%*** on total outstanding
- Approximately ***82%*** of exposure is located within the State of Texas
- ***No*** hotel loans were non-performing as of June 30, 2020
- 2 relationship managers oversee overwhelming majority of this portfolio. They are very experienced in this industry specifically.



- Approximately 35% of the hospitality book was downgraded to a Criticized Risk Rating in Q2.
- Review of our top 25 exposures revealed that revenue increased 103% from May to June and average occupancy increased 18% for the same period.
- 2nd Round deferments are expected to be approximately 60% of Round 1 totals.

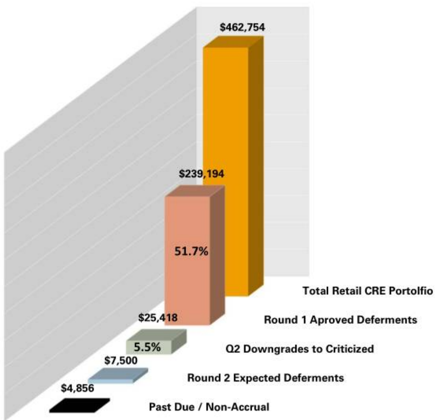
[1] Total loans excludes Loans Held for Sale, Mortgage Warehouse and PPP loans.

High Risk Industry

Retail CRE

($ in millions)	#	$ Commitment		$ Outstanding		Avg. Loan Amount	
NOOCRE Retail	188	$	411.6	$	392.1	$	2.1
Construction Retail	22	$	139.2	$	70.7	$	3.2
Total	**210**	**$**	**550.8**	**$**	**462.8**	**$**	**2.2**
% of Total Loans[1]					**8.1%**		

- Weighted average LTV of **55.2%** on total outstanding
- Approximately ***6.9%*** of outstanding exposure are Criticized assets
- ***7*** borrowers with loans in excess of $10 million with an average LTV of ***62%***
- Approximately ***95%*** of outstanding exposure is located in the Bank's primary market of Texas
- ***0.32%*** of retail loans were non-performing as of June 30, 2020. This was a single loan that resolved as of July 7,2020



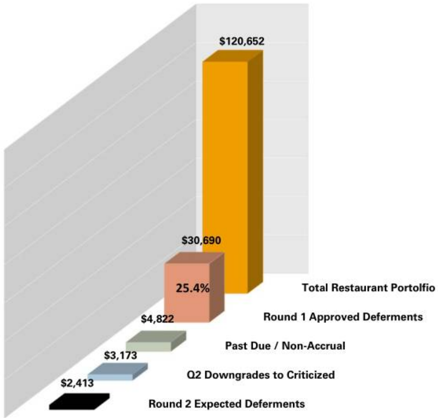
[1] Total loans excludes Loans Held for Sale, Mortgage Warehouse and PPP loans.

High Risk Industry

Restaurant

($ in millions)	#	$ Commitment	$ Outstanding	Avg. Loan Amount
Term	103	$ 116.1	$ 97.6	$ 1.0
In-Process Construction	4	$ 4.8	$ 3.9	$ 1.0
SBA / USDA	45	$ 19.2	$ 19.1	$ 0.4
Total	**152**	**$ 140.1**	**$ 120.6**	**$ 0.8**
% of Total Loans[1]			**2.1%**	

- ***62%*** Quick Service / ***38%*** Full Service
- A total of ***80%*** of the portfolio is secured by real estate assets with an average LTV of ***60%***
- Approximately ***83%*** of exposure is located within the State of Texas
- ***2.03%*** of restaurant loans were non-performing as of June 30, 2020
- ***6*** borrowers (11 loans) account for approximately $42 million, or 36%, of the outstanding balance. All but one of these loans are secured by CRE. The one not secured by CRE is one of the most prominent chains in DFW.



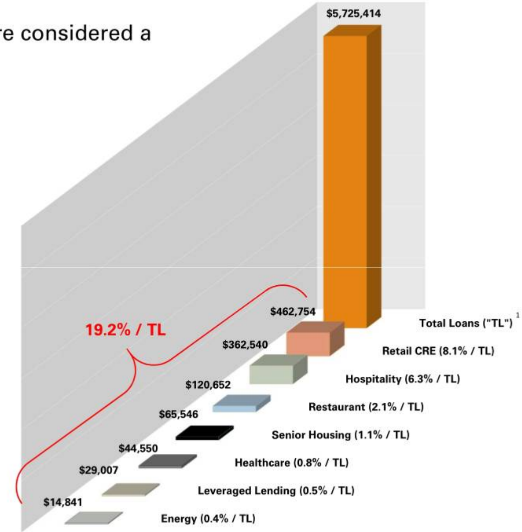
- The largest CRE exposure in this book, approximately $21 million, has not requested a ***Round 2*** deferment and has resumed making scheduled payments
- Past due / Non-accrual loans are primarily in government guaranteed loans that were problem assets prior to the COVID

[1] Total loans excludes Loans Held for Sale, Mortgage Warehouse and PPP loans.

High Risk Industry Summary

The following portfolios are considered a High Risk Industry:

- Retail CRE
- Hospitality
- Restaurants
- Senior Housing
- Healthcare
- Leveraged Lending
- Energy



[1] Total loans excludes Loans Held for Sale, Mortgage Warehouse and PPP loans.

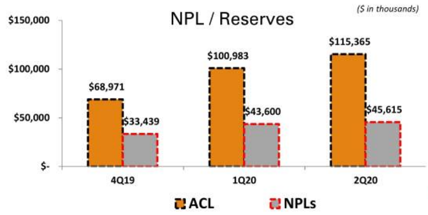
CECL Update

CECL – Continuing Reserve Build

($ in thousands)	January 1, 2020	March 31, 2020	June 30, 2020	June 30, 2020 Reserve % per Portfolio
Pooled Loans, exc. MW and PPP				
Commercial	$ 19,102	$ 24,814	$ 23,370	1.55%
CRE	17,351	28,619	38,590	1.55%
Multifamily	2,593	4,900	6,429	1.63%
Construction and Land	3,180	6,172	9,084	1.49%
1-4 Family Residential	5,094	7,583	10,217	1.95%
Consumer	338	323	311	2.13%
Total	**$ 47,658**	**$ 72,411**	**$ 88,001**	**1.59%**
Specific Reserves	$ 1,602	$ 5,921	$ 5,713	13.60%
PCD Reserves	$ 19,711	$ 22,651	$ 21,651	14.80%
Allowance for Credit Loss ("ACL"), exc. MW and PPP	$ 68,971	$ 100,983	$ 115,365	14.2% in Reserves
ACL / Total LHFI, exc. MW and PPP	1.23%	1.73%	2.01%	
ACL / Total LHFI	**1.16%**	**1.62%**	**1.76%**	
Reserve for Unfunded Expected to Fund	**$ 1,718**	**$ 5,599**	**$ 8,398**	
Net Charge-offs		**$ 236**	**$ (1,554)**	

CECL Modeling Assumptions

- Moody's Texas unemployment and year-over-year % change in Texas GDP utilized in model
- Forecasts feature significant recessionary estimates followed by slow improvement
  - Texas Unemployment increases from 8.2% 3Q20 to 8.45% 2Q21
  - % YOY change in Texas GDP bottoms out (7.1%) in 3Q20 recovering to 7.4% by 2Q21
- Continued elevated qualitative reserves equating to a ending ACL mirroring Moody's stressed W shape economic recovery

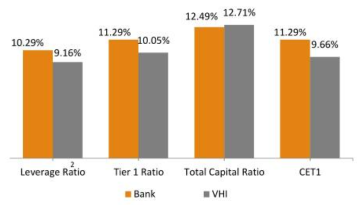


Capital and Financial Results

Capital Remains Strong and Continues to Build

($ in thousands)	June 30, 2020		March 31, 2020		$ Change	
Basel III Standarized[1]						
CET1 capital	$	726,006	$	701,401	$	24,605
CET1 capital ratio		9.7%		9.5%		
Leverage capital	$	755,121	$	730,461	$	24,660
Leverage capital ratio		9.2%		9.9%		
Tier 1 capital	$	755,121	$	730,461	$	24,660
Tier 1 capital ratio		10.1%		9.9%		
Total capital	$	955,220	$	918,866	$	36,354
Total capital ratio		12.7%		12.5%		
Risk weighted assets	$	7,516,531	$	7,359,811	$	156,720
Total assets[2]	$	8,587,858	$	8,531,624	$	56,234
Tangible common equity / Tangible Assets[3]		8.96%		8.81%		

Ratios as of June 30, 2020

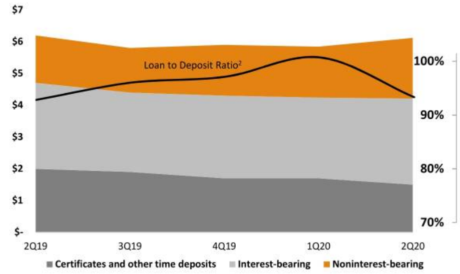


- Dividends
  - On July 28, 2020, declared quarterly cash dividend of $0.17 per common share payable in August 2020
  - Will continuously review dividend with Board of Directors throughout the COVID-19 pandemic
- Stock Buyback Program
  - ***Suspended*** on March 16, 2020
- Elected option to delay CECL transition impact on regulatory capital for 2 years, followed by a three-year transition period

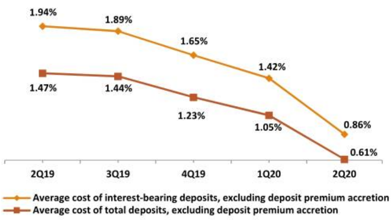
[1] Estimated capital measures inclusive of CECL capital transition provisions as of June 30, 2020.
[2] Total assets includes PPP loans that we did not utilize the Paycheck Protection Program Liquidity Facility to fund.
[3] Please refer to the "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.

Deposits – Record Growth & Improving Mix

- Total deposits, excluding time deposits, increased $535.7 million, or 52.0% annualizes during the second quarter of 2020.
- Noninterest-bearing deposits totaled $1.9 billion, which comprised 31.1% of total deposits as of June 30, 2020.
- Excluding mortgage warehouse and PPP loans, the loan to deposit ratio was 93.5% at June 30, 2020.
- Reliance on less valuable time deposits has decreased from 33% in 2Q19 to 25% in 2Q20.
- Cost of interest-bearing deposits, excluding deposit premium accretion, declined 56 bps in 2Q20 to 0.86%.



Quarterly Cost of Interest-bearing Deposits and Total Deposits[1]



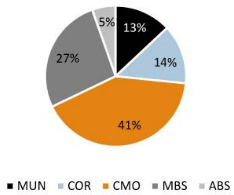
CD Maturity Table

	Balance	WA Rate
3Q20	431,576	1.41%
4Q20	282,475	1.68%
1Q21	235,424	1.61%
2Q21	271,539	1.20%
3Q21	79,820	1.83%
4Q21	69,107	1.69%
1Q22	58,278	1.73%
2Q22+	75,482	1.87%
Total	**1,503,701**	**1.52%**

1 Average costs of interest-bearings deposits excludes $1,355, $1,210, $740, $423 and $263 of deposit premium accretion as of 2Q19, 3Q19, 4Q19, 1Q20 and 2Q20, respectively.
2 Loan to Deposit Ratio excluding mortgage warehouse and PPP loans.

Robust and Stable Liquidity

Debt Securities Portfolio as of June 30, 2020



Available for Sale Portfolio Breakout

Security Type	Book Value	Market Value	Net Unrealized Gain
Corporate	$ 150,923	$ 151,329	$ 406
Municipal	114,789	122,324	7,535
Mortgage-Backed Security	271,680	289,444	17,764
Collateralized Mortgage Obligation	433,532	457,026	23,494
Asset Backed Securities	56,531	59,947	3,416
	$ 1,027,455	**$ 1,080,070**	**$ 52,615**

No required provision for credit loss on our debt securities portfolio as of June 30, 2020

Ratings Profile

S&P		Moody's	
AAA	75.2%	Aaa	66.8%
AA	0.7%	Aa1	0.5%

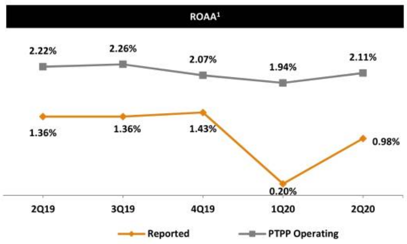
Portfolio Highlights

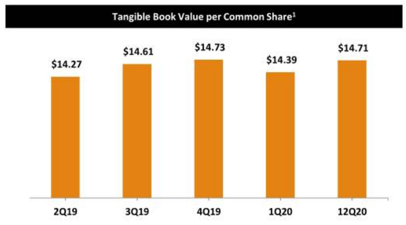
Wtd. Avg. Tax Equivalent Yield	2.88%
% Available-for-Sale	97.0%
Avg. Life	5.8 yrs
Modified Duration	4.1 yrs

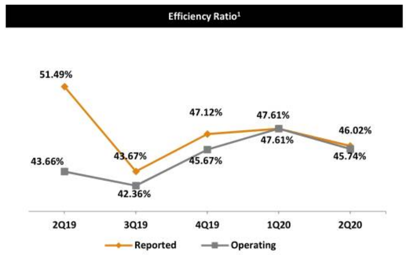
$ in millions

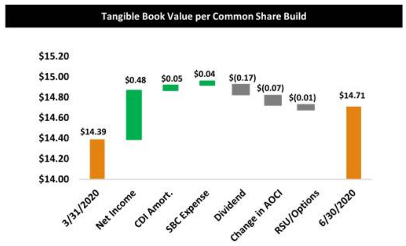
Primary & Secondary Liquidity Sources		
Cash and Cash Equivalents	$	160,306
Unpledged Investment Securities		1,025,743
FHLB Borrowing Availability		311,464
Unsecured Lines of Credit		175,000
Funds Available through Fed Discount Window		620,503
Available Paycheck Protection Program Liquidity Facility ("PPPLF") from FRB	$	400,954
Total as of June 30, 2020	**$**	**2,693,970**

Key Financial Metrics









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

Net Interest Income

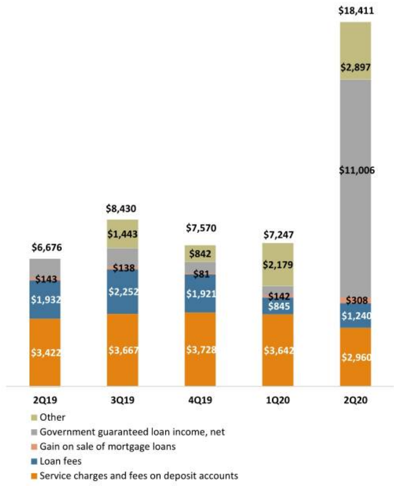
- Net interest income of $65.8 million, down slightly from 1Q20
- Net interest margin of 3.31% down 36 bps compared to 1Q20
- Drivers of NIM decrease are as follows:
  - 12 bps of the decline is due to lower interest rates
  - 9 bps of the decline is due to the impact of PPP lending with a 1% yield
  - 6 bps of the decline is due to lower purchase accounting adjustments
  - Remaining decline is primarily due to an unfavorable mix shift
- Loan yields decreased 64 bps mainly driven by 83 bps decline in 1 Mo Libor during Q2 and a flattening yield curve
- Costs of interest bearing deposits decreased 55 bps due to repricing efforts in a lower rate environment
- Strong growth in in non-time deposits at lower rates helped offset the decline in loan yields

[1] Purchase accounting adjustments are primarily comprised of loan accretion and deposit premium amortization of $3.1 million and $263 thousand, respectively, in 2Q20, $ $4.4 million and $423 thousand, respectively, in 1Q20, $5.6 million and $740 thousand, respectively, in 4Q19, $4.2 million and $1.2 million, respectively, in 3Q19 and $3.6 million and $1.9 million, respectively, in 2Q19.

Noninterest Income/Expense (Operating)

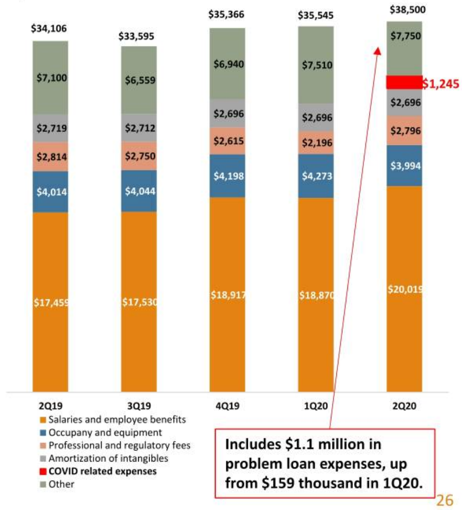
($ in thousands)

Operating Noninterest Income[1] Composition



($ in thousands)

Operating Noninterest Expense[1] Composition



[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.

Building to Weather the Pandemic and Capture Opportunities

Talent Additions

- Significant additions and depth added to the Senior Executive Vice President Team including:
  - Jim Recer, Chief Banking Officer
  - Cara McDaniel, Chief Talent Officer
  - Scooter Smith, Head of Private Bank

Well Capitalized

- 9.66% CET1 Ratio
- 10.05% Tier 1 Ratio
- $1.2 billion Total Capital

PTPP

- Continued focus on growing pre-tax, pre-provision operating return earnings which increased $6.6 million from the first quarter of 2020 to the second quarter of 2020
- PTPP ROAA above 2% 5 out of the last 6 quarters

Conservative Credit Discipline

- Maintaining conservative underwriting standards
- Proactive pandemic portfolio deep dive review with 55% penetration
- Net charge-offs, excluding energy, to average loans has averaged 0.016% for the past five quarters

Customer and Community Focused

- Maintain focus on the community we serve including donations and outreach where most needed in our community
- Provide constant support to customers helping navigate and respond to the most urgent needs during these uncharted times
- Care, concern and work flexibility with increased protocol for entire staff

Supplemental

Reconciliation of Non-GAAP Financial Measures

	As of				
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders' equity	$ 1,163,749	$ 1,149,269	$ 1,190,797	$ 1,205,530	$ 1,205,293
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,463)	(370,221)
Core deposit intangibles	(62,661)	(65,112)	(67,563)	(70,014)	(72,465)
Tangible common equity	$ 730,248	$ 713,317	$ 752,394	$ 765,053	$ 762,607
Common shares outstanding	49,633	49,557	51,064	52,373	53,457
Book value per common share	$ 23.45	$ 23.19	$ 23.32	$ 23.02	$ 22.55
Tangible book value per common share	$ 14.71	$ 14.39	$ 14.73	$ 14.61	$ 14.27

	As of				
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019
	(Dollars in thousands)				
Tangible Common Equity					
Total stockholders' equity	$ 1,163,749	$ 1,149,269	$ 1,190,797	$ 1,205,530	$ 1,205,293
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,463)	(370,221)
Core deposit intangibles	(62,661)	(65,112)	(67,563)	(70,014)	(72,465)
Tangible common equity	$ 730,248	$ 713,317	$ 752,394	$ 765,053	$ 762,607
Tangible Assets					
Total assets	$ 8,587,858	$ 8,531,624	$ 7,954,937	$ 7,962,883	$ 8,010,106
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,463)	(370,221)
Core deposit intangibles	(62,661)	(65,112)	(67,563)	(70,014)	(72,465)
Tangible Assets	$ 8,154,357	$ 8,095,672	$ 7,516,534	$ 7,522,406	$ 7,567,420
Tangible Common Equity to Tangible Assets	8.96 %	8.81 %	10.01 %	10.17 %	10.08 %

Reconciliation of Non-GAAP Financial Measures

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
	(Dollars in thousands)						
Net income available for common stockholders adjusted for amortization of core deposit intangibles							
Net income	$ 24,028	$ 4,134	$ 29,051	$ 27,405	$ 26,876	$ 28,162	$ 34,283
Adjustments:							
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,451	2,451	4,902	4,928
Less: Tax benefit at the statutory rate	515	515	515	515	515	1,030	1,035
Net income available for common stockholders adjusted for amortization of core deposit intangibles	$ 25,964	$ 6,070	$ 30,987	$ 29,341	$ 28,812	$ 32,034	$ 38,176
Average Tangible Common Equity							
Total average stockholders' equity	$1,155,798	$1,183,116	$1,197,191	$1,210,147	$1,200,632	$1,142,626	$1,193,990
Adjustments:							
Average goodwill	(370,840)	(370,840)	(370,463)	(370,224)	(369,255)	(370,840)	(368,524)
Average core deposit intangibles	(64,151)	(66,439)	(68,913)	(71,355)	(73,875)	(65,296)	(75,293)
Average tangible common equity	$ 720,807	$ 745,837	$ 757,815	$ 768,568	$ 757,502	$ 706,490	$ 750,173
Return on Average Tangible Common Equity (Annualized)	14.49 %	3.27 %	16.22 %	15.15 %	15.26 %	9.12 %	10.26 %

Reconciliation of Non-GAAP Financial Measures

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2020	**Mar 31, 2020**	**Dec 31, 2019**	**Sep 30, 2019**	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
	(Dollars in thousands)						
Operating Earnings							
Net income	$ 24,028	$ 4,134	$ 29,051	$ 27,405	$ 26,876	$ 28,162	$ 34,283
Plus: (Gain) loss on sale of securities available for sale, net	(2,879)	—	438	—	642	(2,879)	1,414
Plus: Loss on sale of disposed branch assets[1]	—	—	—	—	359	—	359
Plus: FHLB pre-payment fees	1,561	—	—	—	—	1,561	—
Plus: Merger and acquisition expenses	—	—	918	1,035	5,431	—	36,648
Operating pre-tax income	22,710	4,134	30,407	28,440	33,308	26,844	72,704
Less: Tax impact of adjustments	(277)	—	(23)	217	1,351	(277)	8,068
Plus: Other M&A tax items[2]	—	—	829	406	277	—	277
Plus: Discrete tax adjustments[3]	(1,799)	—	(965)	—	—	(1,799)	—
Operating earnings	$ 21,188	$ 4,134	$ 30,294	$ 28,629	$ 32,234	$ 25,322	$ 64,913
Weighted average diluted shares outstanding	49,727	51,056	52,263	53,873	54,929	50,383	54,929
Diluted EPS	$ 0.48	$ 0.08	$ 0.56	$ 0.51	$ 0.49	$ 0.56	$ 0.62
Diluted operating EPS	0.43	0.08	0.58	0.53	0.59	0.50	1.18

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

[2] 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.

[3] 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. A discrete tax benefit of $1,799 was recorded as a result of the Company amending a prior year Green tax return to carry back a net operating loss ("NOL") incurred by Green on January 1, 2019. The Company was allowed to carry back this NOL as result of a provision in the CARES Act which permits NOLs generated in tax years 2018, 2019 or 2020 to be carried back five years.

Reconciliation of Non-GAAP Financial Measures

	For the Three Months Ended					For the Six Months Ended	
	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019	June 30, 2020	June 30, 2019
	(Dollars in thousands)						
Pre-Tax, Pre-Provision Operating Earnings							
Net income	$ 24,028	$ 4,134	$ 29,051	$ 27,405	$ 26,876	$ 28,162	$ 34,283
Plus: Provision (benefit) for income taxes	3,987	(684)	8,168	7,595	7,369	3,303	9,358
Pus: Provision for credit losses and unfunded commitments	18,971	35,657	3,493	9,674	3,335	54,628	8,347
Plus: (Gain) loss on sale of securities available for sale, net	(2,879)	—	438	—	642	(2,879)	1,414
Plus: Loss on sale of disposed branch assets[1]	—	—	—	—	359	—	359
Plus: FHLB pre-payment fees	1,561	—	—	—	—	1,561	—
Plus: Merger and acquisition expenses	—	—	918	1,035	5,431	—	36,648
Pre-tax, pre-provision operating earnings	$ 45,668	$ 39,107	$ 42,068	$ 45,709	$ 44,012	$ 84,775	$ 90,409
Average total assets	$8,689,774	$8,125,782	$8,043,505	$8,009,377	$7,937,319	$8,380,947	$7,888,043
Pre-tax, pre-provision operating return on average assets[2]	2.11 %	1.94 %	2.07 %	2.26 %	2.22 %	2.03 %	2.31 %
Average total assets	$8,689,774	$8,125,782	$8,043,505	$8,009,377	$7,937,319	$8,380,947	$7,888,043
Return on average assets[2]	1.11 %	0.20 %	1.43 %	1.36 %	1.36 %	0.68 %	0.88 %
Operating return on average assets[2]	0.98	0.20	1.49	1.42	1.63	0.61	1.66
Operating earnings adjusted for amortization of core deposit intangibles							
Operating earnings	$ 21,188	$ 4,134	$ 30,294	$ 28,629	$ 32,234	$ 25,322	$ 64,913
Adjustments:							
Plus: Amortization of core deposit intangibles	2,451	2,451	2,451	2,451	2,451	4,902	4,928
Less: Tax benefit at the statutory rate	515	515	515	515	515	1,030	1,035
Operating earnings adjusted for amortization of core deposit intangibles	$ 23,124	$ 6,070	$ 32,230	$ 30,565	$ 34,170	$ 29,194	$ 68,806
Average Tangible Common Equity							
Total average stockholders' equity	$1,155,798	$1,183,116	$1,197,191	$1,210,147	$1,200,632	$1,142,626	$1,193,990
Adjustments:							
Less: Average goodwill	(370,840)	(370,840)	(370,463)	(370,224)	(369,255)	(370,840)	(368,524)
Less: Average core deposit intangibles	(64,151)	(66,439)	(68,913)	(71,355)	(73,875)	(65,296)	(75,293)
Average tangible common equity	$ 720,807	$ 745,837	$ 757,815	$ 768,568	$ 757,502	$ 706,490	$ 750,173
Operating return on average tangible common equity[2]	12.90 %	3.27 %	16.87 %	15.78 %	18.09 %	8.31 %	18.50 %
Efficiency ratio	46.02 %	47.61 %	47.12 %	43.67 %	51.49 %	46.76 %	67.28 %
Operating efficiency ratio	45.74 %	47.61 %	45.67 %	42.36 %	43.66 %	46.62 %	43.60 %

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

Reconciliation of Non-GAAP Financial Measures

	As of				
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19
	(Dollars in thousands, except per share data)				
Operating Noninterest Income					
Noninterest income	$ 21,290	$ 7,247	$ 7,132	$ 8,430	$ 6,034
Plus: Loss (gain) on sale of securities availablefor sale, net	(2,879)	-	438	-	642
Operating noninterest income	$ 18,411	$ 7,247	$ 7,570	$ 8,430	$ 6,676
Operating Noninterest Expense					
Noninterest expense	$ 40,061	$ 35,545	$ 36,284	$ 34,630	$ 39,896
Plus: Loss (gain) on sale of disposed branch assets[1]	-	-	-	-	359
Plus: FHLB pre-payment fees	1,561	-	-	-	-
Plus: Merger and acquisition expenses	-	-	918	1,035	5,431
Operating noninterest expense	$ 38,500	$ 35,545	$ 35,366	$ 33,595	$ 34,106

[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

Exhibit 99.3

PRESS RELEASE
FOR IMMEDIATE RELEASE

Veritex Holdings, Inc. Declares Cash Dividend on Common Stock

Dallas, TX – July 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 August 20, 2020 to shareholders of record as of the close of business on August 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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