



VBTX

Veritex Holdings, Inc.

**1st Quarter Earnings
Conference Call
April 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. (“Veritex”) 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.

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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;
- Return on average tangible common equity (“ROTCE”);
- Operating net income;
- Pre-tax, pre-provision (“PTPP”) operating earnings;
- Diluted operating earnings per share (“EPS”);
- Operating return on average assets (“ROAA”);
- PTPP operating ROAA;
- Operating ROTCE;
- 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.



First Quarter Overview

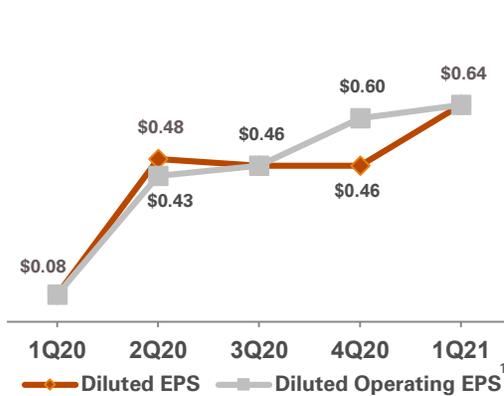
Strong Earnings	<ul style="list-style-type: none">• Net income of \$31.8 million, or \$0.64 diluted earnings per share (“EPS”), for 1Q21 compared to \$22.8 million, or \$0.46 diluted EPS, for 4Q20• Operating net income¹ of \$32.2 million, or \$0.64 diluted operating EPS¹, for 1Q21 compared to \$29.7 million, or \$0.60 diluted operating EPS, for 4Q20• Operating ROATCE¹ increased to 17.39% in 1Q21 compared to 16.44% in 4Q20
Loan and Deposit Growth	<ul style="list-style-type: none">• Total loans, excluding Paycheck Protection Program (“PPP”) loans, increased \$137.0 million, or 8.6% linked quarter annualized (“LQA”). Excluding PPP and mortgage warehouse (“MW”), total loans grew 7.9% LQA• Total deposits grew \$391.7 million, or 24.0% LQA• Average cost of total deposits decreased to 0.31% for 1Q21 from 0.38% for 4Q20
Capital	<ul style="list-style-type: none">• Tangible book value per common share increased to \$16.34 from \$15.70 at December 31, 2020• Declared quarterly dividend of \$0.17 in 1Q21• Repurchased 147,622 shares during 1Q21 at an average price of \$25.92 and extended the expiration date of the stock buyback program to December 31, 2021

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.

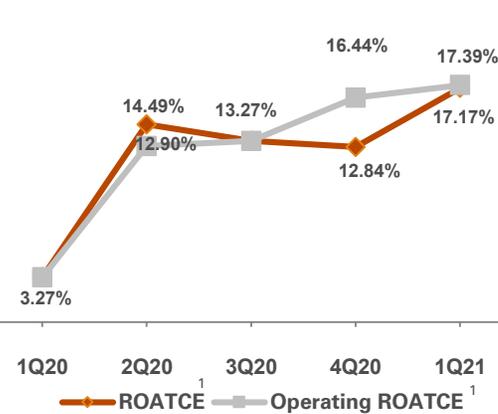


Key Financial Metrics

Diluted EPS



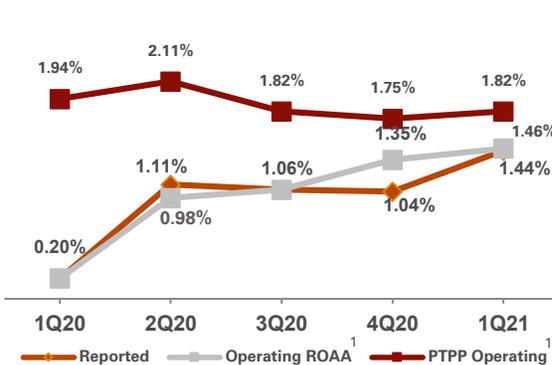
Return on Average Tangible Common Equity¹



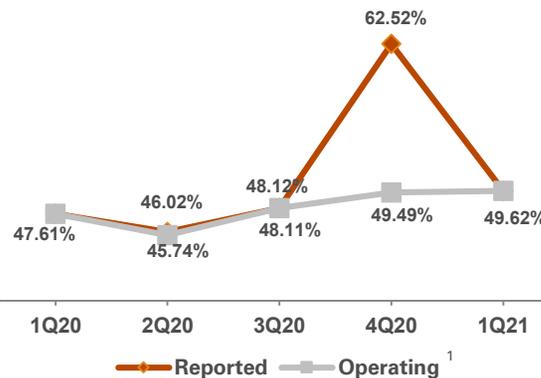
Tangible Book Value per Common Share¹



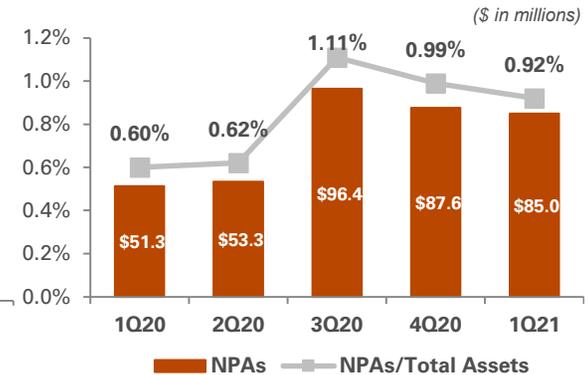
ROAA



Efficiency Ratio



NPAs / Total Assets



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

(\$ in millions)

- Net interest income of \$65.6 million, down \$1.2 million from 4Q20 primarily driven by a decrease in the number of days in 1Q21 compared to 4Q20
- Average earning assets grew \$191.4 million, or 9.5% LQA, during 1Q21
- 1Q21 weighted average loan production rate of 3.64%, excluding MW loans
- 1Q21 weighted average interest-bearing deposit rate of 25 bps on production

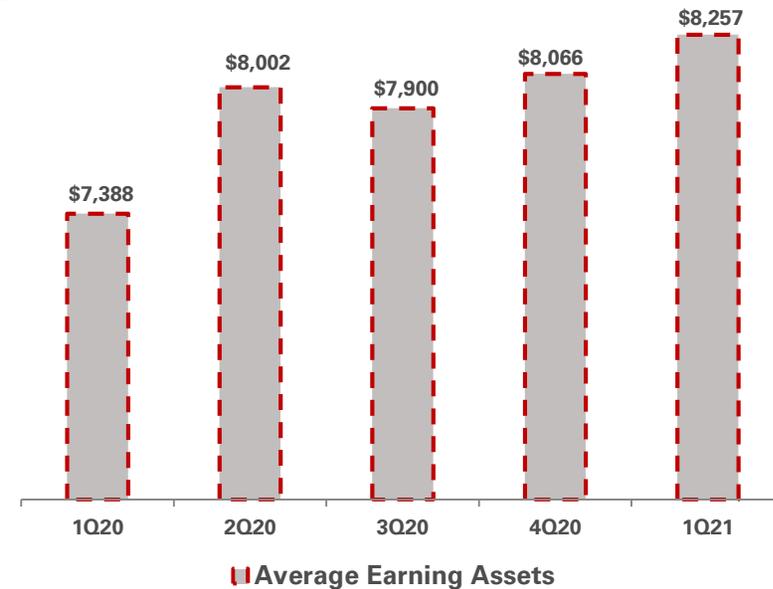


■ Net Interest Income ■ NIM ▲ Adjusted NIM (Excludes All Purchase Accounting)

1

Average Earning Assets

(\$ in millions)



Net Interest Income Rollforward

4Q20 Net Interest Income	66,766
Day Count	< 1,451 >
Purchase Accounting Accretion	< 755 >
Loan Rates	< 510 >
Deposit Volume	< 393 >
Deposit Rates	1,128
Loan Volume	721
Other changes	129
1Q21 Net Interest Income	65,635

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.



Interest Rate Risk

- ❑ Loans, excluding PPP, totaled \$6.4 billion at December 31, 2020
- ❑ Loan portfolio 69% (\$4.5 billion) variable at December 31, 2020 (excludes PPP)
 - 70% of variable loans are LIBOR-based
 - 86% of the LIBOR loans are tied to 1 month LIBOR; 14% of the LIBOR loans are tied to 1 year LIBOR
 - 30% of variable loans are tied to WSJ Prime
- ❑ Net Interest Income at risk from rate shocks

		12/31/2020	3/31/2021
Year 1	+100 Shock	5.40%	4.77%
	+200 Shock	12.10%	10.33%
Year 2	+100 Shock	8.30%	5.43%
	+200 Shock	17.10%	11.48%

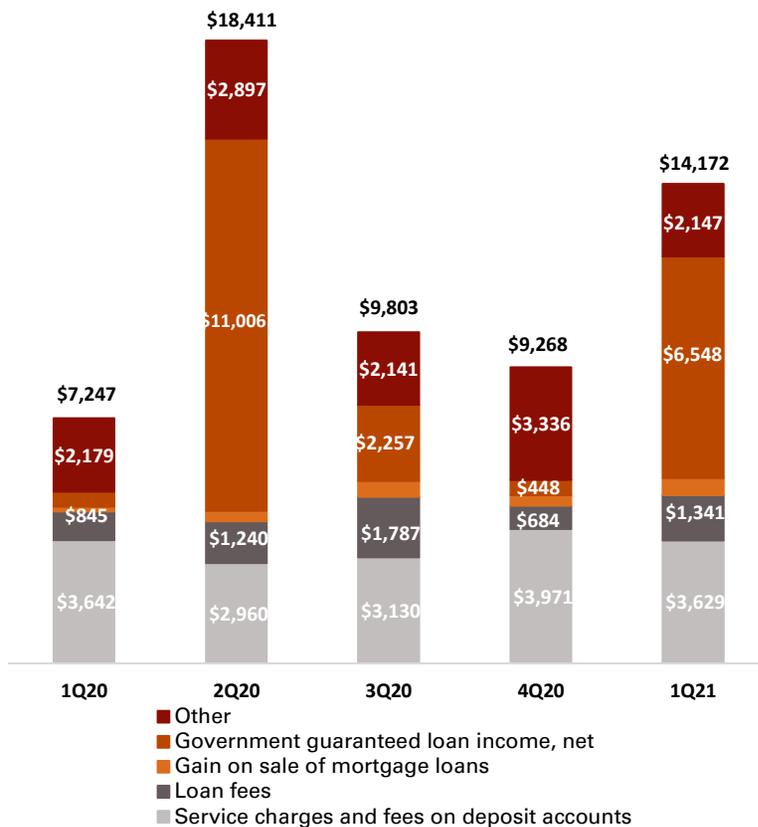
- ❑ Risk to Veritex is rates falling or staying lower for longer
 - To compensate for this risk, the following actions were taken in 1Q21:
 - Terminated \$500 million forward starting 10 year swap at a gain of \$43 million that will be recognized on a straight-line basis starting March 2022
 - Initiated \$375 million of average 8 year received fixed / pay variable swaps (receive 131 bps, pay 1 month LIBOR)



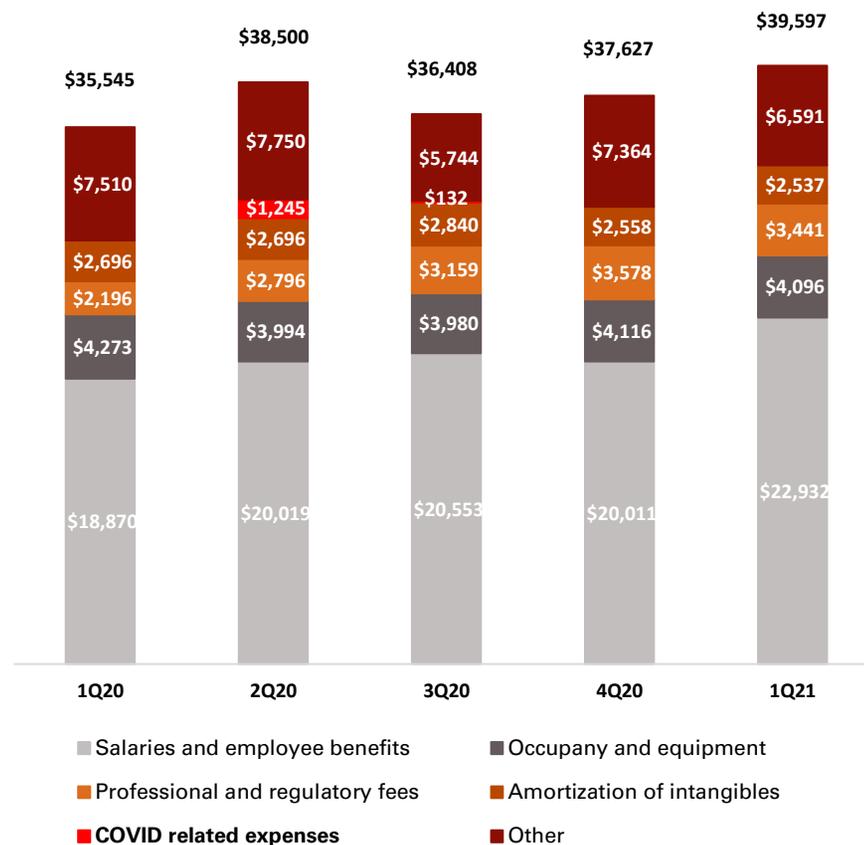
Operating Noninterest Inc./Exp.

(\$ in thousands)

Operating Noninterest Income¹ Composition



Operating Noninterest Expense¹ Composition



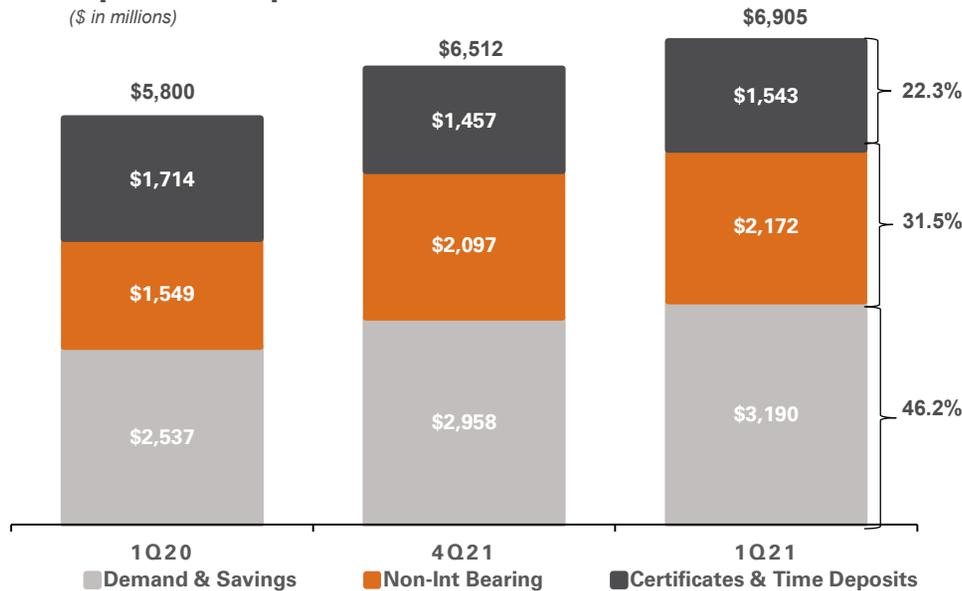
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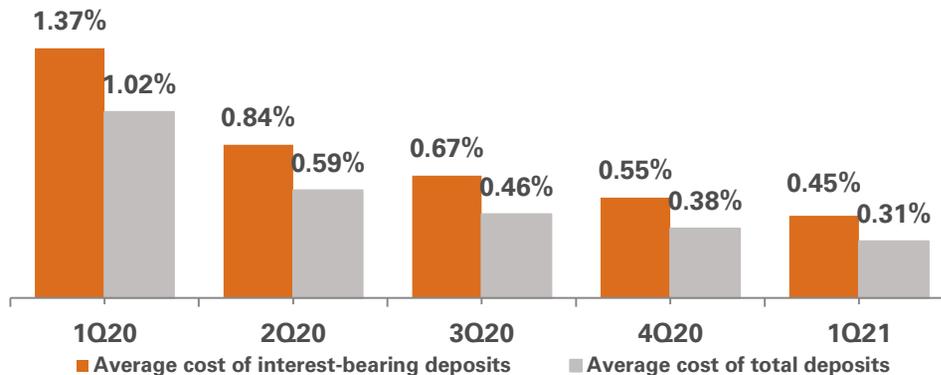
Deposit Growth

Deposits Composition

(\$ in millions)



Cost of Interest-bearing Deposits and Total Deposits



- Total deposit balances increased \$392 million, or 24% LQA¹, and increased \$1.1 billion, or 19% YOY¹

	LQA	YOY
Demand & Savings	+31.3%	+25.7%
Non-Int Bearing	+14.2%	+40.2%
Certificates and Time Deposits	+23.6%	-10.0%

- Total deposit cost down 7 bps compared to 4Q20 due to pricing diligence and product mix
- Excluding MW and PPP loans, the loan to deposit ratio was 86.4% at March 31, 2021 compared to 89.8% at December 31, 2020

Certificates & Time Maturity Table

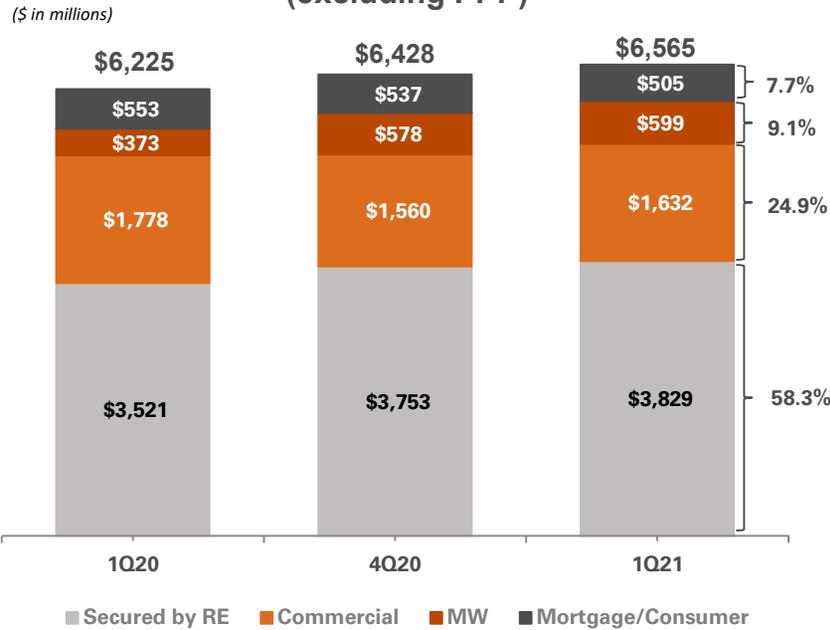
	Balance (\$000)	WA Rate
Q2 2021	419,368	0.88%
Q3 2021	289,208	0.73%
Q4 2021	214,176	0.77%
Q1 2022	260,384	0.60%
Q2 2022	47,601	0.73%
Q3 2022	118,958	0.35%
Q4 2022	63,972	0.47%
Q1 2023	88,435	0.44%
Q2 2023 +	41,056	1.81%
Total	1,543,158	0.73%

¹ Linked quarter annualized ("LQA"), Year-over-year ("YOY")

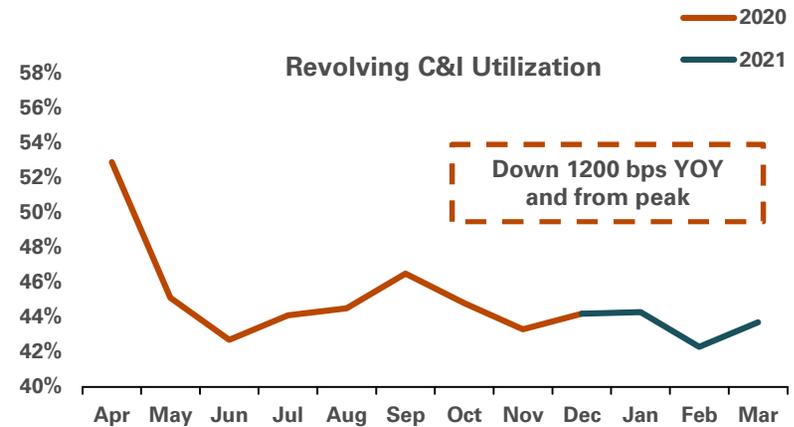
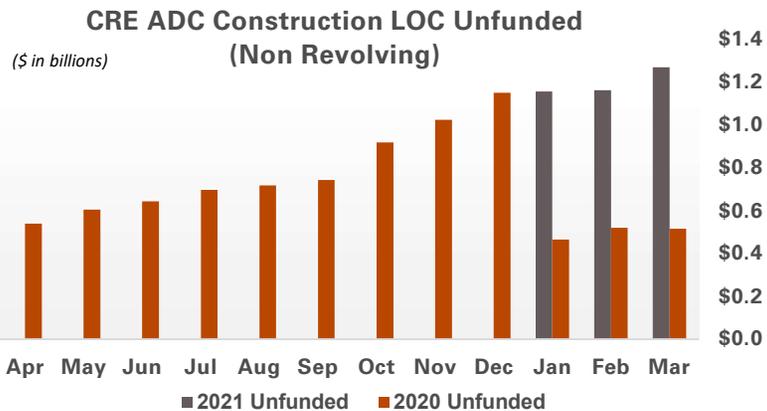
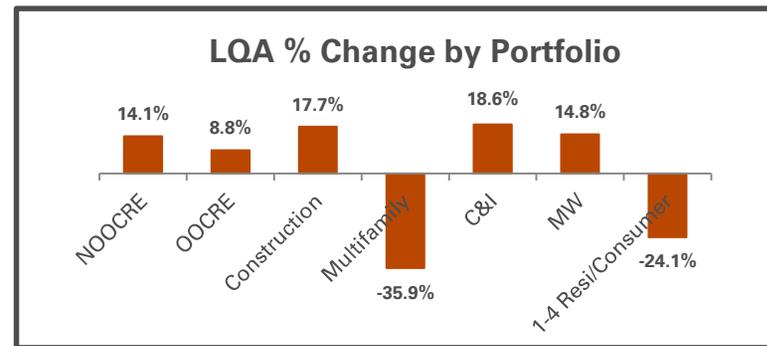


Loan Growth

Loans Held for Investment
(excluding PPP)



Total loans, excluding PPP and MW, increased \$116.0 million, or 7.9% LQA, and increased \$114.1 million, or 2.0% YOY





PPP Update

ROUND 1 UPDATE

Loan Origination Pool	Fair Value of Total Funded (in thousands)	# of Loans	Fair Value of Loans Forgiven (in thousands)	% Forgiven	\$ Fee Collected in 2020 (in millions)
< \$50,000	\$ 23,569	1,118	\$ 5,079	24%	\$ 1.2
\$50,001 - \$150,000	\$ 52,086	591	\$ 14,797	28%	\$ 2.6
\$150,001 - \$350,000	\$ 71,368	314	\$ 31,702	44%	\$ 3.6
\$350,000 - \$2,000,000	\$ 143,395	210	\$ 85,052	57%	\$ 4.3
> \$2,000,000	\$ 115,047	32	\$ 7,124	6%	\$ 1.1
TOTAL	\$ 405,465	2,265	\$ 143,754	36%	\$ 12.8

ROUND 2 UPDATE

Loan Origination Pool	Fair Value of Total Funded (in thousands)	# of Loans	Fair Value of Loans Forgiven	% Forgiven	\$ Fee Collected in 2021 (in millions)
< \$50,000	\$ 10,809	459	-	-	\$ 1.1
\$50,001 - \$150,000	\$ 25,306	278	-	-	\$ 1.3
\$150,001 - \$350,000	\$ 29,744	135	-	-	\$ 1.5
\$350,000 - \$2,000,000	\$ 79,783	97	-	-	\$ 2.4
TOTAL	\$ 145,642	969	-	-	\$ 6.3

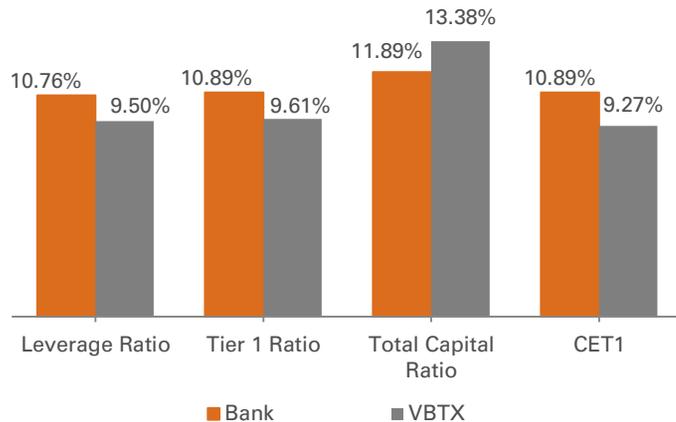
1Q21 Remaining Valuation Allowance = \$2.1 Million



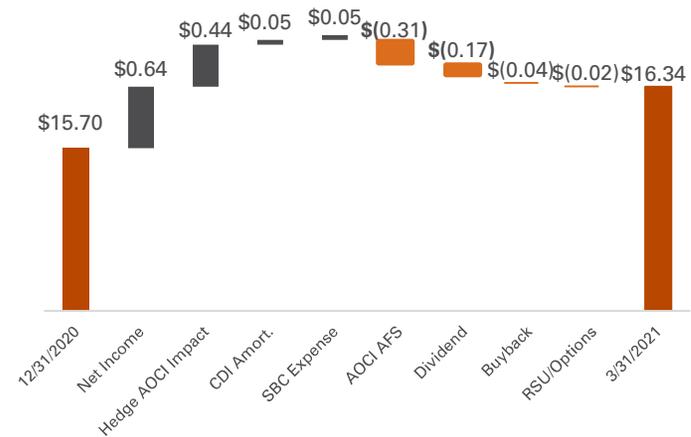
Capital Build

(\$ in thousands)	March 31, 2021	December 31, 2020	\$ Change
Basel III Standardized¹			
CET1 capital	\$ 779,057	\$ 753,261	\$ 25,796
CET1 capital ratio	9.3%	9.3%	
Leverage capital	\$ 808,338	\$ 782,487	\$ 25,851
Leverage capital ratio	9.6%	9.4%	
Tier 1 capital	\$ 808,338	\$ 782,487	\$ 25,851
Tier 1 capital ratio	9.5%	9.7%	
Total capital	\$ 1,124,859	\$ 1,099,031	\$ 25,828
Total capital ratio	13.4%	13.6%	
Risk weighted assets	\$ 8,401,800	\$ 8,105,484	\$ 296,316
Total assets ²	\$ 9,237,510	\$ 8,820,871	\$ 416,639
Tangible common equity / Tangible Assets ³	9.17%	9.23%	

Ratios as of March 31, 2021



TBVPS Rollforward



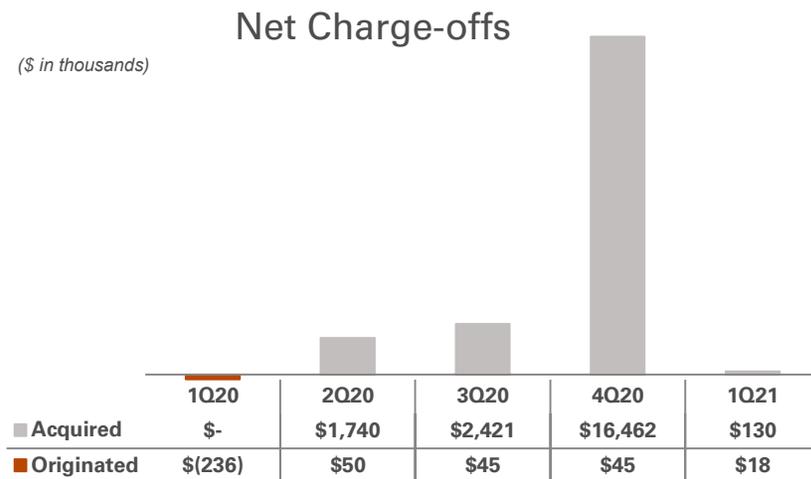
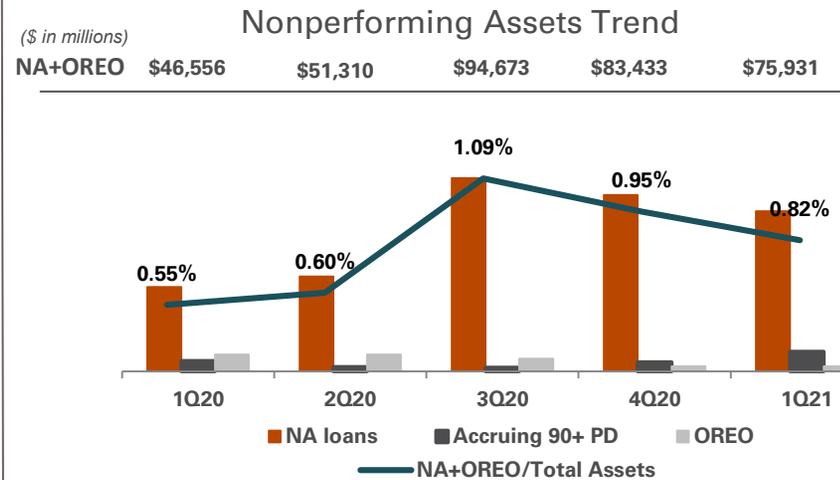
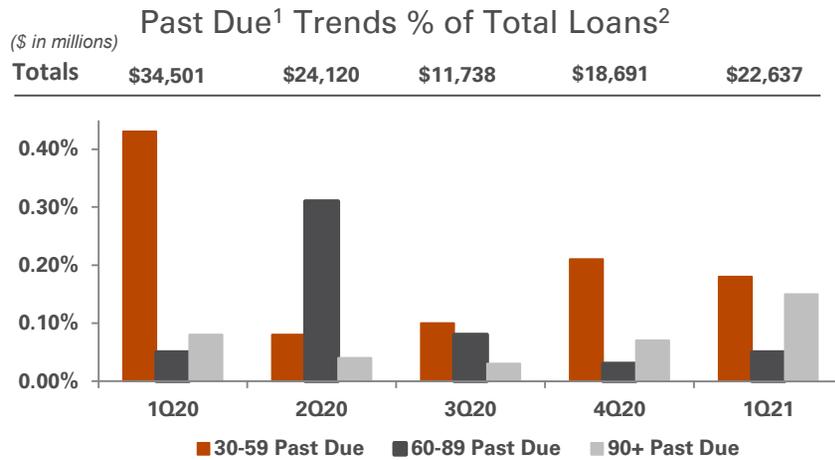
¹ Estimated capital measures inclusive of CECL capital transition provisions as of March 31, 2021.

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.



Asset Quality and ACL



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

Credit



Hospitality Portfolio

(\$ in millions)	#	\$ Commitment	\$ Outstanding	Avg. Loan Amount
Term	82	\$ 337.9	\$ 334.5	\$ 4.0
In-Process Construction	4	\$ 65.4	\$ 45.4	\$ 6.8
SBA / USDA	24	\$ 14.0	\$ 14.0	\$ 0.3
Total	110	\$ 417.3	\$ 393.9	\$ 2.9
% of Total Loans¹			6.6%	

- Portfolio continues to show improving trends
- Revenues increased by 11.4% QOQ²
- Occupancy improved 9.8% QOQ
- March 2021 was the high water mark for revenue, occupancy and revenue per available room since the COVID-19 pandemic began
- One NPA in the hospitality book totaling \$7.1 million was resolved after quarter end

Non-Owner Occupied ("NOO") Office Portfolio

(\$ in millions)	#	\$ Commitment	\$ Outstanding	Avg. Loan Amount
NOO Office	98	\$ 698.9	\$ 602.4	\$ 5.8
Construction	7	\$ 118.9	\$ 82.7	\$ 11.8
Total	105	\$ 817.8	\$ 685.1	\$ 6.2
% of Total Loans¹			9.8%	

- 9.8% of the funded loan portfolio
- A weighted average LTV of 59%
- 51% of the exposure is in the DFW market and 29% is in the Houston market
- Top 10 relationships make up 32% of our office portfolio and have an average DSCR of 1.78x
- Only one credit in the Top 10 office exposure is rated as a watch credit
- 1.6% of the office portfolio is classified in one credit

¹ Total loans excludes loans held for sale and PPP loans.

² Quarter-over-quarter ("QOQ")



VBTX

**Thrive Mortgage
Investment**



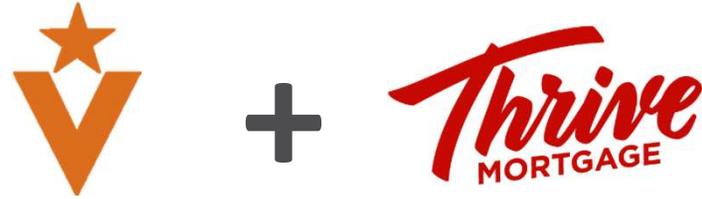
Company Background



- The first company in Texas to close a fully electronic note with a remote notary. GSEs will purchase these notes within 24 hours of closing
- Markets include TX, OH, CO, KY, NC, KS, VA, FL, MD and IN
- Experienced management team with an average company tenure of 10+ years
- Originate/underwrite/sell mortgages of all types
- Efficient business model with comparable cultures

Investment Summary

- ➔ 49% interest for \$53.9 million (all cash transaction)
- ➔ VBTX obtains one board seat (25%)
- ➔ Fee income engine with limited integration
- ➔ Projected close date middle of 2021



Strategic Rationale

- ➔ Financially compelling to increase fee income with a counter cyclical business to a rate and asset sensitive balance sheet
- ➔ Robust capital generation profile
- ➔ Deploys excess liquidity and capital
- ➔ Preserves bandwidth for other strategic core growth and/or acquisitive opportunities
- ➔ Strong cultural fit focused on risk controls, operating efficiency and strong, consistent financial performance
- ➔ Continuity of highly experienced leadership with all founders still with the Company
- ➔ Accounted for as an equity method investment





Historical Financial Information

(\$ in thousand)	unaudited	unaudited	audited	audited
	1Q21	1Q20	2020	2019
Loans HFS	167,354	63,269	179,702	70,774
Total Assets	227,985	107,277	242,169	108,891
Members Equity	42,670	11,396	36,906	10,934
Pre-Tax Net Income	6,349	819	31,942	5,817

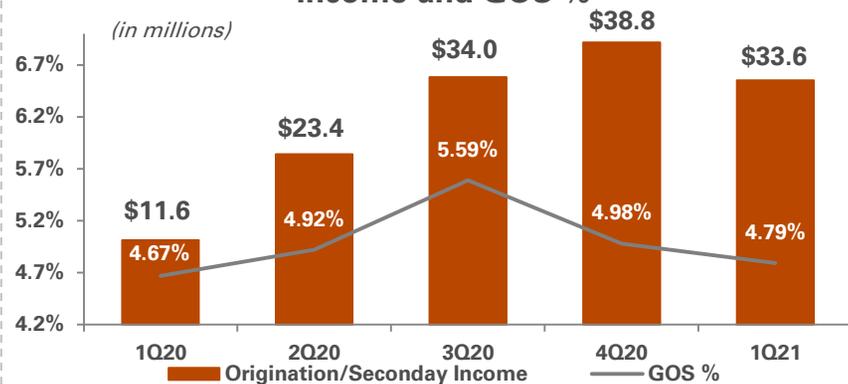
Total Quarterly Volume

(in millions)

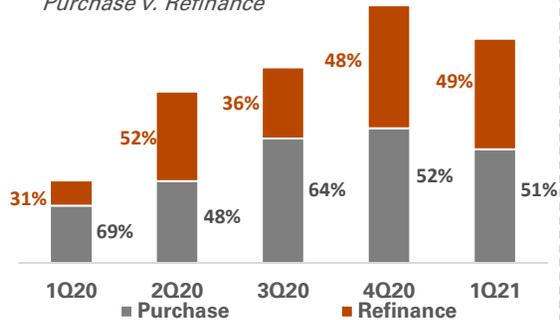


Income and GOS %

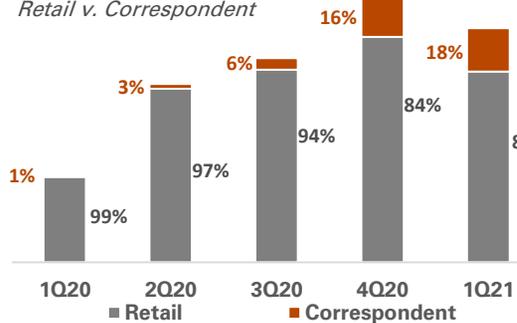
(in millions)



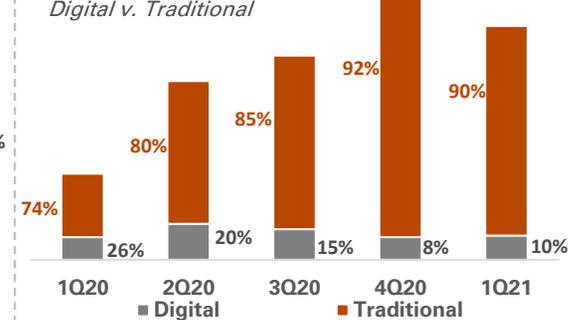
Purchase v. Refinance



Retail v. Correspondent



Digital v. Traditional





VBTX

Veritex Holdings, Inc.

**Supplemental
Information**



Reconciliation of Non-GAAP Financial Measures

	As of				
	<u>3/31/2021</u>	<u>12/31/2020</u>	<u>9/30/2020</u>	<u>6/30/2020</u>	<u>3/31/2020</u>
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,233,808	\$ 1,203,376	\$ 1,185,337	\$ 1,163,749	\$ 1,149,269
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(55,311)	(57,758)	(60,209)	(62,661)	(65,112)
Tangible common equity	<u>\$ 807,657</u>	<u>\$ 774,778</u>	<u>\$ 754,288</u>	<u>\$ 730,248</u>	<u>\$ 713,317</u>
Common shares outstanding	49,433	49,340	49,650	49,633	49,557
Book value per common share	\$ 24.96	\$ 24.39	\$ 23.87	\$ 23.45	\$ 23.19
Tangible book value per common share	\$ 16.34	\$ 15.70	\$ 15.19	\$ 14.71	\$ 14.39

	As of				
	<u>3/31/2021</u>	<u>12/31/2020</u>	<u>9/30/2020</u>	<u>6/30/2020</u>	<u>3/31/2020</u>
	(Dollars in thousands)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,233,808	\$ 1,203,376	\$ 1,185,337	\$ 1,163,749	\$ 1,149,269
Adjustments:					
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Core deposit intangibles	(55,311)	(57,758)	(60,209)	(62,661)	(65,112)
Tangible common equity	<u>\$ 807,657</u>	<u>\$ 774,778</u>	<u>\$ 754,288</u>	<u>\$ 730,248</u>	<u>\$ 713,317</u>
Tangible Assets					
Total assets	\$ 9,237,510	\$ 8,820,871	\$ 8,702,375	\$ 8,587,858	\$ 8,531,624
Adjustments:					
Goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Core deposit intangibles	(55,311)	(57,758)	(60,209)	(62,661)	(65,112)
Tangible Assets	<u>\$ 8,811,359</u>	<u>\$ 8,392,273</u>	<u>\$ 8,271,326</u>	<u>\$ 8,154,357</u>	<u>\$ 8,095,672</u>
Tangible Common Equity to Tangible Assets	9.17%	9.23%	9.12%	8.96%	8.81%



Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended				
	<u>3/31/2021</u>	<u>12/31/2020</u>	<u>9/30/2020</u>	<u>6/30/2020</u>	<u>3/31/2020</u>
	(Dollars in thousands)				
Net income available for common stockholders adjusted for amortization of core deposit intangibles					
Net income	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 4,134
Adjustments:					
Plus: Amortization of core deposit intangibles	2,447	2,451	2,451	2,451	2,451
Less: Tax benefit at the statutory rate	514	515	515	515	515
Net income available for common stockholders adjusted for amortization of core deposit intangibles	<u>\$ 33,720</u>	<u>\$ 24,737</u>	<u>\$ 24,856</u>	<u>\$ 25,964</u>	<u>\$ 6,070</u>
Average Tangible Common Equity					
Total average stockholders' equity	\$ 1,224,294	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,183,116
Adjustments:					
Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Average core deposit intangibles	(56,913)	(59,010)	(61,666)	(64,151)	(66,439)
Average tangible common equity	<u>796,541</u>	<u>766,424</u>	<u>745,376</u>	<u>720,807</u>	<u>745,837</u>
Return on Average Tangible Common Equity (Annualized)	17.17%	12.84%	13.27%	14.49%	3.27%



Reconciliation of Non-GAAP Financial Measures

	<u>3/31/2021</u>	<u>12/31/2020</u>	<u>For the Quarter Ended</u>		<u>3/31/2020</u>
			<u>9/30/2020</u>	<u>6/30/2020</u>	
	<u>(Dollars in thousands)</u>				
Operating Earnings					
Net income	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 4,134
Plus: Loss (gain) on sale of securities available for sale, net	-	256	8	(2,879)	-
Plus: Debt extinguishment costs ¹	-	9,746	-	1,561	-
Operating pre-tax income	31,787	32,803	22,928	22,710	4,134
Less: Tax impact of adjustments	-	2,100	-	(277)	-
Plus: Discrete tax adjustments ²	426	(973)	-	(1,799)	-
Operating earnings	\$ 32,213	\$ 29,730	\$ 22,928	\$ 21,188	\$ 4,134
Weighted average diluted shares outstanding	49,998	49,837	49,775	49,727	51,056
Diluted EPS	\$ 0.64	\$ 0.46	\$ 0.46	\$ 0.48	\$ 0.08
Diluted operating EPS	\$ 0.64	\$ 0.60	\$ 0.46	\$ 0.43	\$ 0.08

¹ Debt extinguishment costs relate to prepayment penalties paid in connection with the early payoff of FHLB structured advances.

² 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 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 Quarter Ended				
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
	(Dollars in thousands)				
Pre-Tax, Pre-Provision Operating Earnings					
Net Income	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 4,134
Plus: Provision for income taxes	8,993	4,702	6,198	3,987	(684)
Plus: Provision for credit losses and unfunded commitments	(570)	902	10,139	18,971	35,657
Plus: Loss (gain) on sale of securities, net	-	256	8	(2,879)	-
Plus: Debt extinguishment costs	-	9,746	-	1,561	-
Net pre-tax, pre-provision operating earnings	\$ 40,210	\$ 38,407	\$ 39,265	\$ 45,668	\$ 39,107
Total average assets	\$ 8,941,271	\$ 8,750,141	\$ 8,585,926	\$ 8,689,774	\$ 8,125,782
Pre-tax, pre-provision operating return on average assets¹	1.82%	1.75%	1.82%	2.11%	1.94%
Average Total Assets	\$ 8,941,271	\$ 8,750,141	\$ 8,585,926	\$ 8,689,744	\$ 8,125,782
Return on average assets ¹	1.44%	1.04%	1.06%	1.11%	0.20%
Operating return on average assets ¹	1.46%	1.35%	1.06%	0.98%	0.20%
Operating earnings adjusted for amortization of core deposit intangibles					
Operating earnings	\$ 32,213	\$ 29,730	\$ 22,928	\$ 21,188	\$ 4,134
Adjustments:					
Plus: Amortization of core deposit intangibles	2,447	2,451	2,451	2,451	2,451
Less: Tax benefit at the statutory rate	514	515	515	515	515
Operating earnings adjusted for amortization of core deposit intangibles	34,146	31,666	24,864	23,124	6,070
Average Tangible Common Equity					
Total average stockholders' equity	\$ 1,224,294	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,183,116
Adjustments:					
Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Average core deposit intangibles	(56,913)	(59,010)	(61,666)	(64,151)	(66,439)
Average tangible common equity	\$ 796,541	\$ 766,424	\$ 745,376	\$ 720,807	\$ 745,837
Operating return on average tangible common equity¹	17.39%	16.44%	13.27%	12.90%	3.27%
Efficiency ratio	49.62%	62.52%	48.12%	46.02%	47.61%
Operating efficiency ratio	49.62%	49.49%	48.11%	45.74%	47.61%

¹ Annualized ratio for quarterly metrics.



Reconciliation of Non-GAAP Financial Measures

	As of				
	<u>3/31/2021</u>	<u>12/31/2020</u>	<u>9/30/2020</u>	<u>6/30/2020</u>	<u>3/31/2020</u>
(Dollars in thousands, except per share data)					
Operating noninterest income					
Noninterest income	\$ 14,172	\$ 9,012	\$ 9,795	\$ 21,290	\$ 7,247
Plus: Loss (gain) on sale of securities available for sale, net	\$ -	\$ 256	8	(2,879)	-
Operating noninterest income	<u>\$ 14,172</u>	<u>\$ 9,268</u>	<u>\$ 9,803</u>	<u>\$ 18,411</u>	<u>\$ 7,247</u>
Operating noninterest expense					
Noninterest expense	\$ 39,597	\$ 47,373	\$ 36,408	\$ 40,061	\$ 35,545
Less: FHLB prepayment fees	\$ -	\$ 9,746	-	1,561	-
Operating noninterest expense	<u>\$ 39,597</u>	<u>\$ 37,627</u>	<u>\$ 36,408</u>	<u>\$ 38,500</u>	<u>\$ 35,545</u>
For the Quarter Ended					
	<u>3/31/2021</u>	<u>12/31/2020</u>	<u>9/30/2020</u>	<u>6/30/2020</u>	<u>3/31/2020</u>
(Dollars in thousands, except per share data)					
Adjusted net interest margin					
Net interest income	\$ 65,635	\$ 66,766	\$ 65,870	\$ 65,757	\$ 67,405
Less: Loan accretion	\$ 1,911	\$ 2,652	3,953	3,134	4,455
Less: Deposit premium amortization	\$ 76	\$ 89	110	263	423
Adjusted net interest margin	<u>\$ 63,648</u>	<u>\$ 64,025</u>	<u>\$ 61,807</u>	<u>\$ 62,360</u>	<u>\$ 62,527</u>
Total interest-earning assets	\$8,257,048	\$8,065,652	\$7,899,837	\$8,001,485	\$7,388,028
Adjusted net interest margin	3.12%	3.15%	3.10%	3.13%	3.39%



VBTX

Veritex Holdings, Inc.

**1st Quarter Earnings
Conference Call
April 28, 2021**