

**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 27, 2021

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

Texas
(State or other jurisdiction of
incorporation or organization)

001-36682
(Commission File Number)

27-0973566
(I.R.S. Employer
Identification Number)

8214 Westchester Drive, Suite 800
Dallas, Texas 75225
(Address of principal executive offices)

(972) 349-6200
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	VBTX	Nasdaq Global Market

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition

On July 27, 2021, Veritex Holdings, Inc. (the “Company”), the holding company for Veritex Community Bank (the “Bank”), a Texas state chartered bank, issued a press release describing its results of operations for the second quarter ended June 30, 2021. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

As provided in General Instruction B.2 to Form 8-K, the information furnished in this Item 2.02 (including Exhibit 99.1) of this Current Report on Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and such information shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure

On Wednesday, July 28, 2021 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 27, 2021. The presentation materials are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

As provided in General Instruction B.2 to Form 8-K, the information furnished in this Item 7.01 (including Exhibit 99.2) of this Current Report on Form 8-K shall not be deemed “filed” for purposes of Section 18 of 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 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events

On July 27, 2021, the Company issued a press release announcing the declaration of a quarterly cash dividend of \$0.20 per share on its outstanding common stock. The dividend will be paid on or after August 19, 2021 to shareholders of record as of the close of business on August 5, 2021. The press release is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

Forward Looking Statement

This Current Report on Form 8-K 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, the expected payment date of the Company’s quarterly cash dividend, the impact of certain changes in the Company’s accounting policies, standards and interpretations, the effects of the COVID-19 pandemic and actions taken in response thereto, the Company’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 the Company’s Annual Report on Form 10-K for the year ended December 31, 2020 and any updates to those risk factors set forth in the Company’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 the Company’s underlying assumptions prove to be incorrect, actual results may differ materially from what the Company 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. The Company 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 Current Report 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 the Company or persons acting on the Company's behalf may issue.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release, dated July 27, 2021
99.2	Presentation materials
99.3	Press release, dated July 27, 2021
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Veritex Holdings, Inc.

By: /s/ C. Malcolm Holland, III
C. Malcolm Holland, III
Chairman and Chief Executive Officer
Date: July 27, 2021

VERITEX HOLDINGS, INC. REPORTS SECOND QUARTER OPERATING RESULTS

Dallas, TX — July 27, 2021 —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, 2021.

“Our second quarter of 2021 was another outstanding financial and growth quarter for our Company. The investments made over the last two plus years, including our strategic merger with Green in 2019 and targeted talent hires, continue to deliver the benefits we expected. Our 21% Q2-21 annualized loan growth, record Q2-21 loan production of \$1.4 billion, strengthening loan pipelines and improving credit profile make us optimistic about the second half of the year. In addition to a strong quarter, we are pleased to announce the completion of our 49% investment in Thrive Mortgage and an 18% increase in our quarterly dividend.”

Second Quarter Highlights

- Net income of \$29.5 million, or \$0.59 diluted earnings per share (“EPS”), compared to \$31.8 million, or \$0.64 diluted EPS, for the quarter ended March 31, 2021 and \$24.0 million, or \$0.48 diluted EPS, for the quarter ended June 30, 2020;
- Operating earnings¹ of \$30.0 million, or \$0.60 diluted operating EPS¹, compared to \$32.2 million, or \$0.64 diluted operating EPS¹, for the quarter ended March 31, 2021 and \$21.2 million, or \$0.43 diluted operating EPS¹, for the quarter ended June 30, 2020;
- Total loans held for investment (“LHI”), excluding mortgage warehouse (“MW”) and Paycheck Protection Program (“PPP”) loans, grew \$308.6 million from the first quarter of 2021, or 20.7% annualized;
- Total LHI, excluding MW and PPP, grew \$424.2 million from December 31, 2020, or 14.5% annualized, and \$545.2 million, or 9.5%, year over year.
- Total deposits grew \$74.3 million from the first quarter of 2021, or 4.3% annualized, with the average cost of total deposits decreasing to 0.23% for the three months ended June 30, 2021 from 0.31% for the three months ended March 31, 2021;
- Total noninterest-bearing deposits grew \$216.3 million from the first quarter of 2021, representing 34.2% of total deposits as of June 30, 2021;
- Book value per common share increased to \$25.72 from \$24.96 as of March 31, 2021 and tangible book value per common share¹ increased to \$17.16 from \$16.34 as of March 31, 2021; and
- Declared quarterly cash dividend of \$0.20 per share of outstanding common stock, an increase of 17.6% over the first quarter of 2021, payable on August 19, 2021.

Financial Highlights

	QTD		YTD	
	Q2 2021	Q1 2021	Q2 2021	Q2 2020
	(Dollars in thousands) (unaudited)			
GAAP				
Net income	\$ 29,456	\$ 31,787	\$ 61,243	\$ 28,162
Diluted EPS	0.59	0.64	1.22	0.56
Book value per common share	25.72	24.96	25.72	23.45
Return on average assets ²	1.27 %	1.44 %	1.35 %	0.68 %
Efficiency ratio	52.42	49.62	51.01	46.76
Non-GAAP¹				
Operating earnings	\$ 29,952	\$ 32,213	\$ 62,165	\$ 25,322
Diluted operating EPS	0.60	0.64	1.24	0.50
Tangible book value per common share	17.16	16.34	17.16	14.71
Pre-tax, pre-provision operating earnings	38,497	40,210	78,707	84,775
Pre-tax, pre-provision operating return on average assets ²	1.66 %	1.82 %	1.74 %	2.03 %
Operating return on average assets ²	1.29	1.46	1.37	0.61
Operating efficiency ratio	51.63	49.62	50.62	46.62
Return on average tangible common equity ²	15.18	17.17	16.15	9.12
Operating return on average tangible common equity ²	15.42	17.39	16.38	8.31

¹ Refers to the section titled “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of these non-generally accepted accounting principles (“GAAP”) financial measures to their most directly comparable GAAP measures.

² Annualized ratio.

Results of Operations for the Three Months Ended June 30, 2021

Net Interest Income

For the three months ended June 30, 2021, net interest income before provision for credit losses was \$67.1 million and net interest margin was 3.11% compared to \$65.6 million and 3.22%, respectively, for the three months ended March 31, 2021. Net interest margin decreased 11 basis points from the three months ended March 31, 2021 primarily due to a decrease in the average yields earned on loans, partially offset by a decrease in the average rates paid on interest-bearing demand and savings deposits and certificate and other time deposits for the three months ended June 30, 2021. As a result, the average cost of interest-bearing deposits decreased 10 basis points to 0.35% for the three months ended June 30, 2021 from 0.45% for the three months ended March 31, 2021.

Net interest income before provision for credit losses increased by \$1.4 million from \$65.8 million to \$67.1 million and net interest margin decreased by 20 basis points from 3.31% to 3.11% for the three months ended June 30, 2021 as compared to the same period in 2020. The increase in net interest income before provision for credit losses was primarily due to a \$4.1 million decrease in interest expense on certificate and other time deposits, partially offset by a \$2.6 million decrease in interest income on loans during the three months ended June 30, 2021 compared to the three months ended June 30, 2020. Net interest margin decreased 20 basis points from the three months ended June 30, 2020 primarily due to a decrease in the average yields earned on loans, partially offset by decreases in the average rate paid on interest-bearing demand and savings deposits and certificates and other time deposits for the three months ended June 30, 2021. As a result, the average cost of interest-bearing deposits decreased 49 basis points to 0.35% for the three months ended June 30, 2021 from 0.84% for the three months ended June 30, 2020.

Noninterest Income

Noninterest income for the three months ended June 30, 2021 was \$12.5 million, a decrease of \$1.7 million, or 12.1%, compared to the three months ended March 31, 2021. The decrease was primarily due to a \$3.1 million decrease in government guaranteed loan income, net, driven by a \$5.6 million decrease in fee income earned on PPP loans during the three months ended June 30, 2021 compared to the three months ended March 31, 2021. This decrease was partially offset by a \$2.0 million increase in gain on sale of Small Business Administration ("SBA") loans during the three months ended June 30, 2021. The decrease in noninterest income was partially offset by a \$663 thousand increase in insurance income recognized during the three months ended June 30, 2021 associated with the Company's bank owned life insurance policy.

Compared to the three months ended June 30, 2020, noninterest income for the three months ended June 30, 2021 decreased by \$8.8 million, or 41.5%. The decrease was primarily due to a \$7.6 million decrease in government guaranteed loan income, net, driven by an \$11.5 million decrease in fee income earned on PPP loans during the three months ended June 30, 2021 compared to the same period in 2020, partially offset by a \$2.6 million increase in the valuation of PPP loans held at fair value and a \$2.0 million increase in gain on sale of SBA loans during the three months ended June 30, 2021 compared to the same period in 2020. The decrease was also due in part to a \$2.9 million decrease in gain on sales of investment securities during the three months ended June 30, 2021 compared to the same period in 2020. This decrease was partially offset by \$811 thousand increase in insurance income recognized during the three months ended June 30, 2021 associated with the Company's bank owned life insurance policy.

Noninterest Expense

Noninterest expense was \$41.7 million for the three months ended June 30, 2021, compared to \$39.6 million for the three months ended March 31, 2021, an increase of \$2.1 million, or 5.4%. The increase was primarily driven by a \$932 thousand increase in marketing expenses as a result of increased advertising and Community Reinvestment Act donations, a \$627 thousand increase in severance payments made as a result of branch restructurings, a \$203 thousand increase in write downs of certain other real estate owned properties and a \$194 thousand increase in loan related legal expenses during the three months ended June 30, 2021 compared to the three months ended March 31, 2021.

Compared to the three months ended June 30, 2020, noninterest expense for the three months ended June 30, 2021 increased by \$1.7 million, or 4.1%. The increase was primarily driven by a \$3.4 million increase in salaries and employee benefits as a result of a \$1.6 million increase in accrued employee bonus, a \$1.4 million increase in salaries and a \$786 thousand increase in employee stock based compensation during the three months ended June 30, 2021 compared to the same period in 2020. The increase was also driven by a \$1.3 million increase in marketing expenses as a result of increased advertising during the three months ended June 30, 2021 compared to the same period in 2020. These increases were partially offset by a \$1.2 million decrease in COVID-19 expenses and a \$1.6 million decrease in debt extinguishment costs, which were both incurred during the three months ended June 30, 2020 with no corresponding expense during the same period in 2021.

Financial Condition

Total LHI, excluding MW and PPP, were \$6.3 billion, an increase of \$308.6 million, or 20.7%, annualized, compared to March 31, 2021. Total loans were \$7.1 billion at June 30, 2021, an increase of \$145.8 million, or 8.3% annualized, compared to March 31, 2021. The increases were the result of the continued execution and success of our loan growth strategy.

Total deposits were \$7.0 billion at June 30, 2021, an increase of \$74.3 million, or 4.3% annualized, compared to March 31, 2021. The increase was primarily the result of an increase of \$216.3 million in noninterest-bearing demand deposits, partially offset by a decrease of \$76.7 million in interest-bearing transaction and savings deposits and a decrease of \$65.3 million in certificates and other time deposits.

Asset Quality

NPAs totaled \$79.9 million, or 0.85% of total assets at June 30, 2021, compared to \$85.0 million, or 0.92% of total assets, at March 31, 2021. Included in NPAs as of June 30, 2021 is \$462 thousand of accruing loans 90 or more days past due that are considered well-secured and in the process of collection which is down from \$9.1 million as of March 31, 2021. The Company's net charge-offs for the three months ended June 30, 2021 were \$5.4 million, which were fully reserved against in prior periods.

The Company recorded no provision for credit losses for the three months ended June 30, 2021 and March 31, 2021, compared to \$16.2 million for the three months ended June 30, 2020. The decrease in the recorded provision for credit losses for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, was primarily attributable to improvement in the Texas economic forecasts used in the Current Expected Credit Losses ("CECL") model in the second quarter of 2021 to reflect the expected impact of the COVID-19 pandemic as of June 30, 2021, as compared to our Texas economic forecasts and expected impact of the COVID-19 pandemic as of June 30, 2020. In the second quarter of 2021, we also recorded a \$577 thousand provision for unfunded commitments, which was attributable to higher unfunded balances.

ACL as a percentage of LHI, excluding MW and PPP loans, was 1.59%, 1.76% and 2.01% at June 30, 2021, March 31, 2021 and June 30, 2020, respectively.

Dividend Information

On July 27, 2021, Veritex's Board of Directors declared a quarterly cash dividend of \$0.20 per share on its outstanding shares of common stock. The dividend will be paid on or after August 19, 2021 to stockholders of record as of the close of business on August 5, 2021.

Non-GAAP Financial Measures

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

Conference Call

The Company will host an investor conference call to review the results on Wednesday, July 28, 2021 at 8:30 a.m. Central Time. Participants may pre-register for the call by visiting <https://edge.media-server.com/mmc/p/zs89r9jr> 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 #3492033. This replay, as well as the webcast, will be available until August 4, 2021.

About Veritex Holdings, Inc.

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

Media and Investor Relations:
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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 the Company's quarterly cash dividend, the impact of certain changes in the Company's accounting policies, standards and interpretations, the effects of the COVID-19 pandemic and actions taken in response thereto, the Company'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 the Company's Annual Report on Form 10-K for the year ended December 31, 2020 and any updates to those risk factors set forth in the Company'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 the Company's underlying assumptions prove to be incorrect, actual results may differ materially from what the Company 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. The Company 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 the Company or persons acting on the Company's behalf may issue.

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

	For the Three Months Ended					For the Six Months Ended	
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
(Dollars and shares in thousands, except per-share data)							
Per Share Data (Common Stock):							
Basic EPS	\$ 0.60	\$ 0.64	\$ 0.46	\$ 0.46	\$ 0.48	\$ 1.24	\$ 0.56
Diluted EPS	0.59	0.64	0.46	0.46	0.48	1.22	0.56
Book value per common share	25.72	24.96	24.39	23.87	23.45	25.72	23.45
Tangible book value per common share ¹	17.16	16.34	15.70	15.19	14.71	17.16	14.71
Common Stock Data:							
Shares outstanding at period end	49,498	49,433	49,340	49,650	49,633	49,498	49,633
Weighted average basic shares outstanding for the period	49,476	49,394	49,571	49,647	49,597	49,435	50,161
Weighted average diluted shares outstanding for the period	50,331	49,998	49,837	49,775	49,727	50,187	50,383
Summary of Credit Ratios:							
ACL to total LHI, excluding MW and PPP loans	1.59 %	1.76 %	1.80 %	2.10 %	2.01 %	1.59 %	2.01 %
NPAs to total assets	0.85	0.92	0.99	1.11	0.62	0.85	0.62
Net charge-offs to average loans outstanding	0.09	—	0.28	0.04	0.03	0.09	0.03
Summary Performance Ratios:							
Return on average assets ²	1.27	1.44	1.04	1.06	1.11	1.35	0.68
Return on average equity ²	9.42	10.53	7.58	7.74	8.36	9.96	4.96
Return on average tangible common equity ^{1,2}	15.18	17.17	12.84	13.27	14.49	16.15	9.12
Efficiency ratio	52.42	49.62	62.52	48.12	46.02	51.01	46.76
Selected Performance Metrics - Operating:							
Diluted operating EPS ¹	\$ 0.60	\$ 0.64	\$ 0.60	\$ 0.46	\$ 0.43	\$ 1.24	\$ 0.50
Pre-tax, pre-provision operating return on average assets ^{1,2}	1.66 %	1.82 %	1.75 %	1.82 %	2.11 %	1.74 %	2.03 %
Operating return on average assets ^{1,2}	1.29	1.46	1.35	1.06	0.98	1.37	0.61
Operating return on average tangible common equity ^{1,2}	15.42	17.39	16.44	13.27	12.90	16.38	8.31
Operating efficiency ratio ¹	51.63	49.62	49.49	48.11	45.74	50.62	46.62
Veritex Holdings, Inc. Capital Ratios:							
Tier 1 capital to average assets (leverage)	9.38	9.50	9.43	9.54	9.16	9.38	9.16
Common equity tier 1 capital	9.03	9.27	9.30	9.67	9.66	9.03	9.66
Tier 1 capital to risk-weighted assets	9.36	9.61	9.66	10.05	10.05	9.36	10.05
Total capital to risk-weighted assets	12.86	13.38	13.56	12.70	12.71	12.86	12.71
Tangible common equity to tangible assets ¹	9.51	9.17	9.23	9.12	8.96	9.51	8.96

¹Refer 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.

²Annualized ratio for quarterly metrics.

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

	Jun 30, 2021 (unaudited)	Mar 31, 2021 (unaudited)	Dec 31, 2020	Sep 30, 2020 (unaudited)	Jun 30, 2020 (unaudited)
ASSETS					
Cash and cash equivalents	\$ 390,027	\$ 468,029	\$ 230,825	\$ 128,767	\$ 160,306
Debt securities	1,125,877	1,077,860	1,055,201	1,091,440	1,112,061
Other investments	87,558	87,226	87,192	98,023	104,213
Loans held for sale	12,065	19,864	21,414	13,928	28,041
LHI, PPP loans, carried at fair value	291,401	407,353	358,042	405,465	398,949
LHI, MW	559,939	599,001	577,594	544,845	441,992
LHI, excluding MW and PPP	6,272,087	5,963,493	5,847,862	5,789,293	5,726,873
Total loans	7,135,492	6,989,711	6,804,912	6,753,531	6,595,855
ACL	(99,543)	(104,936)	(105,084)	(121,591)	(115,365)
Bank-owned life insurance	83,304	83,318	82,855	82,366	81,876
Bank premises, furniture and equipment, net	123,504	114,585	115,063	115,794	115,560
Other real estate owned ("OREO")	2,467	2,337	2,337	5,796	7,716
Intangible assets, net of accumulated amortization	57,143	59,236	61,733	64,716	66,705
Goodwill	370,840	370,840	370,840	370,840	370,840
Other assets	72,856	89,304	114,997	112,693	88,091
Total assets	\$ 9,349,525	\$ 9,237,510	\$ 8,820,871	\$ 8,702,375	\$ 8,587,858
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing deposits	\$ 2,388,068	\$ 2,171,719	\$ 2,097,099	\$ 1,920,715	\$ 1,907,697
Interest-bearing transaction and savings deposits	3,112,974	3,189,693	2,958,456	2,821,945	2,714,149
Certificates and other time deposits	1,477,860	1,543,158	1,457,291	1,479,896	1,503,701
Total deposits	6,978,902	6,904,570	6,512,846	6,222,556	6,125,547
Accounts payable and other liabilities	55,499	55,902	61,928	69,540	68,713
Advances from Federal Home Loan Bank ("FHLB")	777,640	777,679	777,718	1,082,756	1,087,794
Subordinated debentures and subordinated notes	262,766	262,774	262,778	140,158	140,283
Securities sold under agreements to repurchase	1,811	2,777	2,225	2,028	1,772
Total liabilities	8,076,618	8,003,702	7,617,495	7,517,038	7,424,109
Commitments and contingencies					
Stockholders' equity:					
Common stock	558	557	555	555	555
Additional paid-in capital	1,134,603	1,131,324	1,126,437	1,124,148	1,122,063
Retained earnings	216,704	195,661	172,232	157,639	143,277
Accumulated other comprehensive income	77,189	62,413	56,225	47,155	42,014
Treasury stock	(156,147)	(156,147)	(152,073)	(144,160)	(144,160)
Total stockholders' equity	1,272,907	1,233,808	1,203,376	1,185,337	1,163,749
Total liabilities and stockholders' equity	\$ 9,349,525	\$ 9,237,510	\$ 8,820,871	\$ 8,702,375	\$ 8,587,858

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

	For the Three Months Ended				For the Six Months Ended	
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Jun 30, 2020
Interest income:						
Loans, including fees	\$ 67,814	\$ 67,399	\$ 69,597	\$ 68,685	\$ 70,440	\$ 135,213
Debt securities	7,529	7,437	7,652	7,852	7,825	14,966
Deposits in financial institutions and Fed Funds sold	167	127	99	65	186	294
Equity securities and other investments	672	663	752	827	891	1,335
Total interest income	76,182	75,626	78,100	77,429	79,342	151,808
Interest expense:						
Transaction and savings deposits	1,661	1,980	2,105	2,105	2,471	3,641
Certificates and other time deposits	2,423	3,061	3,919	5,004	6,515	5,484
Advances from FHLB	1,829	1,812	2,222	2,707	2,801	3,641
Subordinated debentures and subordinated notes	3,138	3,138	3,088	1,743	1,798	6,276
Total interest expense	9,051	9,991	11,334	11,559	13,585	19,042
Net interest income	67,131	65,635	66,766	65,870	65,757	132,766
Provision for credit losses	—	—	—	8,692	16,172	—
Provision (benefit) for unfunded commitments	577	(570)	902	1,447	2,799	7
Net interest income after provisions	66,554	66,205	65,864	55,731	46,786	132,759
Noninterest income:						
Service charges and fees on deposit accounts	3,847	3,629	3,971	3,130	2,960	7,476
Loan fees	1,823	1,341	684	1,787	1,240	3,164
(Loss) gain on sales of investment securities	—	—	(256)	(8)	2,879	—
Gain on sales of mortgage loans held for sale	385	507	317	472	308	892
Government guaranteed loan income, net	3,448	6,548	448	2,257	11,006	9,996
Other	2,953	2,147	3,848	2,157	2,897	5,100
Total noninterest income	12,456	14,172	9,012	9,795	21,290	26,628
Noninterest expense:						
Salaries and employee benefits	23,451	22,932	20,011	20,553	20,019	46,383
Occupancy and equipment	4,233	4,096	4,116	3,980	3,994	8,329
Professional and regulatory fees	3,086	3,441	3,578	3,159	2,796	6,527
Data processing and software expense	2,536	2,319	2,238	2,452	2,434	4,855
Marketing	1,841	909	945	1,062	561	2,750
Amortization of intangibles	2,517	2,537	2,558	2,840	2,696	5,054
Telephone and communications	337	337	340	345	308	674
COVID expenses	—	—	—	132	1,245	—
Debt extinguishment costs	—	—	9,746	—	1,561	—
Other	3,716	3,026	3,841	1,885	4,447	6,742
Total noninterest expense	41,717	39,597	47,373	36,408	40,061	81,314
Income before income tax expense	37,293	40,780	27,503	29,118	28,015	78,073
Income tax expense	7,837	8,993	4,702	6,198	3,987	16,830
Net income	\$ 29,456	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 61,243
Basic EPS	\$ 0.60	\$ 0.64	\$ 0.46	\$ 0.46	\$ 0.48	\$ 1.24
Diluted EPS	\$ 0.59	\$ 0.64	\$ 0.46	\$ 0.46	\$ 0.48	\$ 1.22
Weighted average basic shares outstanding	49,476	49,394	49,571	49,647	49,597	49,435
Weighted average diluted shares outstanding	50,331	49,998	49,837	49,775	49,727	50,187

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

	For the Three Months Ended								
	June 30, 2021			March 31, 2021			June 30, 2020		
	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	\$ 6,108,527	\$ 63,427	4.16 %	\$ 5,897,815	\$ 62,702	4.31 %	\$ 5,797,989	\$ 67,404	4.68 %
LHI, MW	455,334	3,476	3.06	510,678	3,815	3.03	304,873	2,279	3.01
PPP loans	364,020	911	1.00	356,356	882	1.00	303,223	757	1.00
Debt securities	1,095,678	7,529	2.76	1,063,538	7,437	2.84	1,117,964	7,825	2.82
Interest-bearing deposits in other banks	548,087	167	0.12	341,483	127	0.15	366,764	186	0.20
Equity securities and other investments	87,413	672	3.08	87,178	663	3.08	110,672	891	3.24
Total interest-earning assets	8,659,059	76,182	3.53	8,257,048	75,626	3.71	8,001,485	79,342	3.99
ACL	(105,050)			(105,972)			(110,483)		
Noninterest-earning assets	767,270			790,195			798,772		
Total assets	\$ 9,321,279			\$ 8,941,271			\$ 8,689,774		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand and savings deposits	\$ 3,191,405	\$ 1,661	0.21 %	\$ 3,038,586	\$ 1,980	0.26 %	\$ 2,684,897	\$ 2,471	0.37 %
Certificates and other time deposits	1,515,092	2,423	0.64	1,509,836	3,061	0.82	1,625,971	6,515	1.61
Advances from FHLB	777,655	1,829	0.94	777,694	1,812	0.94	1,206,930	2,801	0.93
Subordinated debentures and subordinated notes	264,931	3,138	4.75	265,356	3,138	4.80	142,549	1,798	5.07
Total interest-bearing liabilities	5,749,083	9,051	0.63	5,591,472	9,991	0.72	5,660,347	13,585	0.97
Noninterest-bearing liabilities:									
Noninterest-bearing deposits	2,266,470			2,069,233			1,826,327		
Other liabilities	51,355			56,272			47,302		
Total liabilities	8,066,908			7,716,977			7,533,976		
Stockholders' equity	1,254,371			1,224,294			1,155,798		
Total liabilities and stockholders' equity	\$ 9,321,279			\$ 8,941,271			\$ 8,689,774		
Net interest rate spread²			2.90 %			2.99 %			3.02 %
Net interest income		\$ 67,131			\$ 65,635		\$ 65,757		
Net interest margin³			3.11 %			3.22 %			3.31 %

¹ Includes average outstanding balances of loans held for sale of \$14,364, \$16,602 and \$22,958 for the three months ended June 30, 2021, March 31, 2021, and June 30, 2020, respectively, and average balances of LHI, excluding MW and PPP loans.

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

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

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

	Six Months Ended					
	June 30, 2021			June 30, 2020		
	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	\$ 6,003,754	\$ 126,128	4.24 %	\$ 5,790,227	\$ 143,931	5.00 %
LHI, MW	482,853	7,292	3.05	234,260	3,613	3.10
PPP loans	360,209	1,793	1.00	152,861	757	1.00
Debt securities	1,079,697	14,966	2.80	1,078,459	15,222	2.84
Interest-bearing deposits in other banks	445,356	294	0.13	337,655	1,057	0.63
Equity securities and other investments	87,296	1,335	3.08	101,294	1,741	3.46
Total interest-earning assets	8,459,165	151,808	3.62	7,694,756	166,321	4.35
ACL	(105,509)			(77,376)		
Noninterest-earning assets	778,691			763,567		
Total assets	<u>\$ 9,132,347</u>			<u>\$ 8,380,947</u>		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Interest-bearing demand and savings deposits	\$ 3,115,417	\$ 3,641	0.24 %	\$ 2,668,726	\$ 9,023	0.68 %
Certificates and other time deposits	1,512,479	5,484	0.73	1,639,807	14,755	1.81
Advances from FHLB	777,675	3,641	0.94	1,072,416	5,680	1.07
Subordinated debentures and subordinated notes	265,142	6,276	4.77	143,869	3,701	5.17
Total interest-bearing liabilities	5,670,713	19,042	0.68	5,524,818	33,159	1.21
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	2,168,396			1,675,015		
Other liabilities	53,823			38,488		
Total liabilities	7,892,932			7,238,321		
Stockholders' equity	1,239,415			1,142,626		
Total liabilities and stockholders' equity	<u>\$ 9,132,347</u>			<u>\$ 8,380,947</u>		
Net interest rate spread ²			2.94 %			3.14 %
Net interest income		<u>\$ 132,766</u>			<u>\$ 133,162</u>	
Net interest margin ³			3.16 %			3.48 %

¹ Includes average outstanding balances of loans held for sale of \$15,476 and \$16,977 for the six months ended June 30, 2021 and June 30, 2020, respectively, and average balances of loans held for investment, excluding MW and PPP loans.

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

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

VERITEX HOLDINGS, INC. AND SUBSIDIARIES
Financial Highlights

Yield Trend

	For the Three Months Ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Average yield on interest-earning assets:					
Loans ¹	4.16 %	4.31 %	4.48 %	4.49 %	4.68 %
LHI, MW	3.06	3.03	2.99	3.00	3.01
PPP loans	1.00	1.00	1.00	1.00	1.00
Debt securities	2.76	2.84	2.83	2.84	2.82
Interest-bearing deposits in other banks	0.12	0.15	0.15	0.15	0.20
Equity securities and other investments	3.08	3.08	3.13	3.17	3.24
Total interest-earning assets	3.53 %	3.71 %	3.85 %	3.90 %	3.99 %
Average rate on interest-bearing liabilities:					
Interest-bearing demand and savings deposits	0.21 %	0.26 %	0.29 %	0.31 %	0.37 %
Certificates and other time deposits	0.64	0.82	1.06	1.36	1.61
Advances from FHLB	0.94	0.94	1.00	1.01	0.93
Subordinated debentures and subordinated notes	4.75	4.80	4.73	4.87	5.07
Total interest-bearing liabilities	0.63 %	0.72 %	0.82 %	0.85 %	0.97 %
Net interest rate spread ²	2.90 %	2.99 %	3.03 %	3.05 %	3.02 %
Net interest margin ³	3.11 %	3.22 %	3.29 %	3.32 %	3.31 %

¹Includes average outstanding balances of loans held for sale of \$14,364, \$16,602, \$11,938, \$15,404 and \$22,958 for the three months ended June 30, 2021, March 31, 2021, December 31, 2020, September 30, 2020 and June 30, 2020, respectively, and average balances of LHI, excluding MW and PPP loans.

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

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

Supplemental Yield Trend

	For the Three Months Ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Average cost of interest-bearing deposits	0.35 %	0.45 %	0.55 %	0.67 %	0.84 %
Average costs of total deposits, including noninterest-bearing	0.23	0.31	0.38	0.46	0.59

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

Total LHI and Deposit Portfolio Composition

	June 30, 2021		March 31, 2021		December 31, 2020		September 30, 2020		June 30, 2020						
	(Dollars in thousands)														
LHI¹															
Commercial	\$	1,771,100	28.2 %	\$	1,632,040	27.4 %	\$	1,559,546	26.7 %	\$	1,623,249	28.0 %	\$	1,555,300	27.2 %
Real Estate:															
Owner occupied commercial ("OOCRE")		744,899	11.9		733,310	12.3		717,472	12.3		734,939	12.7		769,952	13.4
Non-owner occupied commercial ("NOOCRE")		1,986,538	31.6		1,970,945	33.0		1,904,132	32.5		1,817,013	31.4		1,847,480	32.3
Construction and land		871,765	13.9		723,444	12.1		693,030	11.8		623,496	10.8		599,510	10.5
Farmland		13,661	0.2		14,751	0.2		13,844	0.2		14,413	0.2		14,723	0.3
1-4 family residential		513,635	8.2		492,609	8.3		524,344	9.0		548,953	9.5		528,688	9.2
Multi-family residential		367,445	5.9		386,844	6.5		424,962	7.3		412,412	7.0		394,829	6.8
Consumer		10,530	0.1		12,431	0.2		13,000	0.1		14,127	0.2		14,932	0.3
Total LHI	\$	6,279,573	100 %	\$	5,966,374	100 %	\$	5,850,330	100 %	\$	5,788,602	100 %	\$	5,725,414	100 %
MW		559,939			599,001			577,594			544,845			441,992	
PPP loans		291,401			407,353			358,042			405,465			398,949	
Total LHI ¹	\$	7,130,913		\$	6,972,728		\$	6,785,966		\$	6,738,912		\$	6,566,355	
Deposits															
Noninterest-bearing	\$	2,388,068	34.3 %	\$	2,171,719	31.6 %	\$	2,097,099	32.2 %	\$	1,920,715	30.9 %	\$	1,907,697	31.1 %
Interest-bearing transaction		451,307	6.5		463,343	6.7		453,110	7.0		450,739	7.2		343,640	5.6
Money market		2,539,061	36.4		2,602,903	37.7		2,398,526	36.8		2,267,191	36.4		2,272,520	37.1
Savings		122,606	1.8		123,447	1.8		106,820	1.6		104,015	1.7		97,989	1.6
Certificates and other time deposits		1,477,860	22.2		1,543,158	22.3		1,457,291	22.3		1,479,896	23.7		1,503,701	24.5
Total deposits	\$	6,978,902	100 %	\$	6,904,570	100 %	\$	6,512,846	100 %	\$	6,222,556	100 %	\$	6,125,547	100 %
Loan to Deposit Ratio		102.2 %			101.0 %			104.2 %			108.3 %			107.2 %	
Loan to Deposit Ratio, excluding MW and PPP loans		90.0 %			86.4 %			89.8 %			93.0 %			93.5 %	

¹ Total LHI does not include deferred fees of \$7.5 million, \$2.9 million, and \$2.5 million at June 30, 2021, March 31, 2021 and December 31, 2020, respectively, or deferred costs of \$691 thousand and \$1.5 million at September 30, 2020 and June 30, 2020, respectively.

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

Asset Quality

	For the Three Months Ended					For the Six Months Ended	
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
	(Dollars in thousands)						
NPAs:							
Nonaccrual loans	\$ 76,994	\$ 73,594	\$ 81,096	\$ 88,877	\$ 43,594	\$ 76,994	\$ 43,594
Accruing loans 90 or more days past due ¹	462	9,093	4,204	1,689	2,021	462	2,021
Total nonperforming loans held for investment ("NPLs")	77,456	82,687	85,300	90,566	45,615	77,456	45,615
OREO	2,467	2,337	2,337	5,796	7,716	2,467	7,716
Total NPAs	<u>\$ 79,923</u>	<u>\$ 85,024</u>	<u>\$ 87,637</u>	<u>\$ 96,362</u>	<u>\$ 53,331</u>	<u>\$ 79,923</u>	<u>\$ 53,331</u>
Charge-offs:							
Residential	\$ (300)	\$ (15)	\$ (18)	\$ —	\$ —	\$ (303)	\$ —
OOCRE	(689)	—	—	(2,421)	—	(689)	—
NOOCRE	—	—	(2,865)	—	—	—	—
Commercial	(5,608)	(346)	(13,699)	(68)	(1,740)	(5,966)	(1,740)
Consumer	(20)	(18)	(26)	(11)	(57)	(38)	(125)
Total charge-offs	<u>(6,617)</u>	<u>(379)</u>	<u>(16,608)</u>	<u>(2,500)</u>	<u>(1,797)</u>	<u>(6,996)</u>	<u>(1,865)</u>
Recoveries:							
Residential	29	3	49	7	—	26	1
OOCRE	500	—	—	—	—	500	—
Commercial	659	226	52	14	7	885	36
Consumer	36	2	—	13	—	44	274
Total recoveries	<u>1,224</u>	<u>231</u>	<u>101</u>	<u>34</u>	<u>7</u>	<u>1,455</u>	<u>311</u>
Net charge-offs	<u>\$ (5,393)</u>	<u>\$ (148)</u>	<u>\$ (16,507)</u>	<u>\$ (2,466)</u>	<u>\$ (1,790)</u>	<u>\$ (5,541)</u>	<u>\$ (1,554)</u>
CECL transition adjustment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 39,137
ACL at end of period	<u>\$ 99,543</u>	<u>\$ 104,936</u>	<u>\$ 105,084</u>	<u>\$ 121,591</u>	<u>\$ 115,365</u>	<u>\$ 99,543</u>	<u>\$ 115,365</u>
Asset Quality Ratios:							
NPAs to total assets	0.85 %	0.92 %	0.99 %	1.11 %	0.62 %	0.85 %	0.62 %
NPLs to total LHI, excluding MW and PPP loans	1.23	1.39	1.46	1.56	0.80	1.23	0.80
ACL to total LHI, excluding MW and PPP loans	1.59	1.76	1.80	2.10	2.01	1.59	2.01
Net charge-offs to average loans outstanding	0.09	—	0.28	0.04	0.03	0.09	0.03

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 SUBSIDIARIES
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				
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,272,907	\$ 1,233,808	\$ 1,203,376	\$ 1,185,337	\$ 1,163,749
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(52,873)	(55,311)	(57,758)	(60,209)	(62,661)
Tangible common equity	<u>\$ 849,194</u>	<u>\$ 807,657</u>	<u>\$ 774,778</u>	<u>\$ 754,288</u>	<u>\$ 730,248</u>
Common shares outstanding	49,498	49,433	49,340	49,650	49,633
Book value per common share	\$ 25.72	\$ 24.96	\$ 24.39	\$ 23.87	\$ 23.45
Tangible book value per common share	\$ 17.16	\$ 16.34	\$ 15.70	\$ 15.19	\$ 14.71

VERITEX HOLDINGS, INC. AND SUBSIDIARIES
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				
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
	(Dollars in thousands)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,272,907	\$ 1,233,808	\$ 1,203,376	\$ 1,185,337	\$ 1,163,749
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(52,873)	(55,311)	(57,758)	(60,209)	(62,661)
Tangible common equity	\$ 849,194	\$ 807,657	\$ 774,778	\$ 754,288	\$ 730,248
Tangible Assets					
Total assets	\$ 9,349,525	\$ 9,237,510	\$ 8,820,871	\$ 8,702,375	\$ 8,587,858
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(52,873)	(55,311)	(57,758)	(60,209)	(62,661)
Tangible Assets	\$ 8,925,812	\$ 8,811,359	\$ 8,392,273	\$ 8,271,326	\$ 8,154,357
Tangible Common Equity to Tangible Assets	9.51 %	9.17 %	9.23 %	9.12 %	8.96 %

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

Return on Average Tangible Common Equity. Return on average tangible common equity is a non-GAAP measure generally used by financial analysts and investment bankers to evaluate financial institutions. We calculate: (a) net income available for common stockholders adjusted for amortization of core deposit intangibles (which we refer to as "return") as net income, plus amortization of core deposit intangibles, less tax benefit at the statutory rate; (b) average tangible common equity as total average stockholders' equity less average goodwill and average core deposit intangibles, net of accumulated amortization; and (c) return on average tangible common equity as 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 goodwill and 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	
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
	(Dollars in thousands)						
Net income available for common stockholders adjusted for amortization of core deposit intangibles							
Net income	\$ 29,456	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 61,243	\$ 28,162
Adjustments:							
Plus: Amortization of core deposit intangibles	2,438	2,447	2,451	2,451	2,451	4,885	4,902
Less: Tax benefit at the statutory rate	512	514	515	515	515	1,026	1,030
Net income available for common stockholders adjusted for amortization of core deposit intangibles	\$ 31,382	\$ 33,720	\$ 24,737	\$ 24,856	\$ 25,964	\$ 65,102	\$ 32,034
Average Tangible Common Equity							
Total average stockholders' equity	\$ 1,254,371	\$ 1,224,294	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,239,415	\$ 1,142,626
Adjustments:							
Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Average core deposit intangibles	(54,471)	(56,913)	(59,010)	(61,666)	(64,151)	(55,685)	(65,296)
Average tangible common equity	\$ 829,060	\$ 796,541	\$ 766,424	\$ 745,376	\$ 720,807	\$ 812,890	\$ 706,490
Return on Average Tangible Common Equity (Annualized)	15.18 %	17.17 %	12.84 %	13.27 %	14.49 %	16.15 %	9.12 %

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

Operating Earnings, Pre-tax, Pre-provision Operating Earnings and performance metrics calculated using Operating Earnings and Pre-tax, Pre-provision Operating Earnings, including Diluted Operating Earnings per Share, Operating Return on Average Assets, Pre-tax, Pre-Provision Operating Return on Average Assets, Operating Return on Average Tangible Common Equity and Operating Efficiency Ratio. Operating earnings, pre-tax, pre-provision operating earnings and the performance metrics calculated using these metrics, listed below, are non-GAAP measures used by management to evaluate the Company's financial performance. We calculate (a) operating earnings as net income plus severance payments, plus loss (gain) on sale of securities, net, plus debt extinguishment costs, less tax impact of adjustments, plus nonrecurring tax adjustments. We calculate (b) diluted operating earnings per share as operating earnings as described in clause (a) divided by weighted average diluted shares outstanding. We calculate (c) pre-tax, pre-provision operating earnings as described in clause (a) plus provision for income taxes, plus provision for loan losses. We calculate (d) pre-tax, pre-provision operating return on average assets as pre-tax, pre-provision operating earnings as described in clause (a) divided by average total assets. We calculate (e) operating return on average assets as operating earnings as described in clause (a) divided by average total assets. We calculate (f) operating return on average tangible common equity as operating earnings as described in clause (a), adjusted for the amortization of intangibles and tax benefit at the statutory rate, divided by total average tangible common equity (average stockholders' equity less average goodwill and average core deposit intangibles, net of accumulated amortization). We calculate (g) operating efficiency ratio as noninterest expense plus adjustments to operating noninterest expense divided by (i) noninterest income plus adjustments to operating noninterest 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	
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020	
	(Dollars in thousands)							
Operating Earnings								
Net income	\$ 29,456	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 61,243	\$ 28,162	
Plus: Severance payments ¹	627	—	—	—	—	627	—	
Plus: Loss (gain) on sale of securities available for sale, net	—	—	256	8	(2,879)	—	(2,879)	
Plus: Debt extinguishment costs ²	—	—	9,746	—	1,561	—	1,561	
Operating pre-tax income	30,083	31,787	32,803	22,928	22,710	61,870	26,844	
Less: Tax impact of adjustments	131	—	2,100	—	(277)	131	(277)	
Plus: Nonrecurring tax adjustments ³	—	426	(973)	—	(1,799)	426	(1,799)	
Operating earnings	\$ 29,952	\$ 32,213	\$ 29,730	\$ 22,928	\$ 21,188	\$ 62,165	\$ 25,322	
Weighted average diluted shares outstanding	50,331	49,998	49,837	49,775	49,727	50,187	50,383	
Diluted EPS	\$ 0.59	\$ 0.64	\$ 0.46	\$ 0.46	\$ 0.48	\$ 1.22	\$ 0.56	
Diluted operating EPS	0.60	0.64	0.60	0.46	0.43	1.24	0.50	

¹ Severance payments relate to branch restructurings made during the three months ended June 30, 2021.

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

³ A nonrecurring tax adjustment of \$426 thousand recorded in the first quarter of 2021 was due to a true-up of a deferred tax liability. A nonrecurring tax adjustment of \$973 thousand recorded in the fourth quarter of 2020 was primarily due the reversal of acquired deferred tax liabilities resulting in a tax benefit of \$1.2 million offset by tax expense of \$281 thousand for the setup of an uncertain tax position liability relating to state tax exposure for tax years prior to the year ending December 31, 2020. A nonrecurring tax adjustment of \$1,799 was recorded in the second quarter of 2020 as a result of the Company amending a prior year Green Bancorp, Inc. tax return to carry back a net operating loss ("NOL") incurred by Green Bancorp, Inc. 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	
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020	
(Dollars in thousands)								
Pre-Tax, Pre-Provision Operating Earnings								
Net income	\$ 29,456	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 61,243	\$ 28,162	
Plus: Provision (benefit) for income taxes	7,837	8,993	4,702	6,198	3,987	16,830	3,303	
Plus: Provision (benefit) for credit losses and unfunded commitments	577	(570)	902	10,139	18,971	7	54,628	
Plus: Severance payments	627	—	—	—	—	627	—	
Plus: Loss (gain) on sale of securities, net	—	—	256	8	(2,879)	—	(2,879)	
Plus: Debt extinguishment costs	—	—	9,746	—	1,561	—	1,561	
Pre-tax, pre-provision operating earnings	\$ 38,497	\$ 40,210	\$ 38,407	\$ 39,265	\$ 45,668	\$ 78,707	\$ 84,775	
Average total assets	\$ 9,321,279	\$ 8,941,271	\$ 8,750,141	\$ 8,585,926	\$ 8,689,774	\$ 9,132,347	\$ 8,380,947	
Pre-tax, pre-provision operating return on average assets¹	1.66 %	1.82 %	1.75 %	1.82 %	2.11 %	1.74 %	2.03 %	
Average total assets	\$ 9,321,279	\$ 8,941,271	\$ 8,750,141	\$ 8,585,926	\$ 8,689,774	\$ 9,132,347	\$ 8,380,947	
Return on average assets ¹	1.27 %	1.44 %	1.04 %	1.06 %	1.11 %	1.35 %	0.68 %	
Operating return on average assets ¹	1.29	1.46	1.35	1.06	0.98	1.37	0.61	
Operating earnings adjusted for amortization of core deposit intangibles								
Operating earnings	\$ 29,952	\$ 32,213	\$ 29,730	\$ 22,928	\$ 21,188	\$ 62,165	\$ 25,322	
Adjustments:								
Plus: Amortization of core deposit intangibles	2,438	2,447	2,451	2,451	2,451	4,885	4,902	
Less: Tax benefit at the statutory rate	512	514	515	515	515	1,026	1,030	
Operating earnings adjusted for amortization of core deposit intangibles	\$ 31,878	\$ 34,146	\$ 31,666	\$ 24,864	\$ 23,124	\$ 66,024	\$ 29,194	
Average Tangible Common Equity								
Total average stockholders' equity	\$ 1,254,371	\$ 1,224,294	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,239,415	\$ 1,142,626	
Adjustments:								
Less: Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)	
Less: Average core deposit intangibles	(54,471)	(56,913)	(59,010)	(61,666)	(64,151)	(55,685)	(65,296)	
Average tangible common equity	\$ 829,060	\$ 796,541	\$ 766,424	\$ 745,376	\$ 720,807	\$ 812,890	\$ 706,490	
Operating return on average tangible common equity¹	15.42 %	17.39 %	16.44 %	13.27 %	12.90 %	16.38 %	8.31 %	
Efficiency ratio	52.42 %	49.62 %	62.52 %	48.12 %	46.02 %	51.01 %	46.76 %	
Operating efficiency ratio								
Net interest income	\$ 67,131	\$ 65,635	\$ 66,766	\$ 65,870	\$ 65,757	\$ 132,766	\$ 133,162	
Noninterest income	12,456	14,172	9,012	9,795	21,290	26,628	28,537	
Plus: Loss (gain) on sale of securities available for sale, net	—	—	256	8	(2,879)	—	(2,879)	
Operating noninterest income	12,456	14,172	9,268	9,803	18,411	26,628	25,658	
Noninterest expense	41,717	39,597	47,373	36,408	40,061	81,314	75,606	
Less: Severance payments	627	—	—	—	—	627	—	
Less: Debt extinguishment costs	—	—	9,746	—	1,561	—	1,561	
Operating noninterest expense	\$ 41,090	\$ 39,597	\$ 37,627	\$ 36,408	\$ 38,500	\$ 80,687	\$ 74,045	
Operating efficiency ratio	51.63 %	49.62 %	49.49 %	48.11 %	45.74 %	50.62 %	46.62 %	

¹ Annualized ratio.



VBTX

Veritex Holdings, Inc.

**2nd Quarter Earnings
Conference Call
July 28, 2021**



Safe Harbor Statement



Forward-looking statements

This presentation contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on various facts and derived utilizing assumptions, current expectations, estimates and projections and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include, without limitation, statements relating to Veritex Holdings, Inc.'s ("Veritex") recent investment in Thrive Mortgage, the expected payment date of Veritex's quarterly cash dividend, impact of certain changes in Veritex's accounting policies, standards and interpretations, the effects of the COVID-19 pandemic and actions taken in response thereto, Veritex's future financial performance, business and growth strategy, projected plans and objectives, as well as other projections based on macroeconomic and industry trends, which are inherently unreliable due to the multiple factors that impact broader economic and industry trends, and any such variations may be material. Statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans" and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts, although not all forward-looking statements include the foregoing words. We refer you to the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Veritex's Annual Report on Form 10-K for the year ended December 31, 2020 and any updates to those risk factors set forth in Veritex's Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission ("SEC"), which are available on the SEC's website at www.sec.gov. If one or more events related to these or other risks or uncertainties materialize, or if Veritex's underlying assumptions prove to be incorrect, actual results may differ materially from what Veritex anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Veritex does not undertake any obligation, and specifically declines any obligation, to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law. All forward-looking statements, expressed or implied, included in this presentation are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Veritex or persons acting on Veritex's behalf may issue.

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



Non-GAAP Financial Measures

Veritex reports its results in accordance with United States generally accepted accounting principles ("GAAP"). However, management believes that certain supplemental non-GAAP financial measures used in managing its business provide meaningful information to investors about underlying trends in its business. Management uses these non-GAAP measures to assess the Company's operating performance and believes that these non-GAAP measures provide information that is important to investors and that is useful in understanding Veritex's results of operations. However, non-GAAP financial measures are supplemental and should be viewed in addition to, and not as an alternative for, Veritex's reported results prepared in accordance with GAAP. The following are the non-GAAP measures used in this presentation:

- Tangible book value per common share ("TBVPS");
- Tangible common equity to tangible assets;
- Return on average tangible common equity ("ROATCE");
- Operating earnings;
- Pre-tax, pre-provision ("PTPP") operating earnings;
- Diluted operating earnings per share ("EPS");
- Operating return on average assets ("ROAA");
- PTPP operating ROAA;
- Operating ROATCE;
- Operating efficiency ratio;
- Operating noninterest income;
- Operating noninterest expense; and
- Adjusted net interest margin ("NIM").

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

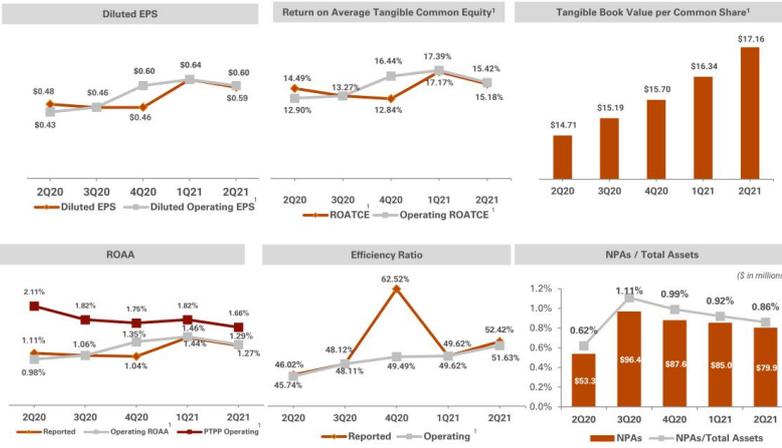
Second Quarter Overview



Strong Earnings	<ul style="list-style-type: none">• Net income of \$29.5 million, or \$0.59 diluted EPS, for 2Q21 compared to \$31.8 million, or \$0.64 diluted EPS, for 1Q21• Operating earnings¹ of \$30.0 million, or \$0.60 diluted operating EPS¹ for 2Q21 compared to \$32.2 million, or \$0.64 diluted operating EPS, for 1Q21• Return on average equity of \$9.42% in 2Q21 and 9.96% YTD• Operating ROATCE¹ of 15.42% in 2Q21 and 16.38% YTD
Solid Loan and Deposit Growth	<ul style="list-style-type: none">• Total loans held for investment ("LHI"), excluding mortgage warehouse ("MW") and Paycheck Protection Program ("PPP") loans, increased \$308.6 million, or 20.7% linked quarter annualized ("LQA")• Total LHI, excluding MW and PPP, grew \$424.2 million from December 31, 2020, or 14.5% annualized, and \$545.2 million, or 9.5%, year over year ("YOY")• Total deposits grew \$74.3 million, or 4.3% LQA, and \$853.4 million, or 14.0%, YOY• Total noninterest-bearing deposits grew \$216.3 million over 1Q21, representing 34.2% of total deposits as of June 30, 2021• Average cost of total deposits decreased to 0.23% for 2Q21 from 0.31% for 1Q21
Capital Build	<ul style="list-style-type: none">• Book value per common share increased to \$25.72 from \$24.96 at March 31, 2021• Tangible book value per common share¹ increased to \$17.16 from \$16.34 at March 31, 2021• Declared quarterly dividend of \$0.20 in 2Q21, a 17.6% increase over 1Q21

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.

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.

2nd Quarter Loan Production



\$1.36 Billion in Q2 Production by Portfolio
(\$ in millions, excludes PPP)

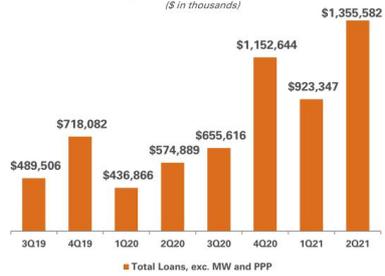


Construction Loans > \$10 Million
(76% of Total Q2 Construction Production)

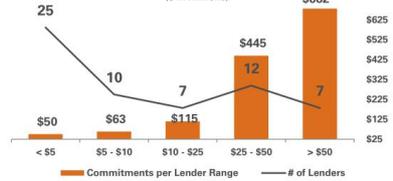
- Weighted average LTV - 54%
- Weighted average LTC - 64%
- Weighted average DSCR - 1.6x
- 50% in Industrial Production / 40% in Multifamily Production
- 73% of production to existing customers
- Return on talent investment within new builder portfolio

Data as of June 30, 2021

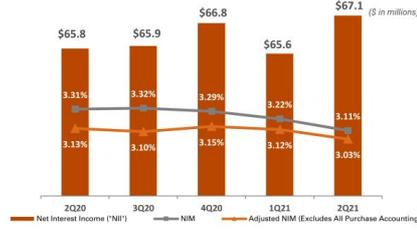
Quarterly Commitment Production
(\$ in thousands)



2Q21 Lenders Production by Total Commitment Range
(\$ in millions)



Net Interest Income



Net Interest Income Rollforward

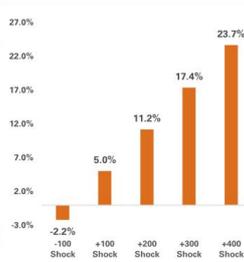
(\$ in thousands)

1Q21 Net Interest Income	\$65,635
Loan Volume	2,871
Deposit Rates	1,159
2021 Interest Rate Hedges	1,030
Day Count	729
Loan Rates	< 2,104 >
PCD Loan Interest Reversals	< 1,332 >
Purchase Accounting Accretion	< 413 >
2019 Interest Rate Hedges Expired	< 325 >
Other	< 119 >
2Q21 Net Interest Income	\$67,131

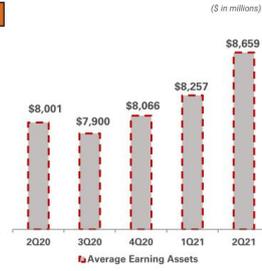
Asset Sensitivity as of June 30, 2021

Floating Rate Loan Repricing			
Floor Reprice Grouping (\$ in thousands)	Total Balance	% of Total Balance	Cumulative % of Total Balance
No Floor	\$ 2,565.5	53%	53%
Floor reached	654.2	14%	67%
0-25 bps to Reprice	169.3	3%	70%
26-50 bps to Reprice	185.5	4%	74%
51-75 bps to Reprice	364.8	8%	82%
76-100 bps to Reprice	556.6	12%	94%
101-125 bps to Reprice	123.3	3%	97%
126-150 bps to Reprice	74.4	1%	98%
151+ bps to Reprice	107.3	2%	100%
Totals	\$ 4,800.9	100%	

Static Shock Impact on NII

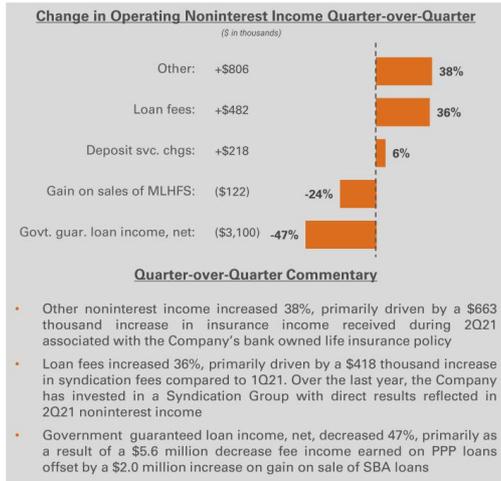


Average Earning Assets

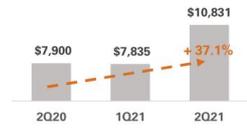




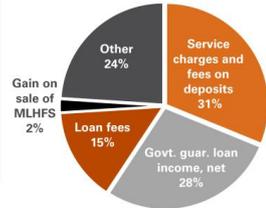
Operating Noninterest Income



Total Operating Noninterest Income, exc. PPP income¹
(\$ in thousands)

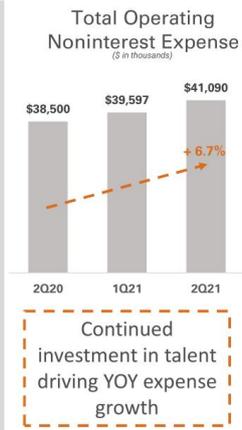
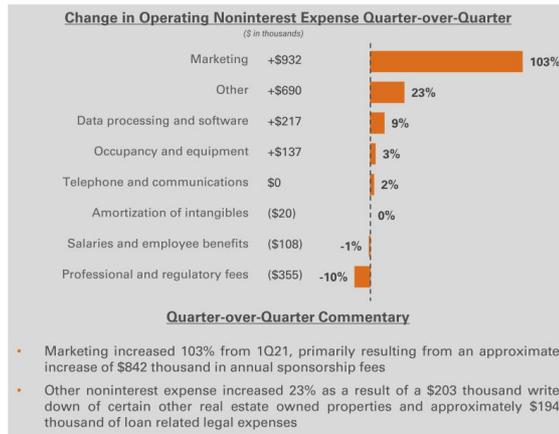


2Q21 Operating Noninterest Income Breakdown

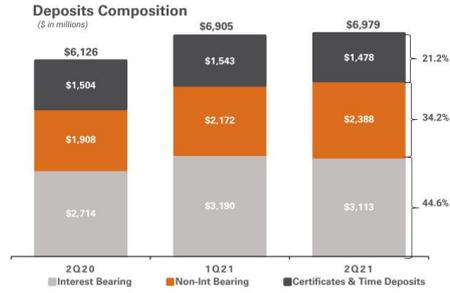


¹ Excludes PPP income of \$1.6 million, \$6.3 million and \$10.5 million as of June 30, 2021, March 31, 2021 and June 30, 2020, respectively. PPP income includes upfront fees and changes in fair value recognized as the Company elected to report PPP loans at fair value using the fair value option.

Operating Noninterest Expense



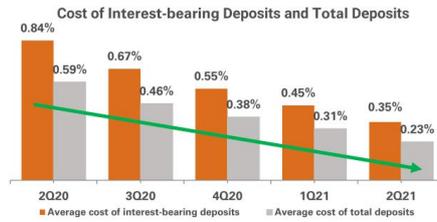
Deposit Growth



- Total deposit balances increased \$74.3 million, or 4.3% LQA, and increased \$1.1 billion, or 14% YOY

	LQA	YOY
Demand & Savings	-9.6%	+14.7%
Non-Int Bearing	+39.8%	+25.2%
Certificates and Time Deposits	-16.9%	-1.7%

- Total deposit cost down 8 bps compared to 1Q21 due to pricing diligence and product mix
- Excluding MW and PPP loans, the loan to deposit ratio was 89.9% at June 30, 2021
- 2Q21 weighted average of interest-bearing deposit rate of 24 bps on production



Certificates & Time Maturity Table

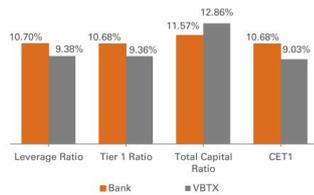
	Balance (\$000)	WA Rate
Q3 2021	373,686	0.62%
Q4 2021	260,082	0.67%
Q1 2022	265,169	0.59%
Q2 2022	163,701	0.38%
Q3 2022	123,332	0.34%
Q4 2022	86,211	0.39%
Q1 2023	100,902	0.40%
Q2 2023	65,896	0.44%
Q3 2023+	38,881	1.65%
Total	1,477,860	0.56%



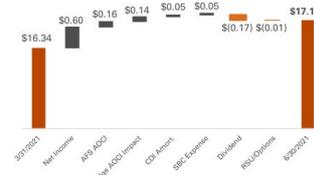
Capital Build

VBTX Amounts (\$ in thousands)	June 30, 2021	March 31, 2021	\$ Change
Basel III Standardized¹			
CET1 capital	\$ 804,619	\$ 779,057	\$ 25,562
CET1 capital ratio	9.03%	9.27%	
Leverage capital	\$ 833,956	\$ 808,338	\$ 25,618
Leverage capital ratio	9.38%	9.50%	
Tier 1 capital	\$ 833,956	\$ 808,338	\$ 25,618
Tier 1 capital ratio	9.36%	9.61%	
Total capital	\$ 1,146,015	\$ 1,124,859	\$ 21,156
Total capital ratio	12.86%	13.38%	
Risk weighted assets	\$ 8,913,134	\$ 8,401,800	\$ 511,334
Total assets²	\$ 9,349,525	\$ 9,237,510	\$ 112,015
Tangible common equity / Tangible assets³	9.51%	9.17%	

Ratios as of June 30, 2021



TBVPs Rollforward



¹ Estimated capital measures inclusive of CECL capital transition provisions as of June 30, 2021 and March 31, 2021.

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.

Thrive Mortgage Investment

49% Investment Completed July 16, 2021



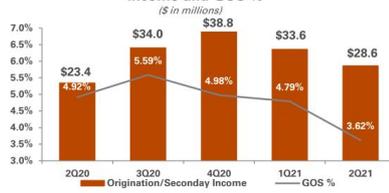
2021 Financial Information

(\$ in thousands)	unaudited	
	2Q21	1Q21
Loans HFS	154,622	167,354
Total Assets	223,635	227,985
Members Equity	47,112	42,670
Pre-Tax Income	5,233	6,349

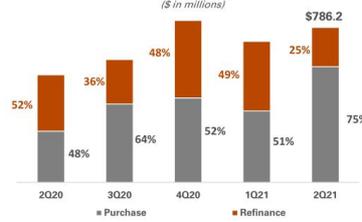
Quarterly and YTD Volume



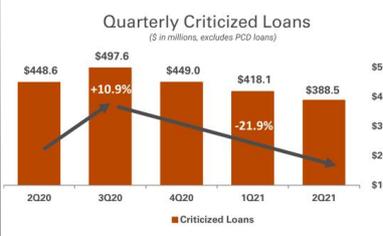
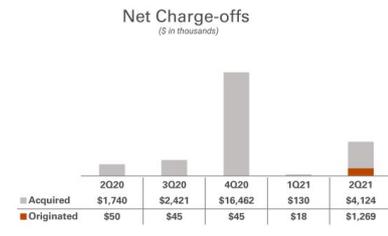
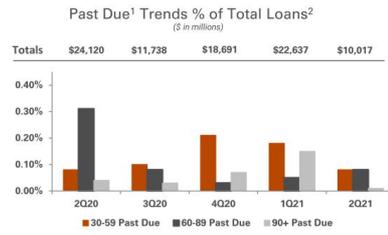
Income and GOS %



Purchased v. Refinance



Asset Quality and ACL



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



VBTX
Veritex Holdings, Inc.

**Supplemental
Information**

Reconciliation of Non-GAAP Financial Measures



	As of				
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,272,907	\$ 1,233,808	\$ 1,203,376	\$ 1,185,337	\$ 1,163,749
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(52,873)	(55,311)	(57,758)	(60,209)	(62,661)
Tangible common equity	<u>\$ 849,194</u>	<u>\$ 807,657</u>	<u>\$ 774,778</u>	<u>\$ 754,288</u>	<u>\$ 730,248</u>
Common shares outstanding	49,498	49,433	49,340	49,650	49,633
Book value per common share	\$ 25.72	\$ 24.96	\$ 24.39	\$ 23.87	\$ 23.45
Tangible book value per common share	\$ 17.16	\$ 16.34	\$ 15.70	\$ 15.19	\$ 14.71

	As of				
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020
	(Dollars in thousands)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,272,907	\$ 1,233,808	\$ 1,203,376	\$ 1,185,337	\$ 1,163,749
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(52,873)	(55,311)	(57,758)	(60,209)	(62,661)
Tangible common equity	<u>\$ 849,194</u>	<u>\$ 807,657</u>	<u>\$ 774,778</u>	<u>\$ 754,288</u>	<u>\$ 730,248</u>
Tangible Assets					
Total assets	\$ 9,349,525	\$ 9,237,510	\$ 8,820,871	\$ 8,702,375	\$ 8,587,858
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(52,873)	(55,311)	(57,758)	(60,209)	(62,661)
Tangible Assets	<u>\$ 8,925,812</u>	<u>\$ 8,811,359</u>	<u>\$ 8,392,273</u>	<u>\$ 8,271,326</u>	<u>\$ 8,154,357</u>
Tangible Common Equity to Tangible Assets	9.51%	9.17%	9.23%	9.12%	8.96%

Reconciliation of Non-GAAP Financial Measures



	For the Quarter Ended				For the Year Ended		
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020	6/30/2021	6/30/2020
(Dollars in thousands)							
Net income available for common stockholders adjusted for amortization of core deposit intangibles							
Net income	\$ 29,456	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 61,243	\$ 28,162
Adjustments:							
Plus: Amortization of core deposit intangibles	2,438	2,447	2,451	2,451	2,451	4,885	4,902
Less: Tax benefit at the statutory rate	512	514	515	515	515	1,026	1,030
Net income available for common stockholders adjusted for amortization of core deposit intangibles	\$ 31,382	\$ 33,720	\$ 24,737	\$ 24,856	\$ 25,964	\$ 65,102	\$ 32,034
Average Tangible Common Equity							
Total average stockholders' equity	\$ 1,254,371	\$ 1,224,294	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,239,415	\$ 1,142,626
Adjustments:							
Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Average core deposit intangibles	(54,471)	(56,913)	(59,010)	(61,666)	(64,151)	(55,685)	(65,296)
Average tangible common equity	829,060	796,541	766,424	745,376	720,807	812,890	706,490
Return on Average Tangible Common Equity (Annualized)	15.18%	17.17%	12.84%	13.27%	14.49%	16.15%	9.12%

Reconciliation of Non-GAAP Financial Measures



	For the Quarter Ended				For the Year Ended	
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2021	6/30/2020
	(Dollars in thousands)					
Operating Earnings						
Net income	\$ 29,456	\$ 31,787	\$ 22,801	\$ 22,920	\$ 61,243	\$ 28,162
Plus: Severance payments ¹	627	-	-	-	627	-
Plus: Loss (gain) on sale of securities available for sale, net	-	-	256	8	(2,879)	(2,879)
Plus: Debt extinguishment costs ²	-	-	9,746	-	1,561	1,561
Operating pre-tax income	30,083	31,787	32,803	22,928	22,710	26,844
Less: Tax impact of adjustments	131	-	2,100	-	(277)	(277)
Plus: Discrete tax adjustments ³	-	426	(973)	-	(1,799)	(1,799)
Operating earnings	\$ 29,952	\$ 32,213	\$ 29,730	\$ 22,928	\$ 21,188	\$ 25,322
Weighted average diluted shares outstanding	50,331	49,998	49,837	49,775	49,727	50,383
Diluted EPS	\$ 0.59	\$ 0.64	\$ 0.46	\$ 0.46	\$ 0.48	\$ 0.56
Diluted operating EPS	\$ 0.60	\$ 0.64	\$ 0.60	\$ 0.46	\$ 0.43	\$ 0.50

¹ Severance payments relate to branch restructurings made during the three months ended June 30, 2021.

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

³ A nonrecurring tax adjustment of \$426 thousand recorded in the first quarter of 2021 was due to a true-up of a deferred tax liability. A nonrecurring tax adjustment of \$973 thousand recorded in the fourth quarter of 2020 was primarily due to the reversal of acquired deferred tax liabilities resulting in a tax benefit of \$1.2 million offset by tax expense of \$281 thousand for the setup of an uncertain tax position liability relating to state tax exposure for tax years prior to the year ending December 31, 2020. A nonrecurring tax adjustment of \$1,799 was recorded in the second quarter of 2020 as a result of the Company amending a prior year Green Bancorp, Inc. tax return to carry back a net operating loss ("NOL") incurred by Green Bancorp, Inc. 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 Quarter Ended				For the Year Ended	
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2021	6/30/2020
	(Dollars in thousands)					
Pre-Tax, Pre-Provision Operating Earnings						
Net Income	\$ 29,456	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 28,162
Plus: Provision for income taxes	7,837	8,993	4,702	6,198	3,987	3,303
Plus: Provision for credit losses and unfunded commitments	577	(570)	902	10,139	18,971	7
Plus: Severance payments	627	-	-	-	-	627
Plus: Loss (gain) on sale of securities, net	-	-	256	8	(2,879)	(2,879)
Plus: Debt extinguishment costs	-	-	9,746	-	1,561	1,561
Net pre-tax, pre-provision operating earnings	\$ 38,497	\$ 40,210	\$ 38,407	\$ 39,265	\$ 45,668	\$ 78,707
Total average assets	\$ 9,321,279	\$ 8,941,271	\$ 8,750,141	\$ 8,585,926	\$ 8,689,774	\$ 9,132,347
Pre-tax, pre-provision operating return on average assets¹	1.66%	1.82%	1.75%	1.82%	2.11%	1.74%
Average Total Assets	\$ 9,321,279	\$ 8,941,271	\$ 8,750,141	\$ 8,585,926	\$ 8,689,744	\$ 9,132,347
Return on average assets ¹	1.27%	1.44%	1.04%	1.06%	1.11%	1.35%
Operating return on average assets ²	1.29%	1.46%	1.35%	1.06%	0.98%	1.37%
Operating earnings adjusted for amortization of core deposit intangibles						
Operating earnings	\$ 29,952	\$ 32,213	\$ 29,730	\$ 22,928	\$ 21,188	\$ 25,322
Adjustments:						
Plus: Amortization of core deposit intangibles	2,438	2,447	2,451	2,451	2,451	4,985
Less: Tax benefit at the statutory rate	512	514	515	515	515	1,026
Operating earnings adjusted for amortization of core deposit intangibles	31,878	34,146	31,666	24,864	23,124	29,194
	(Dollars in thousands)					
Average Tangible Common Equity						
Total average stockholders' equity	\$ 1,254,371	\$ 1,224,294	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,239,415
Adjustments:						
Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Average core deposit intangibles	(54,471)	(56,913)	(59,010)	(61,666)	(64,151)	(55,685)
Average tangible common equity	\$ 829,060	\$ 796,541	\$ 766,424	\$ 745,376	\$ 720,807	\$ 812,890
Operating return on average tangible common equity²	15.42%	17.39%	16.44%	13.27%	12.90%	16.38%

¹ Annualized ratio.

Reconciliation of Non-GAAP Financial Measures



	For the Quarter Ended				For the Year Ended		
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2021	6/30/2020	
Efficiency ratio	52.42%	49.62%	62.52%	48.12%	46.02%	51.01%	46.76%
Net interest income	\$ 67,131	\$ 65,635	\$ 66,766	\$ 65,870	\$ 65,757	\$ 132,766	\$ 133,162
Noninterest income	12,456	14,172	9,012	9,795	21,290	26,628	28,537
Plus: Loss (gain) on sale of securities available for sale, net	-	-	256	8	(2,879)	-	(2,879)
Operating noninterest income	12,456	14,172	9,268	9,803	18,411	26,628	25,658
Noninterest expense	41,717	39,597	47,373	36,408	40,061	81,314	75,606
Less: Severance payments	627	-	-	-	-	627	-
Less: Debt extinguishment costs	-	-	9,746	-	1,561	-	1,561
Operating noninterest expense	\$ 41,090	\$ 39,597	\$ 37,627	\$ 36,408	\$ 38,500	\$ 80,687	\$ 74,045
Operating efficiency ratio	51.63%	49.62%	49.49%	48.11%	45.74%	50.62%	46.62%

¹ Annualized ratio.

	For the Quarter Ended			
	6/30/2021	3/31/2021	12/31/2020	9/30/2020
	(Dollars in thousands, except per share data)			
Adjusted net interest margin				
Net interest income	\$ 67,131	\$ 65,635	\$ 66,766	\$ 65,870
Less: Loan accretion	\$ 1,536	\$ 1,911	\$ 2,652	3,953
Less: Deposit premium amortization	\$ 34	\$ 76	\$ 89	110
Adjusted net interest income	<u>\$ 65,561</u>	<u>\$ 63,648</u>	<u>\$ 64,025</u>	<u>\$ 61,807</u>
Total interest-earning assets	\$8,659,059	\$8,257,048	\$8,065,652	\$7,899,837
Adjusted net interest margin	3.03%	3.12%	3.15%	3.10%



VBTX

Veritex Holdings, Inc.

**2nd Quarter Earnings
Conference Call
July 28, 2021**





PRESS RELEASE
FOR IMMEDIATE RELEASE

Veritex Holdings, Inc. Declares Cash Dividend on Common Stock

Dallas, TX – July 27, 2021 – Veritex Holdings, Inc. (Nasdaq: VBTX) (“Veritex” or the “Company”), the parent holding company for Veritex Community Bank, today announced the declaration of a quarterly cash dividend of \$0.20 per share on its outstanding common stock. The dividend will be paid on or after August 19, 2021 to shareholders of record as of the close of business on August 5, 2021.

About Veritex Holdings, Inc.

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

Forward Looking Statement

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

Source: Veritex Holdings, Inc.

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