

**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): October 21, 2019

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

Texas
(State or other jurisdiction of
incorporation or organization)

001-36682
(Commission File Number)

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

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

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

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

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

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

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

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

Emerging growth company

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

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

On October 21, 2019, Veritex Holdings, Inc. (the "Company"), the holding company for Veritex Community Bank, a Texas state chartered bank, issued a press release describing its results of operations for the quarter ended September 30, 2019. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On Tuesday, October 22, 2019 at 8:30 a.m., Central Time, the Company will host an investor conference call and webcast to review its third quarter 2019 financial results. The webcast will include a slide presentation that consists of information regarding the Company's operating and growth strategies and financial performance. The presentation materials will be posted on the Company's website on October 22, 2019. The presentation materials are attached hereto as Exhibit 99.2, which is incorporated by reference.

As provided in General Instruction B.2 to Form 8-K, the information furnished in Item 2.02, Item 7.01, Exhibit 99.1 and Exhibit 99.2 of this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and such information shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events

On October 21, 2019, the Company issued a press release announcing the declaration of a quarterly cash dividend of \$0.125 per share on its outstanding common stock. The dividend will be paid on or after November 21, 2019 to shareholders of record as of the close of business on November 7, 2019. The press release is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release, dated October 21, 2019
99.2	Presentation materials
99.3	Press release, dated October 21, 2019
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: October 21, 2019

VERITEX HOLDINGS, INC. REPORTS THIRD QUARTER OPERATING RESULTS

Dallas, TX — October 21, 2019 —Veritex Holdings, Inc. (“Veritex” or the “Company”) (Nasdaq: VBTX), the holding company for Veritex Community Bank, today announced the results for the quarter ended September 30, 2019. The Company reported net income of \$27.4 million, or \$0.51 diluted earnings per share (“EPS”), compared to \$26.9 million, or \$0.49 diluted EPS, for the quarter ended June 30, 2019 and \$8.9 million, or \$0.36 diluted EPS, for the quarter ended September 30, 2018. Operating net income totaled \$28.6 million, or \$0.53 diluted operating EPS¹, compared to \$32.2 million, or \$0.59 diluted operating EPS¹, for the quarter ended June 30, 2019 and \$10.4 million, or \$0.42 diluted operating EPS¹, for the quarter ended September 30, 2018.

C. Malcolm Holland, III, the Company’s Chairman and Chief Executive Officer said: “I am excited about the 3rd quarter and year-to-date financial results of Veritex. The quarterly earnings power of the Company has been consistent throughout the year. These results have been accomplished while integrating and converting Green Bank and now much of the execution risk is behind us. We are focused on rebuilding our growth momentum, maintaining our asset quality and returning our excess capital to our shareholders.”

Third Quarter 2019 Highlights:

- Diluted EPS was \$0.51 and diluted operating EPS¹ was \$0.53 for the third quarter of 2019, resulting in a 26.2% increase in diluted operating EPS compared to the third quarter of 2018;
- Book value per common share was \$23.02 and tangible book value per common share¹ was \$14.61 for the third quarter of 2019, reflecting operating net income, merger expenses, dividends and share repurchase activity;
- Return on average assets was 1.36%, operating return on average assets¹ was 1.42% and pre-tax, pre-provision operating return on average assets¹ was 2.26% for the third quarter of 2019;
- Efficiency ratio was 43.67% and operating efficiency ratio¹ was 42.36% for the third quarter of 2019, reflecting three consecutive quarters of operating efficiency ratio¹ below 44%;
- Increased and extended previously announced stock buyback program. In the third quarter of 2019, Veritex repurchased 1,177,241 shares of its outstanding common stock under its stock buyback program for an aggregate of \$29.0 million resulting in an aggregate of 2,349,103 shares as of September 30, 2019;
- Declared quarterly cash dividend of \$0.125 payable on November 21, 2019; and
- Received *American Banker’s* “Best Banks to Work For” for the sixth consecutive year.

Summary of Financial Data

	QTD		YTD	
	Q3 2019	Q2 2019	Q3 2019	Q3 2018
(Dollars in thousands)				
GAAP				
Net income	\$ 27,405	\$ 26,876	\$ 61,688	\$ 29,516
Diluted EPS	0.51	0.49	1.13	1.20
Return on average assets ²	1.36%	1.36%	1.04%	1.28%
Efficiency ratio	43.67	51.49	59.42	55.15
Book value per common share	\$ 23.02	\$ 22.55	\$ 23.02	\$ 21.38
Non-GAAP¹				
Operating net income	\$ 28,629	\$ 32,234	\$ 93,542	\$ 33,794
Diluted operating EPS	0.53	0.59	1.71	1.37
Pre-tax, pre-provision operating return on average assets	2.26%	2.22%	2.30%	2.05%
Operating return on average assets ²	1.42	1.63	1.58	1.46
Operating efficiency ratio	42.36	43.66	43.19	49.45
Return on average tangible common equity ²	15.15	15.26	11.93	12.36
Operating return on average tangible common equity ²	15.78	18.09	17.57	14.09
Tangible book value per common share	\$ 14.61	\$ 14.27	\$ 14.61	\$ 14.27

¹ Refer to the section titled “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP measures.

² Annualized ratio.

Results of Operations for the Three Months Ended September 30, 2019

Net Interest Income

For the three months ended September 30, 2019, net interest income before provision for loan losses was \$70.9 million and net interest margin was 3.90% compared to \$71.4 million and 4.00%, respectively, for the three months ended June 30, 2019. The \$568 thousand decrease in net interest income was primarily due to a \$1.0 million decrease in interest income on loans and a \$894 thousand increase in interest expense on advances from the Federal Home Loan Bank ("FHLB"), and was partially offset by a \$1.0 million decrease in interest expense on transaction and savings deposits. Net interest margin decreased 10 basis points from the three months ended June 30, 2019 primarily due to a decrease in yields earned on loan balances and an increase in the average rates paid on certificate and other time deposits, partially offset by a decrease in the average rate paid on interest-bearing demand and savings deposits during the three months ended September 30, 2019. As a result, the average cost of interest-bearing deposits was unchanged at 1.79% for the three months ended September 30, 2019 and June 30, 2019.

Net interest income before provision for loan losses increased by \$41.6 million from \$29.3 million to \$70.9 million and net interest margin decreased by 9 basis points from 3.99% to 3.90% for the three months ended September 30, 2019 as compared to the same period in 2018. The increase in net interest income before provision for loan losses was primarily driven by higher loan balances and interest income resulting from loans acquired from Green Bancorp, Inc. ("Green") and organic loan growth during the three months ended September 30, 2019 compared to the three months ended September 30, 2018. For the three months ended September 30, 2019, average loan balance increased by \$3.3 billion compared to the three months ended September 30, 2018, which contributed to a \$57.7 million increase in interest income. This was partially offset by an increase in the average rate paid on interest-bearing liabilities, which resulted in a \$12.9 million increase in interest on deposit accounts. Net interest margin decreased 9 basis points from the three months ended September 30, 2018 primarily due to an increase in the average rate paid on interest-bearing liabilities for the three months ended September 30, 2019 compared to the three months ended September 30, 2018. As a result, the average cost of interest-bearing deposits increased to 1.79% for the three months ended September 30, 2019 from 1.59% for the three months ended September 30, 2018.

Noninterest Income

Noninterest income for the three months ended September 30, 2019 was \$8.4 million, an increase of \$2.4 million, or 39.7%, compared to the three months ended June 30, 2019. The increase was primarily due to a \$594 thousand increase in derivative income and a \$245 thousand increase in service charges and fees on deposit accounts earned during the three months ended September 30, 2019. Further, the increase was due to a \$642 thousand loss on sales of investment securities as a result of the Company's repositioning strategy and a \$434 thousand decrease in the value of investments in community development-oriented private equity funds used for Community Reinvestment Act purposes recorded for the three months ended June 30, 2019 with no corresponding loss or decrease in value for the three months ended September 30, 2019.

Compared to the three months ended September 30, 2018, noninterest income for the three months ended September 30, 2019 grew by \$6.0 million, or 250.1%. The increase was primarily due to a \$2.9 million increase in service charges and fees on acquired deposit accounts resulting from our acquisition of Green deposit accounts and the associated income from these accounts, a \$1.8 million increase in loan fees, a \$723 thousand increase in the gain on sale of Small Business Administration loans and a \$578 thousand increase in derivative income earned during the three months ended September 30, 2019.

Noninterest Expense

Noninterest expense was \$34.6 million for the three months ended September 30, 2019, compared to \$39.9 million for the three months ended June 30, 2019, a decrease of \$5.3 million, or 13.2%. The decrease was primarily driven by a \$4.8 million decrease in merger and acquisition expenses related to our acquisition of Green, which were recorded in the second quarter of 2019. Merger and acquisition expenses recognized during the three months ended September 30, 2019 were primarily related to continued data processing expenses as a result of our system conversion, which was completed in the second quarter of 2019, conversion of our mobile banking platform and severance payments following our acquisition of Green.

Compared to the three months ended September 30, 2018, noninterest expense for the three months ended September 30, 2019 increased by \$16.4 million, or 89.8%. The increase was primarily driven by a \$10.1 million increase in salaries and employee benefits due to the addition of new Green employees, and a \$1.9 million, \$1.6 million, \$1.2 million and \$857 thousand increase in amortization of intangibles, data processing and software expenses, occupancy and equipment expenses and professional fees, respectively, related to our acquisition of Green.

Financial Condition

Total loans were \$5.9 billion at September 30, 2019, a decrease of \$41.1 million, or 0.7%, compared to June 30, 2019 due to normal loan activity and paydowns.

Total deposits were \$5.9 billion at September 30, 2019, a decrease of \$287.2 million, or 4.7%, compared to June 30, 2019. The decrease was primarily the result of a decrease of \$165.8 million in certificates and other time deposits, and decreases of \$117.9 million and \$3.5 million in interest-bearing accounts and noninterest-bearing demand deposits, respectively, due to normal course of business.

Asset Quality

Allowance for loan losses as a percentage of loans held for investment, including mortgage warehouse, was 0.45%, 0.42% and 0.73% of total loans at September 30, 2019, June 30, 2019 and September 30, 2018, respectively. The allowance for loan losses as a percentage of total loans for each of the three quarters was determined by evaluating the qualitative factors around the nature, volume and mix of the loan portfolio. The increase in the allowance for loan losses as a percentage of loans held for investment from June 30, 2019 was primarily attributable to the general provision required from an increase of loans acquired from Green that were re-underwritten in the third quarter of 2019. Once an acquired loan undergoes new underwriting and meets the criteria for a new loan, any remaining fair value adjustments become interest income and the loan becomes fully subject to our allowance for loan loss methodology. The decrease in the allowance for loan losses as a percentage of loans held for investment from September 30, 2018 was attributable to our acquisition of Green, as acquired loans are recorded at fair value. Our allowance for loan losses and remaining purchase discount on acquired loans as a percentage of loans held for investment, including mortgage warehouse, was 1.44%, 1.77% and 1.28% of total loans at September 30, 2019, June 30, 2019 and September 30, 2018, respectively.

We recorded a provision for loan losses for the three months ended September 30, 2019 of \$9.7 million compared to \$3.3 million and \$3.1 million for the three months ended June 30, 2019 and September 30, 2018, respectively. The increase in the recorded provision for loan losses for the three months ended September 30, 2019 was primarily attributable to a \$6.1 million charge-off related to a commercial loan relationship acquired from Sovereign Bancshares, Inc. in 2017. The acquired commercial loan relationship consists of a \$7.8 million loan to an independent oil and gas exploration company that filed for bankruptcy protection in 2018 and recently entered into a sales process pursuant to Section 363 of the Bankruptcy Code. Additionally, the increase in the recorded provision for loan losses for the three months ended September 30, 2019 was caused by a \$937 thousand increase in specific reserves on certain non-performing loans and an increase in acquired loans that were re-underwritten (as discussed above) during the three months ended September 30, 2019.

Nonperforming assets totaled \$17.0 million, or 0.21%, of total assets at September 30, 2019 compared to \$43.3 million, or 0.54%, of total assets at June 30, 2019 and \$26.1 million, or 0.80%, of total assets at September 30, 2018. The decrease of \$26.3 million compared to June 30, 2019 was driven by a \$11.9 million and \$11.7 million decrease in originated accruing loans 90 days or more past due and acquired accruing loans 90 days or more past due, respectively, as well as \$5.9 million decrease in acquired nonaccrual loans primarily driven by the \$6.1 million charge-off discussed above. This decrease was partially offset by a \$2.9 million increase in other real estate owned. For the quarter ended September 30, 2019, no purchased credit impaired loans were on non-accrual status.

Dividend Information

On October 21, 2019, Veritex's Board of Directors declared a quarterly cash dividend of \$0.125 per share on its outstanding shares of common stock. The dividend will be paid on or after November 21, 2019 to stockholders of record as of the close of business on November 7, 2019.

Non-GAAP Financial Measures

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

Business Combinations Measurement Period

The measurement period for the Company to determine the fair values of acquired identifiable assets and assumed liabilities for Green will end at the earlier of (i) twelve months from the date of the acquisition or (ii) as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. Provisional estimates have been recorded for the Green acquisition as independent valuations have not been finalized. The Company does not expect any significant differences from estimated values upon completion of the valuations.

Conference Call

The Company will host an investor conference call to review the results on Tuesday, October 22, 2019 at 8:30 a.m. Central Time. Participants may pre-register for the call by visiting <https://edge.media-server.com/mmc/p/9ewhfxdv> and will receive a unique PIN, which can be used when dialing in for the call. This will allow attendees to enter the call immediately. Alternatively, participants may call toll-free at (877) 703-9880.

The call and corresponding presentation slides will be webcast live on the home page of the Company's website, <https://veritexholdingsinc.gcs-web.com>. An audio replay will be available one hour after the conclusion of the call at (855) 859-2056, Conference #3966936. This replay, as well as the webcast, will be available until October 29, 2019.

About Veritex Holdings, Inc.

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

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Forward-Looking Statements

This earnings release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on various facts and derived utilizing assumptions, current expectations, estimates and projections and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include, without limitation, statements relating to the impact Veritex expects its acquisition of Green to have on its operations, financial condition and financial results and Veritex's expectations about its ability to successfully integrate the combined businesses of Veritex and Green and the amount of cost savings and overall operational efficiencies Veritex expects to realize as a result of the acquisition of Green. The forward-looking statements in this earnings release also include statements about the expected payment date of Veritex's quarterly cash dividend, Veritex's future financial performance, business and growth strategy, projected plans and objectives, as well as other projections based on macroeconomic and industry trends, which are inherently unreliable due to the multiple factors that impact broader economic and industry trends, and any such variations may be material. Statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans" and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts, although not all forward-looking statements include the foregoing words. Further, certain factors that could affect future results and cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to, the possibility that the businesses of Veritex and Green will not be integrated successfully, that the cost savings and any synergies from the acquisition may not be fully realized or may take longer to realize than expected,

disruption from the acquisition making it more difficult to maintain relationships with employees, customers or other parties with whom Veritex has (or Green had) business relationships, diversion of management time on integration-related issues, the reaction to the acquisition by Veritex's and Green's customers, employees and counterparties and other factors, many of which are beyond the control of Veritex. We refer you to the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Veritex's Annual Report on Form 10-K for the year ended December 31, 2018 and any updates to those risk factors set forth in Veritex's Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission ("SEC"), which are available on the SEC's website at www.sec.gov. If one or more events related to these or other risks or uncertainties materialize, or if Veritex's underlying assumptions prove to be incorrect, actual results may differ materially from what Veritex anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Veritex does not undertake any obligation, and specifically declines any obligation, to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. All forward-looking statements, expressed or implied, included in this earnings release are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Veritex or persons acting on Veritex's behalf may issue.

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

	For the Three Months Ended					Nine Months Ended	
	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018
Per Share Data (Common Stock):							
(Dollars and shares in thousands)							
Basic EPS	\$ 0.52	\$ 0.50	\$ 0.14	\$ 0.41	\$ 0.37	\$ 1.15	\$ 1.22
Diluted EPS	0.51	0.49	0.13	0.40	0.36	1.13	1.20
Book value per common share	23.02	22.55	21.88	21.88	21.38	23.02	21.38
Tangible book value per common share ¹	14.61	14.27	13.76	14.74	14.21	14.61	14.21
Common Stock Data:							
Shares outstanding at period end	52,373	53,457	54,236	24,254	24,192	52,373	24,192
Weighted average basic shares outstanding for the period	52,915	53,969	54,293	24,224	24,176	53,721	24,151
Weighted average diluted shares outstanding for the period	53,873	54,929	55,439	24,532	24,613	54,633	24,587
Summary Performance Ratios:							
Return on average assets ²	1.36%	1.36%	0.38%	1.20%	1.10%	1.04%	1.28%
Return on average equity ²	8.98	8.98	2.52	7.44	6.88	6.88	7.83
Return on average tangible common equity ^{1,2}	15.15	15.26	5.09	11.52	10.79	11.93	12.36
Efficiency ratio	43.67	51.49	82.30	54.27	57.58	59.42	55.15
Selected Performance Metrics - Operating:							
Diluted operating EPS ¹	\$ 0.53	\$ 0.59	\$ 0.59	\$ 0.47	\$ 0.42	\$ 1.71	\$ 1.37
Pre-tax, pre-provision operating return on average assets ^{1,2}	2.26%	2.22%	2.40%	1.95%	1.98%	2.30%	2.05%
Operating return on average assets ^{1,2}	1.42	1.63	1.69	1.40	1.28	1.58	1.46
Operating return on average tangible common equity ^{1,2}	15.78	18.09	18.81	13.37	12.49	17.57	14.09
Operating efficiency ratio ¹	42.36	43.66	43.54	50.65	49.09	43.19	49.45
Veritex Holdings, Inc. Capital Ratios:							
Average stockholders' equity to average total assets	15.11%	15.13%	15.18%	16.14%	15.92%	15.13%	16.29%
Tier 1 capital to average assets (leverage)	10.33	10.47	10.57	12.04	11.74	10.33	11.74
Common equity tier 1 capital	10.82	11.32	11.07	11.80	12.02	10.82	12.02
Tier 1 capital to risk-weighted assets	11.26	11.77	11.50	12.18	12.43	11.26	12.43
Total capital to risk-weighted assets	12.26	12.80	12.45	12.98	13.22	12.26	13.22
Tangible common equity to tangible assets ¹	10.17	10.08	10.02	11.78	11.08	10.17	11.08
Veritex Bank Capital Ratios:							
Tier 1 capital to average assets (leverage)	10.64%	10.80%	10.65%	10.87%	10.53%	10.64%	10.53%
Common equity tier 1 capital	11.61	12.16	11.61	11.01	11.13	11.61	11.13
Tier 1 capital to risk-weighted assets	11.61	12.16	11.61	11.01	11.13	11.61	11.13
Total capital to risk-weighted assets	12.00	12.54	11.93	11.64	11.75	12.00	11.75

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.

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

	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018
	(unaudited)	(unaudited)	(unaudited)		(unaudited)
ASSETS					
Cash and cash equivalents	\$ 252,592	\$ 265,822	\$ 339,473	\$ 84,449	\$ 261,790
Securities	1,023,393	1,020,279	950,671	262,695	256,237
Other investments	89,795	81,088	75,920	23,174	27,769
Loans held for sale	10,715	7,524	8,002	1,258	1,425
Loans held for investment, mortgage warehouse	233,577	200,017	114,158	—	—
Loans held for investment	5,654,027	5,731,833	5,663,721	2,555,494	2,444,499
Total loans	5,898,319	5,939,374	5,785,881	2,556,752	2,445,924
Allowance for loan losses	(26,243)	(24,712)	(21,603)	(19,255)	(17,909)
Bank-owned life insurance	80,411	79,899	79,397	22,064	21,915
Bank premises, furniture and equipment, net	118,449	115,373	119,354	78,409	77,346
Other real estate owned	4,625	1,748	151	—	—
Intangible assets, net	75,363	78,347	81,245	15,896	16,603
Goodwill	370,463	370,221	368,268	161,447	161,447
Other assets	75,716	82,667	69,474	22,919	24,724
Branch assets held for sale	—	—	83,516	—	—
Total assets	\$ 7,962,883	\$ 8,010,106	\$ 7,931,747	\$ 3,208,550	\$ 3,275,846
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing	\$ 1,473,126	\$ 1,476,668	\$ 1,439,630	\$ 626,283	\$ 661,754
Interest-bearing	2,528,293	2,646,154	2,617,117	1,313,161	1,346,264
Certificates and other time deposits	1,876,427	2,042,266	2,240,968	682,984	648,236
Total deposits	5,877,846	6,165,088	6,297,715	2,622,428	2,656,254
Accounts payable and accrued expenses	45,475	44,414	42,621	5,413	6,875
Accrued interest payable and other liabilities	6,054	7,069	6,846	5,361	5,759
Advances from FHLB	752,907	512,945	252,982	28,019	73,055
Subordinated debentures and subordinated notes	72,284	72,486	72,719	16,691	16,691
Securities sold under agreements to repurchase	2,787	2,811	2,778	—	—
Branch liabilities held for sale	—	—	62,381	—	—
Total liabilities	6,757,353	6,804,813	6,738,042	2,677,912	2,758,634
Commitments and contingencies					
Stockholders' equity:					
Common stock	524	535	546	243	242
Additional paid-in capital	1,114,659	1,112,238	1,109,386	449,427	448,117
Retained earnings	125,344	104,652	84,559	83,968	74,143
Unallocated Employee Stock Ownership Plan shares	—	—	—	—	(106)
Accumulated other comprehensive income (loss)	23,837	17,741	7,016	(2,930)	(5,114)
Treasury stock	(58,834)	(29,873)	(7,802)	(70)	(70)
Total stockholders' equity	1,205,530	1,205,293	1,193,705	530,638	517,212
Total liabilities and stockholders' equity	\$ 7,962,883	\$ 8,010,106	\$ 7,931,747	\$ 3,208,550	\$ 3,275,846

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

	For the Three Months Ended				For the Nine Months Ended			
	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018	
Interest income:								
Loans, including fees	\$ 85,811	\$ 86,786	\$ 85,747	\$ 35,028	\$ 35,074	\$ 258,344	\$ 99,432	
Securities	7,687	7,397	7,232	1,908	1,722	22,316	4,697	
Deposits in financial institutions and Fed Funds sold	1,329	1,372	1,554	833	1,016	4,255	2,316	
Other investments	816	622	691	413	108	2,129	442	
Total interest income	95,643	96,177	95,224	38,182	37,920	287,044	106,887	
Interest expense:								
Transaction and savings deposits	10,381	11,405	10,366	5,412	4,694	32,152	12,187	
Certificates and other time deposits	10,283	10,145	8,792	3,394	3,068	29,220	6,320	
Advances from FHLB	3,081	2,187	2,055	377	630	7,323	1,324	
Subordinated debentures and subordinated notes	1,024	998	1,094	304	250	3,116	727	
Total interest expense	24,769	24,735	22,307	9,487	8,642	71,811	20,558	
Net interest income	70,874	71,442	72,917	28,695	29,278	215,233	86,329	
Provision for loan losses	9,674	3,335	5,012	1,364	3,057	18,021	5,239	
Net interest income after provision for loan losses	61,200	68,107	67,905	27,331	26,221	197,212	81,090	
Noninterest income:								
Service charges and fees on deposit accounts	3,667	3,422	3,517	832	809	10,606	2,588	
Loan fees	2,252	1,932	1,677	387	410	5,861	945	
Loss on sales of investment securities	—	(642)	(772)	(42)	(34)	(1,414)	(22)	
Gain on sales of loans	853	1,104	2,370	1,789	270	4,327	1,267	
Rental income	369	373	368	310	414	1,110	1,343	
Other	1,289	(155)	1,324	343	539	2,458	1,335	
Total noninterest income	8,430	6,034	8,484	3,619	2,408	22,948	7,456	
Noninterest expense:								
Salaries and employee benefits	17,530	17,459	18,885	8,278	7,394	53,874	22,981	
Occupancy and equipment	4,044	4,014	4,129	2,412	2,890	12,187	8,267	
Professional and regulatory fees	2,750	2,814	3,418	1,889	1,893	8,982	5,525	
Data processing and software expense	2,252	2,309	1,924	888	697	6,485	2,214	
Marketing	708	961	619	570	306	2,288	1,213	
Amortization of intangibles	2,712	2,719	2,760	835	798	8,191	2,632	
Telephone and communications	361	625	395	223	236	1,381	1,076	
Merger and acquisition expense	1,035	5,790	31,217	1,150	2,692	38,042	4,070	
Other	3,238	3,205	3,646	1,293	1,340	10,089	3,743	
Total noninterest expense	34,630	39,896	66,993	17,538	18,246	141,519	51,721	
Net income from operations	35,000	34,245	9,396	13,412	10,383	78,641	36,825	
Income tax expense	7,595	7,369	1,989	3,587	1,448	16,953	7,309	
Net income	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 8,935	\$ 61,688	\$ 29,516	
Basic EPS								
Basic EPS	\$ 0.52	\$ 0.50	\$ 0.14	\$ 0.41	\$ 0.37	\$ 1.15	\$ 1.22	
Diluted EPS								
Diluted EPS	\$ 0.51	\$ 0.49	\$ 0.13	\$ 0.40	\$ 0.36	\$ 1.13	\$ 1.20	
Weighted average basic shares outstanding								
Weighted average basic shares outstanding	52,915	53,969	54,293	24,224	24,176	53,721	24,151	
Weighted average diluted shares outstanding								
Weighted average diluted shares outstanding	53,873	54,929	55,439	24,532	24,613	54,633	24,587	

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

	For the Three Months Ended								
	September 30, 2019			June 30, 2019			September 30, 2018		
	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate
Assets									
Interest-earning assets:									
Loans ¹	\$ 5,702,696	\$ 84,022	5.85%	\$ 5,762,257	\$ 85,030	5.92%	\$ 2,432,095	\$ 35,074	5.72%
Loans held for investment, mortgage warehouse	182,793	1,789	3.88	154,586	1,756	4.56	—	—	—
Securities	1,022,289	7,687	2.98	956,160	7,397	3.10	254,242	1,722	2.69
Interest-bearing deposits in other banks	234,087	1,329	2.25	228,461	1,372	2.41	203,750	1,016	1.98
Other investments ²	71,901	816	4.50	59,508	622	4.19	20,044	108	2.14
Total interest-earning assets	7,213,766	95,643	5.26	7,160,972	96,177	5.39	2,910,131	37,920	5.17
Allowance for loan losses	(22,539)			(23,891)			(16,160)		
Noninterest-earning assets	818,150			800,238			331,826		
Total assets	<u>\$ 8,009,377</u>			<u>\$ 7,937,319</u>			<u>\$ 3,225,797</u>		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand and savings deposits	\$ 2,621,701	\$ 10,381	1.57%	\$ 2,713,735	\$ 11,405	1.69%	\$ 1,278,797	\$ 4,694	1.46%
Certificates and other time deposits	1,953,084	10,283	2.09	2,107,567	10,145	1.93	655,035	3,068	1.86
Advances from FHLB	632,754	3,081	1.93	334,926	2,187	2.62	120,114	630	2.08
Subordinated debentures and subordinated notes	74,869	1,024	5.43	75,252	998	5.32	16,690	250	5.94
Total interest-bearing liabilities	5,282,408	24,769	1.86	5,231,480	24,735	1.90	2,070,636	8,642	1.66
Noninterest-bearing liabilities:									
Noninterest-bearing deposits	1,467,127			1,456,538			635,952		
Other liabilities	49,695			48,669			11,750		
Total liabilities	6,799,230			6,736,687			2,718,338		
Stockholders' equity	1,210,147			1,200,632			514,876		
Total liabilities and stockholders' equity	<u>\$ 8,009,377</u>			<u>\$ 7,937,319</u>			<u>\$ 3,233,214</u>		
Net interest rate spread ³									
Net interest rate spread ³			3.40%			3.49%			3.51%
Net interest income	<u>\$ 70,874</u>			<u>\$ 71,442</u>			<u>\$ 29,278</u>		
Net interest margin ⁴									
Net interest margin ⁴			3.90%			4.00%			3.99%

¹ Includes average outstanding balances of loans held for sale of \$8,525, \$8,140 and \$1,091 for the three months ended September 30, 2019, June 30, 2019, and September 30, 2018, respectively, and average balances of loans held for investment, excluding mortgage warehouse.

² The Company historically reported dividend income in other noninterest income and has re-classified \$102 of dividend income into other investments as of September 30, 2018 in order to align with industry peers for comparability purposes.

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

⁴ Net interest margin is equal to net interest income divided by average interest-earning assets.

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

	For the Nine Months Ended					
	September 30, 2019			September 30, 2018		
	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/ Rate
Assets						
Interest-earning assets:						
Loans ¹	\$ 5,731,902	\$ 253,247	5.91%	\$ 2,342,797	\$ 99,432	5.67%
Loans held for investment, mortgage warehouse	152,617	5,097	4.47	—	—	—
Securities	968,616	22,316	3.08	241,764	4,697	2.60
Interest-bearing deposits in other banks	242,119	4,255	2.40	168,329	2,316	1.84
Other investments ²	56,438	2,129	5.04	16,390	442	3.61
Total interest-earning assets	7,151,692	287,044	5.37	2,769,280	106,887	5.16
Allowance for loan losses	(22,173)			(14,309)		
Noninterest-earning assets	799,509			340,136		
Total assets	<u>\$ 7,929,028</u>			<u>\$ 3,095,107</u>		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Interest-bearing demand and savings deposits	\$ 2,657,195	\$ 32,152	1.62%	\$ 1,256,726	\$ 12,187	1.30%
Certificates and other time deposits	2,067,032	29,220	1.89	591,953	6,320	1.43
Advances from FHLB	427,306	7,323	2.29	99,138	1,324	1.79
Subordinated debentures and subordinated notes	75,298	3,116	5.53	16,768	727	5.80
Total interest-bearing liabilities	5,226,831	71,811	1.84	1,964,585	20,558	1.40
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	1,459,904			614,107		
Other liabilities	42,853			12,310		
Total liabilities	6,729,588			2,591,002		
Stockholders' equity	1,199,440			504,105		
Total liabilities and stockholders' equity	<u>\$ 7,929,028</u>			<u>\$ 3,095,107</u>		
Net interest rate spread ³						
Net interest income		<u>\$ 215,233</u>	3.53%		<u>\$ 86,329</u>	3.76%
Net interest margin ⁴			4.02%			4.17%

¹ Includes average outstanding balances of loans held for sale of \$8,127 and \$1,258 for the nine months ended September 30, 2019 and September 30, 2018, respectively, and average balances of loans held for investment, excluding mortgage warehouse.

² The Company historically reported dividend income in other noninterest income and has re-classified \$427 of dividend income into other investments as of September 30, 2018 in order to align with industry peers for comparability purposes.

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

⁴ Net interest margin is equal to net interest income divided by average interest-earning assets.

VERITEX HOLDINGS, INC. AND SUBSIDIARY
Financial Highlights

Yield Trend

	For the Three Months Ended				
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Average yield on interest-earning assets:					
Loans ¹	5.85%	5.92%	5.96%	5.55%	5.72%
Loans held for investment, mortgage warehouse	3.88	4.56	5.26	—	—
Securities	2.98	3.10	3.17	2.88	2.69
Interest-bearing deposits in other banks	2.25	2.41	2.39	2.41	1.98
Other investments	4.50	4.19	4.92	6.36	2.14
Total interest-earning assets	5.26%	5.39%	5.44%	5.17%	5.17%
Average rate on interest-bearing liabilities:					
Interest-bearing demand and savings deposits	1.57%	1.69%	1.64%	1.60%	1.46%
Certificates and other time deposits	2.09	1.93	1.59	2.05	1.86
Advances from FHLB	1.93	2.62	2.68	2.85	2.08
Subordinated debentures and subordinated notes	5.43	5.32	5.85	7.23	5.94
Total interest-bearing liabilities	1.86%	1.90%	1.74%	1.82%	1.66%
Net interest rate spread ²	3.40%	3.49%	3.70%	3.35%	3.51%
Net interest margin ³	3.90%	4.00%	4.17%	3.89%	3.99%

¹Includes average outstanding balances of loans held for sale of \$8,525, \$8,140, \$7,709, \$1,019 and \$1,091 for the three months ended September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively, and average balances of loans held for investment, excluding mortgage warehouse.

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				
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Average cost of interest-bearing deposits	1.79%	1.79%	1.62%	1.75%	1.59%
Average costs of total deposits, including noninterest-bearing	1.36	1.38	1.25	1.32	1.20

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

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

	September 30, 2019		June 30, 2019		March 31, 2019		December 31, 2018		September 30, 2018						
(Dollars in thousands)															
Loans Held for Investment²															
Originated Loans															
Commercial	\$	1,027,433	33.4%	\$	878,970	32.2%	\$	836,792	33.3%	\$	697,906	33.0%	\$	646,978	33.3%
Real Estate:															
Owner occupied commercial		253,043	8.2		229,243	8.4		215,088	8.6		188,847	8.9		179,422	9.2
Commercial		877,669	28.5		800,506	29.3		752,628	30.0		636,200	30.0		592,959	30.5
Construction and land		490,389	15.9		405,323	14.8		364,812	14.5		303,315	14.3		254,258	13.1
Farmland		7,986	0.3		15,944	0.6		8,247	0.3		7,898	0.4		8,181	0.5
1-4 family residential		315,839	10.3		290,808	10.7		274,880	10.9		235,092	11.0		210,702	10.9
Multi-family residential		95,258	3.1		101,973	3.7		48,777	1.9		47,371	2.2		46,240	2.3
Consumer		8,471	0.2		7,714	0.3		8,587	0.3		4,304	0.2		3,123	0.2
Total originated LHI	\$	3,076,088	100%	\$	2,730,481	100%	\$	2,509,811	100%	\$	2,120,933	100%	\$	1,941,863	100%
Acquired Loans															
Commercial	\$	683,823	26.5%	\$	909,074	30.3%	\$	975,878	30.9%	\$	62,866	14.4%	\$	76,162	15.3%
Real Estate:															
Owner occupied commercial		463,087	18.0		517,525	17.2		530,026	16.8		132,432	30.5		133,865	26.6
Commercial		832,841	32.3		927,019	30.9		948,815	30.1		145,553	33.5		162,842	32.4
Construction and land		133,233	5.2		138,527	4.6		149,897	4.8		21,548	5.0		39,885	7.9
Farmland		—	—		1,528	0.1		1,781	0.1		2,630	0.6		2,672	0.5
1-4 family residential		243,471	9.4		266,248	8.9		295,719	9.4		62,825	14.5		79,106	15.7
Multi-family residential		211,708	8.2		228,904	7.6		238,936	7.6		3,914	0.9		4,077	0.8
Consumer		9,642	0.4		12,848	0.4		13,180	0.4		2,808	0.6		4,043	0.8
Total acquired LHI	\$	2,577,805	100%	\$	3,001,673	100%	\$	3,154,232	100%	\$	434,576	100%	\$	502,652	100%
Mortgage warehouse		233,577			200,017			114,157			—			—	
Total LHI ¹	\$	5,887,470		\$	5,932,171		\$	5,778,200		\$	2,555,509		\$	2,444,515	
Deposits²															
Noninterest-bearing	\$	1,473,126	25.1%	\$	1,476,668	24.0%	\$	1,439,630	22.9%	\$	626,283	23.8%	\$	661,754	24.9%
Interest-bearing transaction		373,997	6.4		373,982	6.1		334,868	5.3		146,969	5.6		144,328	5.4
Money market		2,066,315	35.2		2,178,274	35.3		2,169,049	34.4		1,133,045	43.2		1,168,262	44.0
Savings		87,981	1.5		93,898	1.5		113,200	1.8		33,147	1.3		33,674	1.3
Certificates and other time deposits		1,876,427	31.8		2,042,266	33.1		2,240,968	35.6		682,984	26.1		648,236	24.4
Total deposits	\$	5,877,846	100%	\$	6,165,088	100%	\$	6,297,715	100%	\$	2,622,428	100%	\$	2,656,254	100%
Loan to Deposit Ratio		100.2%		96.2%		91.8%		97.4%			92.0%				

¹ Total LHI does not include deferred (costs) fees of (\$134 thousand) at September 30, 2019, \$321 thousand at June 30, 2019, \$321 thousand at March 31, 2019, \$15 thousand at December 31, 2018 and \$16 thousand at September 30, 2018.

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

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

Asset Quality

	For the Three Months Ended						For the Nine Months Ended	
	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018	
(Dollars in thousands)								
Nonperforming Assets ("NPAs"):								
Originated nonaccrual loans ¹	\$ 5,081	\$ 4,751	\$ 5,739	\$ 5,358	\$ 2,307	\$ 5,081	\$ 2,307	
Acquired nonaccrual loans ¹	5,091	10,982	12,944	19,387	19,515	5,091	19,515	
Originated accruing loans 90 or more days past due ²	815	12,738	2,329	—	4,302	815	4,302	
Acquired accruing loans 90 or more days past due ²	1,379	13,036	1,974	—	—	1,379	—	
Total nonperforming loans held for investment ("NPLs")	12,366	41,507	22,986	24,745	26,124	12,366	26,124	
Other real estate owned	4,625	1,748	151	—	—	4,625	—	
Total NPAs	\$ 16,991	\$ 43,255	\$ 23,137	\$ 24,745	\$ 26,124	\$ 16,991	\$ 26,124	
Charge-offs:								
Residential	\$ —	\$ (157)	\$ —	\$ —	\$ —	\$ (157)	\$ —	
Commercial	(8,101)	(143)	(2,654)	(26)	—	(10,898)	(149)	
Consumer	(113)	(30)	(74)	—	—	(217)	(22)	
Total charge-offs	(8,214)	(330)	(2,728)	(26)	—	(11,272)	(171)	
Recoveries:								
Residential	—	54	8	—	—	62	—	
Commercial	71	10	10	7	10	91	34	
Consumer	—	40	46	—	—	86	—	
Total recoveries	71	104	64	7	10	239	34	
Net charge-offs	\$ (8,143)	\$ (226)	\$ (2,664)	\$ (19)	\$ 10	\$ (11,033)	\$ (137)	
Allowance for loan losses ("ALLL") at end of period	\$ 26,243	\$ 24,712	\$ 21,603	\$ 19,255	\$ 17,909	\$ 26,243	\$ 17,909	
Remaining purchase discount ("PD") on acquired loans ³	\$ 58,503	\$ 80,365	\$ 83,365	\$ 12,098	\$ 13,389	\$ 58,503	\$ 13,389	
Asset Quality Ratios:								
NPAs to total assets	0.21%	0.54%	0.29%	0.77%	0.80%	0.21%	0.80%	
NPLs to total LHI	0.21	0.70	0.40	0.97	1.07	0.21	1.07	
ALLL to total LHI	0.45	0.42	0.37	0.75	0.73	0.45	0.73	
ALLL and remaining PD on acquired loans to total LHI ³	1.44	1.77	1.82	1.23	1.28	1.44	1.28	
Net charge-offs to average loans outstanding	0.14	—	0.05	—	—	0.19	0.01	

¹ The Company historically reported in the acquired nonaccrual loans line item in the table above only acquired purchased credit impaired ("PCI") loans that were deemed to be on nonaccrual status subsequent to the respective acquisition date. The Company has reclassified \$3,158, \$5,040 and \$2,485 for the three months ended June 30, 2019, March 31, 2019 and December 31, 2018, respectively, and \$2,357 for the three and nine months ended September 30, 2018 of acquired non-PCI loans deemed to be on nonaccrual status subsequent to acquisition date from the originated nonaccrual line item into the acquired nonaccrual loans line item. As a result, both acquired PCI loans and acquired non-PCI loans are reflected in the acquired nonaccrual loans line item in order to align with industry peers for comparability purposes.

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

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

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

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

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

Tangible Book Value Per Common Share. Tangible book value is a non-GAAP measure generally used by financial analysts and investment bankers to evaluate financial institutions. We calculate: (a) tangible common equity as total stockholders’ equity less goodwill and core deposit intangibles, net of accumulated amortization; and (b) tangible book value per common share as tangible common equity (as described in clause (a)) divided by 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				
	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,205,530	\$ 1,205,293	\$ 1,193,705	\$ 530,638	\$ 517,212
Adjustments:					
Goodwill	(370,463)	(370,221)	(368,268)	(161,447)	(161,447)
Core deposit intangibles	(70,014)	(72,465)	(74,916)	(11,675)	(12,107)
Tangible common equity	\$ 765,053	\$ 762,607	\$ 750,521	\$ 357,516	\$ 343,658
Common shares outstanding	52,373	53,457	54,236	24,254	24,192
Book value per common share	\$ 23.02	\$ 22.55	\$ 21.88	\$ 21.88	\$ 21.38
Tangible book value per common share	\$ 14.61	\$ 14.27	\$ 13.76	\$ 14.74	\$ 14.21

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

Tangible Common Equity to Tangible Assets. Tangible common equity to tangible assets is a non-GAAP measure generally used by financial analysts and investment bankers to evaluate financial institutions. We calculate: (a) tangible common equity as total stockholders' equity, less goodwill and core deposit intangibles, net of accumulated amortization; (b) tangible assets as total assets less goodwill and core deposit intangibles, net of accumulated amortization; and (c) tangible common equity to tangible assets as tangible common equity (as described in clause (a)) divided by tangible assets (as described in clause (b)). For tangible common equity to tangible assets, the most directly comparable financial measure calculated in accordance with GAAP is total stockholders' equity to total assets.

We believe that this measure is important to many investors in the marketplace who are interested in the relative changes from period to period in common equity and total assets, in each case, exclusive of changes in core deposit intangibles. Goodwill and other intangible assets have the effect of increasing both total stockholders' equity and assets while not increasing our tangible common equity or tangible assets.

The following table reconciles, as of the dates set forth below, total stockholders' equity to tangible common equity and total assets to tangible assets and presents our tangible common equity to tangible assets:

	As of				
	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018
	(Dollars in thousands)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,205,530	\$ 1,205,293	\$ 1,193,705	\$ 530,638	\$ 517,212
Adjustments:					
Goodwill	(370,463)	(370,221)	(368,268)	(161,447)	(161,447)
Core deposit intangibles	(70,014)	(72,465)	(74,916)	(11,675)	(12,107)
Tangible common equity	<u>\$ 765,053</u>	<u>\$ 762,607</u>	<u>\$ 750,521</u>	<u>\$ 357,516</u>	<u>\$ 343,658</u>
Tangible Assets					
Total assets	\$ 7,962,883	\$ 8,010,106	\$ 7,931,747	\$ 3,208,550	\$ 3,275,846
Adjustments:					
Goodwill	(370,463)	(370,221)	(368,268)	(161,447)	(161,447)
Core deposit intangibles	(70,014)	(72,465)	(74,916)	(11,675)	(12,107)
Tangible Assets	<u>\$ 7,522,406</u>	<u>\$ 7,567,420</u>	<u>\$ 7,488,563</u>	<u>\$ 3,035,428</u>	<u>\$ 3,102,292</u>
Tangible Common Equity to Tangible Assets	10.17%	10.08%	10.02%	11.78%	11.08%

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

Return on Average Tangible Common Equity. Return on average tangible common equity is a non-GAAP measure generally used by financial analysts and investment bankers to evaluate financial institutions. We calculate: (a) return as net income available for common stockholders adjusted for amortization of core deposit intangibles as net income, plus amortization of core deposit intangibles, less tax benefit at the statutory rate; (b) average tangible common equity as total average stockholders' equity less average goodwill and average core deposit intangibles, net of accumulated amortization; and (c) return (as described in clause (a)) divided by average tangible common equity (as described in clause (b)). For return on average tangible common equity, the most directly comparable financial measure calculated in accordance with GAAP is return on average equity.

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

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

	For the Three Months Ended					For the Nine Months Ended			
	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Sep 30, 2019	Sep 30, 2019	Sep 30, 2018	Sep 30, 2018
(Dollars in thousands)									
Net income available for common stockholders adjusted for amortization of core deposit intangibles									
Net income	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 8,935	\$ 61,688	\$ 61,688	\$ 29,516	\$ 29,516
Adjustments:									
Plus: Amortization of core deposit intangibles	2,451	2,451	2,477	432	431	7,379	7,379	1,250	1,250
Less: Tax benefit at the statutory rate	515	515	520	91	91	1,550	1,550	263	263
Net income available for common stockholders adjusted for amortization of intangibles	<u>\$ 29,341</u>	<u>\$ 28,812</u>	<u>\$ 9,364</u>	<u>\$ 10,166</u>	<u>\$ 9,275</u>	<u>\$ 67,517</u>	<u>\$ 67,517</u>	<u>\$ 30,503</u>	<u>\$ 30,503</u>
Average Tangible Common Equity									
Total average stockholders' equity	\$ 1,210,147	\$ 1,200,632	\$ 1,190,266	\$ 523,590	\$ 514,876	\$ 1,199,440	\$ 1,199,440	\$ 504,105	\$ 504,105
Adjustments:									
Average goodwill	(370,224)	(369,255)	(366,795)	(161,447)	(161,447)	(369,097)	(369,097)	(160,725)	(160,725)
Average core deposit intangibles	(71,355)	(73,875)	(76,727)	(11,932)	(12,354)	(73,965)	(73,965)	(13,370)	(13,370)
Average tangible common equity	<u>\$ 768,568</u>	<u>\$ 757,502</u>	<u>\$ 746,744</u>	<u>\$ 350,211</u>	<u>\$ 341,075</u>	<u>\$ 756,378</u>	<u>\$ 756,378</u>	<u>\$ 330,010</u>	<u>\$ 330,010</u>
Return on Average Tangible Common Equity (Annualized)	15.15%	15.26%	5.09%	11.52%	10.79%	11.93%	11.93%	12.36%	12.36%

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

Operating Net Income, Pre-tax, Pre-provision Operating Earnings and performance metrics calculated using Operating Earnings and Pre-tax, Pre-provision Operating Net Income, including Diluted Operating Earnings per Share, Operating Return on Average Assets, Pre-tax, Pre-Provision Operating Return on Average Assets, Operating Return on Average Tangible Common Equity and Operating Efficiency Ratio. Operating earnings and pre-tax, pre-provision operating earnings are non-GAAP measures used by management to evaluate the Company's financial performance. We calculate (a) operating net income as net income plus loss on sale of securities available for sale, net, plus loss (gain) on sale of disposed branch assets, plus lease exit costs, net, plus branch closure expenses, plus one-time issuance of shares to all employees, plus merger and acquisition expenses, less tax impact of adjustments, plus re-measurement of deferred tax assets as a result of the reduction in the corporate income tax rate under the Tax Cuts and Jobs Act, plus other merger and acquisition discrete tax items. We calculate (b) pre-tax, pre-provision operating earnings as operating earnings as described in clause (a) plus provision for income taxes, plus provision for loan losses. We calculate (c) diluted operating earnings per share as operating earnings as described in clause (a) divided by weighted average diluted shares outstanding. We calculate (d) operating return on average tangible common equity as operating earnings as described in clause (a) divided by total average tangible common equity (average stockholders' equity less average goodwill and average core deposit intangibles, net of accumulated amortization.) We calculate (e) operating efficiency ratio as non interest expense plus adjustments to operating non interest expense divided by (i) non interest income plus adjustments to operating non interest income plus (ii) net interest income.

We believe that these measures and the operating metrics calculated utilizing these measures are important to management and many investors in the marketplace who are interested in understanding the ongoing operating performance of the Company and provide meaningful comparisons to its peers.

The following tables reconcile, as of the dates set forth below, operating net income and pre-tax, pre-provision operating earnings and related metrics:

	For the Three Months Ended				For the Nine Months Ended			
	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018	
	(Dollars in thousands)							
Operating Net Income								
Net income	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 8,935	\$ 61,688	\$ 29,516	
Plus: Loss on sale of securities available for sale, net	—	642	772	42	—	1,414	—	
Plus: Loss (gain) on sale of disposed branch assets ¹	—	359	—	—	—	359	(388)	
Plus: Lease exit costs, net ²	—	—	—	—	—	—	1,071	
Plus: Branch closure expenses	—	—	—	—	—	—	172	
Plus: One-time issuance of shares to all employees	—	—	—	—	—	—	421	
Plus: Merger and acquisition expenses	1,035	5,431	31,217	1,150	2,692	37,683	4,070	
Operating pre-tax income	28,440	33,308	39,396	11,017	11,627	101,144	34,862	
Less: Tax impact of adjustments ³	217	1,351	6,717	(440)	538	8,285	1,073	
Plus: Tax Act re-measurement	—	—	—	—	(688)	—	5	
Plus: Other M&A tax items	406	277	—	—	—	683	—	
Operating net income	\$ 28,629	\$ 32,234	\$ 32,679	\$ 11,457	\$ 10,401	\$ 93,542	\$ 33,794	
Weighted average diluted shares outstanding	53,873	54,929	55,439	24,532	24,613	54,633	24,587	
Diluted EPS	\$ 0.51	\$ 0.49	\$ 0.13	\$ 0.40	\$ 0.36	\$ 1.13	\$ 1.20	
Diluted operating EPS	0.53	0.59	0.59	0.47	0.42	1.71	1.37	

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

² Lease exit costs, net for the nine months ended September 30, 2018 includes a \$1.5 million consent fee and \$240 thousand in professional services paid in January 2018 to separately assign and sublease two of our branch leases that we ceased using in 2017 offset by the reversal of the corresponding assigned lease cease-use liability totaling \$669 thousand.

³ During the fourth quarter of 2018, we initiated a transaction cost study, which through December 31, 2018 resulted in \$727 thousand of expenses paid that are non-deductible merger and acquisition expenses. As such, the \$727 thousand of non-deductible expenses are reflected in the nine months ended September 30, 2018 tax impact of adjustments amounts reported. All other non-merger related adjustments to operating net income are taxed at the statutory rate.

	For the Three Months Ended				For the Nine Months Ended			
	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018	
(Dollars in thousands)								
Pre-Tax, Pre-Provision Operating Earnings								
Net income	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 8,935	\$ 61,688	\$ 29,516	
Plus: Provision for income taxes	7,595	7,369	1,989	3,587	1,448	16,953	7,309	
Plus: Provision for loan losses	9,674	3,335	5,012	1,364	3,057	18,021	5,239	
Plus: Loss on sale of securities available for sale, net	—	642	772	42	—	1,414	—	
Plus: Loss (gain) on sale of disposed branch assets ¹	—	359	—	—	—	359	(388)	
Plus: Lease exit costs, net ²	—	—	—	—	—	—	1,071	
Plus: Branch closure expenses	—	—	—	—	—	—	172	
Plus: One-time issuance of shares to all employees	—	—	—	—	—	—	421	
Plus: Merger and acquisition expenses	1,035	5,431	31,217	1,150	2,692	37,683	4,070	
Pre-tax, pre-provision operating earnings	\$ 45,709	\$ 44,012	\$ 46,397	\$ 15,968	\$ 16,132	\$ 136,118	\$ 47,410	
Average total assets	\$ 8,009,377	\$ 7,937,319	\$ 7,841,267	\$ 3,243,168	\$ 3,225,797	\$ 7,929,028	\$ 3,095,107	
Pre-tax, pre-provision operating return on average assets³	2.26%	2.22%	2.40%	1.95%	1.98%	2.30%	2.05%	
Average total assets	\$ 8,009,377	\$ 7,937,319	\$ 7,841,267	\$ 3,243,168	\$ 3,225,797	\$ 7,929,028	\$ 3,095,107	
Return on average assets³	1.36%	1.36%	0.38%	1.20%	1.10%	1.04%	1.28%	
Operating return on average assets³	1.42	1.63	1.69	1.40	1.28	1.58	1.46	
Operating earnings adjusted for amortization of intangibles								
Operating net income	\$ 28,629	\$ 32,234	\$ 32,679	\$ 11,457	\$ 10,401	\$ 93,542	\$ 33,794	
Adjustments:								
Plus: Amortization of core deposit intangibles	2,451	2,451	2,477	432	431	7,379	1,250	
Less: Tax benefit at the statutory rate	515	515	520	91	91	1,550	263	
Operating earnings adjusted for amortization of intangibles	\$ 30,565	\$ 34,170	\$ 34,636	\$ 11,798	\$ 10,741	\$ 99,371	\$ 34,781	
Average Tangible Common Equity								
Total average stockholders' equity	\$ 1,210,147	\$ 1,200,632	\$ 1,190,266	\$ 523,590	\$ 514,876	\$ 1,199,440	\$ 504,105	
Adjustments:								
Less: Average goodwill	(370,224)	(369,255)	(366,795)	(161,447)	(161,447)	(369,097)	(160,725)	
Less: Average core deposit intangibles	(71,355)	(73,875)	(76,727)	(11,932)	(12,354)	(73,965)	(13,370)	
Average tangible common equity	\$ 768,568	\$ 757,502	\$ 746,744	\$ 350,211	\$ 341,075	\$ 756,378	\$ 330,010	
Operating return on average tangible common equity³	15.78%	18.09%	18.81%	13.37%	12.49%	17.57%	14.09%	
Efficiency ratio	43.67%	51.49%	82.30%	54.27%	57.58%	59.42%	55.15%	
Operating efficiency ratio	42.36%	43.66%	43.54%	50.65%	49.09%	43.19%	49.45%	

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

² Lease exit costs, net for the nine months ended September 30, 2018 includes a \$1.5 million consent fee and \$240 thousand in professional services paid in January 2018 to separately assign and sublease two of our branch leases that we ceased using in 2017 offset by the reversal of the corresponding assigned lease cease-use liability totaling \$669 thousand.

³ Annualized ratio.



VERITEX

Investor Presentation

3rd Quarter 2019



Safe Harbor

Forward-looking statements

This presentation contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on various facts and derived utilizing assumptions, current expectations, estimates and projections and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include, without limitation, statements relating to the impact Veritex Holdings, Inc. (“Veritex”) expects its acquisition of Green Bancorp, Inc. (“Green”) to have on its operations, financial condition and financial results and Veritex’s expectations about its ability to successfully integrate the combined businesses of Veritex and Green and the amount of cost savings and overall operational efficiencies Veritex expects to realize as a result of the acquisition of Green. The forward-looking statements in this presentation also include statements about the expected payment date of Veritex’s quarterly cash dividend, Veritex’s future financial performance, business and growth strategy, projected plans and objectives, as well as other projections based on macroeconomic and industry trends, which are inherently unreliable due to the multiple factors that impact broader economic and industry trends, and any such variations may be material. Statements preceded by, followed by or that otherwise include the words “believes,” “expects,” “anticipates,” “intends,” “projects,” “estimates,” “plans” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “may” and “could” are generally forward-looking in nature and not historical facts, although not all forward-looking statements include the foregoing words. Further, certain factors that could affect future results and cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to, the possibility that the businesses of Veritex and Green will not be integrated successfully, that the cost savings and any synergies from the acquisition may not be fully realized or may take longer to realize than expected, disruption from the acquisition making it more difficult to maintain relationships with employees, customers or other parties with whom Veritex has (or Green had) business relationships, diversion of management time on integration-related issues, the reaction to the acquisition by Veritex’s and Green’s customers, employees and counterparties and other factors, many of which are beyond the control of Veritex. We refer you to the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Veritex’s Annual Report on Form 10-K for the year ended December 31, 2018 and any updates to those risk factors set forth in Veritex’s Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission (“SEC”), which are available on the SEC’s website at www.sec.gov. If one or more events related to these or other risks or uncertainties materialize, or if Veritex’s underlying assumptions prove to be incorrect, actual results may differ materially from what Veritex anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Veritex does not undertake any obligation, and specifically declines any obligation, to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. All forward-looking statements, expressed or implied, included in this presentation are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Veritex or persons acting on Veritex’s behalf may issue.

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



Non-GAAP Financial Measures

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

- Tangible book value per common share;
- Tangible common equity to tangible assets;
- Returns on average tangible common equity;
- Operating net income;
- Pre-tax, pre-provision operating earnings;
- Diluted operating earnings per share ("EPS");
- Operating return on average assets;
- Operating return on average tangible common equity;
- Operating efficiency ratio;
- Operating noninterest income; and
- Operating noninterest expense.

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

Third Quarter 2019 Financial Highlights



Quarter Financial Results

GAAP Financial Highlights

	3Q19	2Q19	Change	% Change
Net income	\$ 27,405	\$ 26,876	\$ 529	2.0%
Diluted EPS	0.51	0.49	0.02	4.1
Return on average assets ("ROA")	1.36%	1.36%	-	0.0
Efficiency Ratio	43.67	51.49	782 bp	(15.2)

Non-GAAP Financial Highlights¹

	3Q19	2Q19	Change	% Change
Operating net income	\$ 28,629	\$ 32,234	\$ (3,605)	(11.2%)
Diluted operating EPS	0.53	0.59	(0.06)	(10.2)
Pre-tax, pre-provision operating ROA	2.26%	2.22%	4 bp	1.8
Return on average tangible common equity	15.15	15.26	(11 bp)	(0.7)
Operating return on average tangible common equity	15.78	18.09	(231 bp)	(12.8)
Operating ROA	1.42	1.63	(21 bp)	(12.9)
Operating efficiency Ratio	42.36	43.66	130 bp	(3.0)

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

Year to Date 2019 Financial Highlights



Year to Date Financial Results

GAAP Financial Highlights

	3Q19	3Q18	Change	% Change
Net income	\$ 61,688	\$ 29,516	\$ 32,172	109.0%
Diluted EPS	1.13	1.20	(0.07)	(5.8)
Return on average assets ("ROA")	1.04%	1.28%	(24 bp)	(18.7)
Efficiency Ratio	59.42	55.15	(427 bp)	(7.7)

Non-GAAP Financial Highlights¹

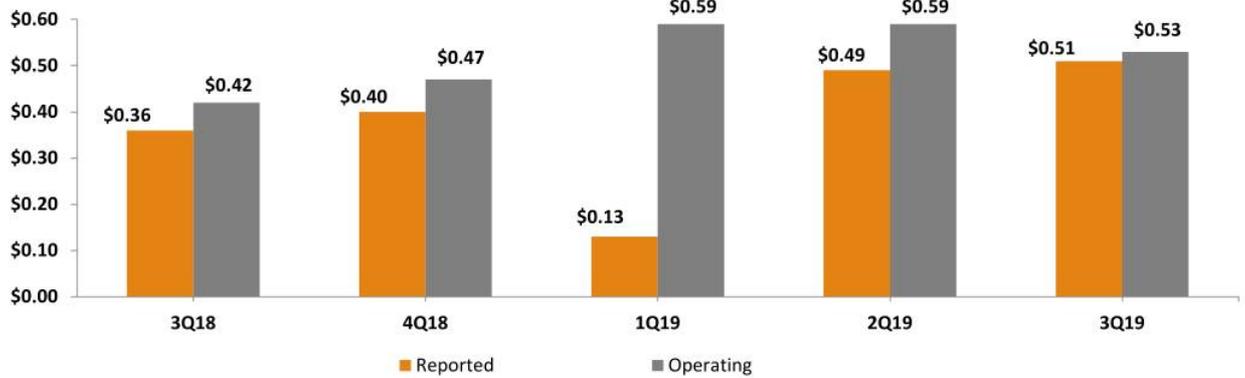
	3Q19	3Q18	Change	% Change
Operating net income	\$ 93,542	\$ 33,794	\$ 59,748	176.8%
Diluted operating EPS	1.71	1.37	0.34	24.8
Pre-tax, pre-provision operating ROA	2.30%	2.05%	25 bp	12.2
Return on average tangible common equity	11.93	12.36	(43 bp)	(3.5)
Operating return on average tangible common equity	17.57	14.09	348 bp	24.7
Operating ROA	1.58	1.46	12 bp	8.2
Operating efficiency Ratio	43.19	49.45	626 bp	12.7

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

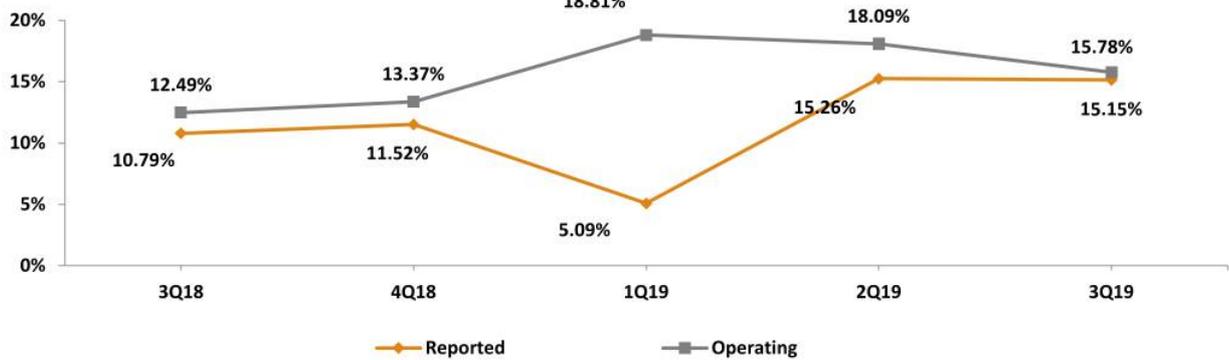


Fully Diluted EPS and ROATCE¹

Diluted Earnings Per Share¹



ROATCE¹

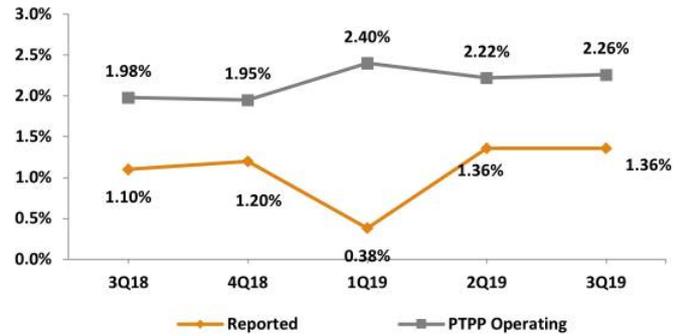
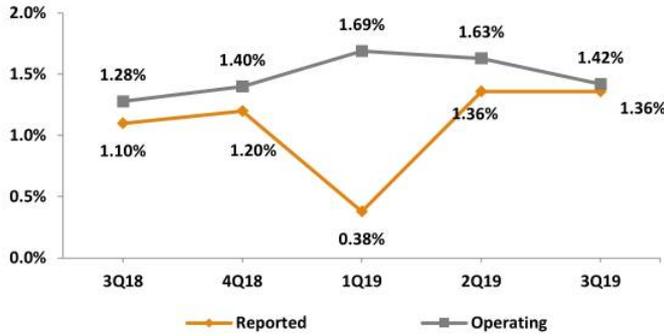


¹ Please refer to the "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.

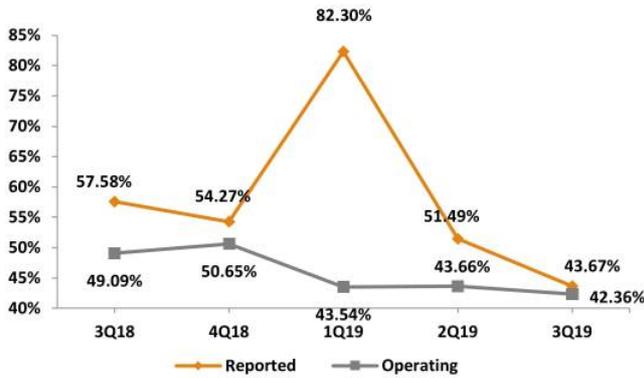


ROAA and Efficiency Ratio¹

ROAA¹



Efficiency Ratio¹



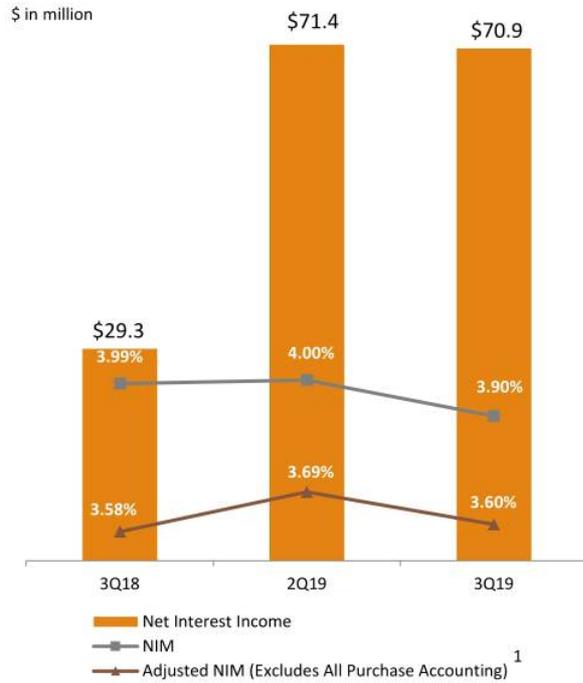
Tangible Book Value per Common Share¹



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



Net Interest Income



- Net interest income of \$70.9 million slightly decreased from 2Q19 and increased \$41.6 million, or 142%, compared to 3Q18, largely due to the Green merger
- Net interest margin of 3.90% down 10 bps compared to 2Q19; includes \$5.4 million of purchase accounting adjustments in 3Q19 compared to \$5.5 million in 2Q19
- 3Q19 loan commitments totaled \$440.7 million at a weighted average rate of 5.07%

Drivers of NIM decrease		
	NIM	Adj. NIM
2Q19 Net Interest Margin	4.00%	3.69%
Impact of rates on earnings assets	(0.08%)	(0.12%)
Impact of rates on interest-bearing liabilities	0.02%	0.06%
Change in volume and mix	(0.04%)	(0.03%)
3Q19 Net Interest Margin	3.90%	3.60%

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

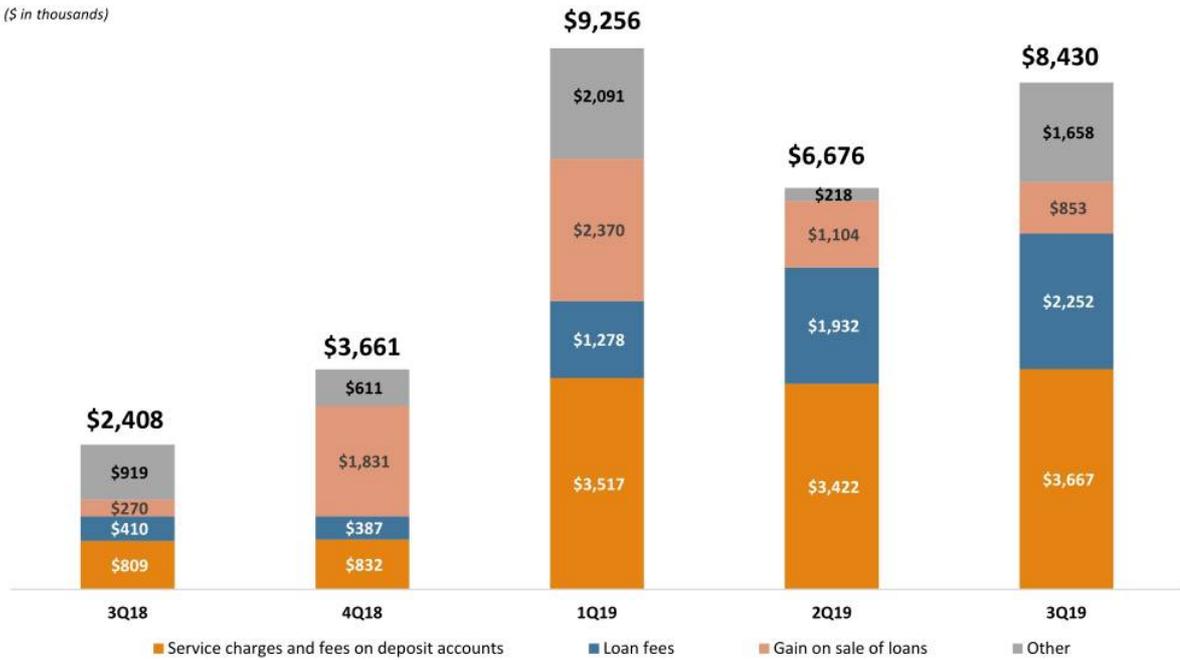


Noninterest Income (Operating)

- Operating noninterest income¹ totaled \$8.4 million for the quarter ended September 30, 2019, a 26.3% increase over the prior quarter.
- SBA revenue consistent with the 2Q19 but remains on track with year to date expectations.
- Customer swap income totaled \$671 thousand on 10 transactions during 3Q19 compared to \$12 thousand during 2Q19.

Operating Noninterest Income¹ Composition

(*\$ in thousands*)



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



Noninterest Expense (Operating)

- Operating noninterest expense¹ totaled \$33.6 million for the quarter ended September 30, 2019, a 1.5% decrease over the prior quarter.
- Operating noninterest expense excludes core conversion and planned employee departures.
- Added new talent, including 4 loan producers, during the third quarter. Additional salary and benefit cost was offset by lower variable compensation expense.



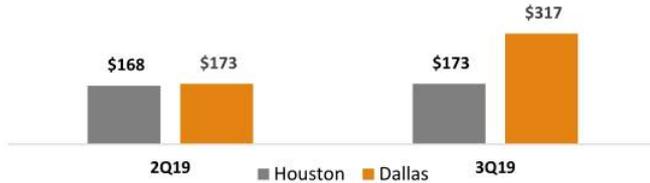
¹ Please refer to the "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of this non-GAAP financial measures.



Loans Held For Investment

- Loans held for investment decreased \$44.7 million, or 3.0% on a linked quarter annualized basis.
- 43.8% of loan portfolio was credit marked in the last 2 years.

Quarter-end New Commitments by Market



Variable Rate Loan Floors

Grouping	Total Balance	% of Total Balance	Cumulative % of Total Balance
No Floor	\$ 2,921	70%	70%
Floor Reached	218	5%	75%
0-25 bps to Reach Floor	57	1%	76%
26-50 bps to Reach Floor	145	4%	80%
51-75 bps to Reach Floor	73	2%	82%
76-100 bps to Reach Floor	295	7%	89%
101-125 bps to Reach Floor	165	4%	93%
126-150 bps to Reach Floor	108	3%	96%
151+ bps to Reach Floor	174	4%	100%
	\$ 4,156	100%	

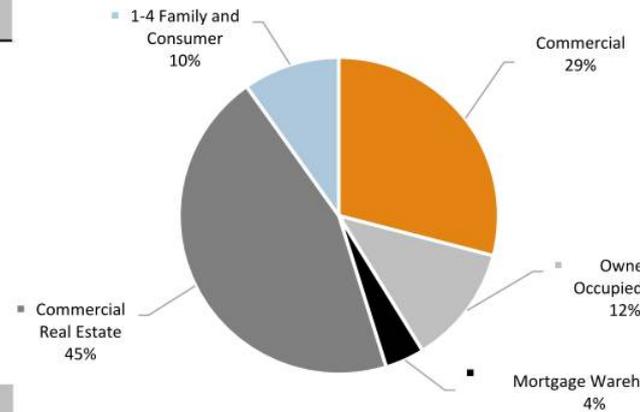
(\$ in millions)	For the Quarter Ended	
	2Q19	3Q19
Originated Loans ¹	2,730	3,076
Acquired non-PCI Loans	2,829	2,430
Acquired PCI loans	173	148
Mortgage warehouse	200	234
Total Loans	5,932	5,888

Qtr / Qtr Change in Balance

Originated Loans ¹	28.7%	12.7%
Acquired non-PCI Loans	-5.4%	-14.1%
Acquired PCI loans ²	4.8%	-14.5%
Mortgage warehouse	75.4%	17.0%
Total Loans	2.7%	-0.7%

Loan Composition

As of September 30, 2019



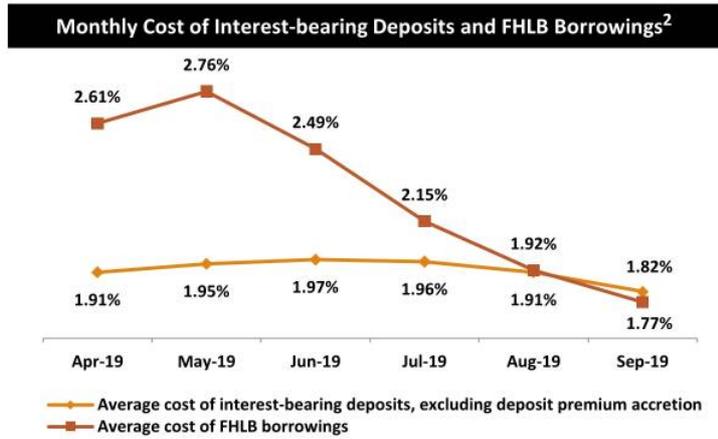
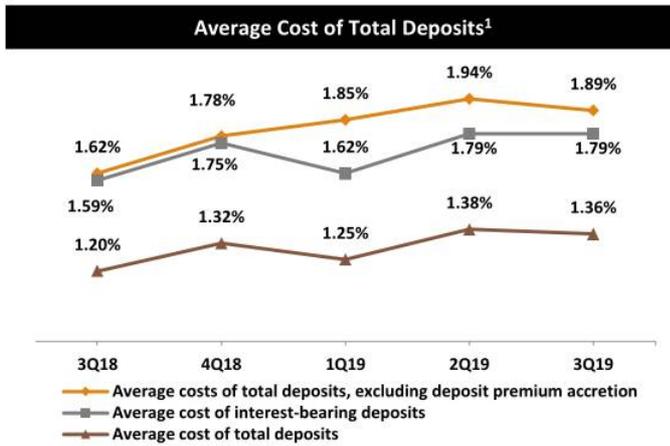
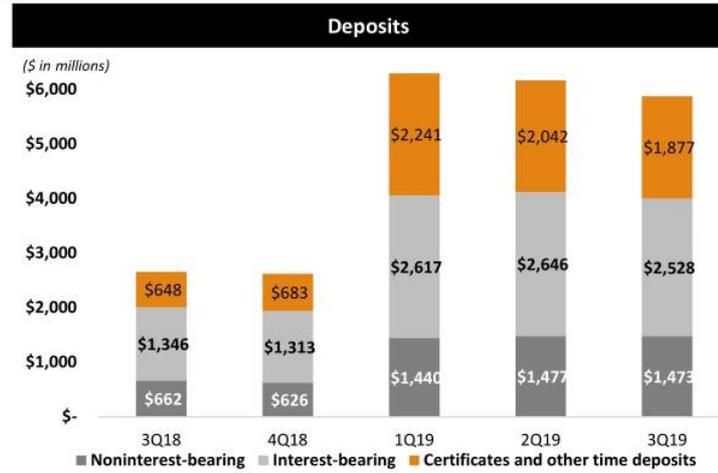
¹ Originated loans includes newly originated loans and purchased loans that have matured and renewed during the quarter.

² Increase in acquired PCI loans during the second quarter 2019 was a result of updates to the provision estimate of the fair value of PCI loans during the measurement period.



Deposits and Borrowings

- Noninterest-bearing deposits totaled \$1.5 billion, which comprised 25.0% of total deposits as of September 30, 2019.
- Loan to deposit ratio increased to 100.2% at September 30, 2019 from 96.2% at June 30, 2019.
- Excluding mortgage warehouse, the loan to deposit ratio was 96.2% at September 30, 2019.
- Entered into \$600 million of floating rate and structured borrowings to replace high cost funding resulting in a 5 basis point decrease in average costs of total deposits, which excludes deposit premium accretion quarter over quarter.
- Average cost of interest-bearing deposits, excluding deposit premium accretion, at a blended rate has decreased 15 basis point from June 2019 primarily as a result of cuts in money market rates and our strategy to replace high cost funding.



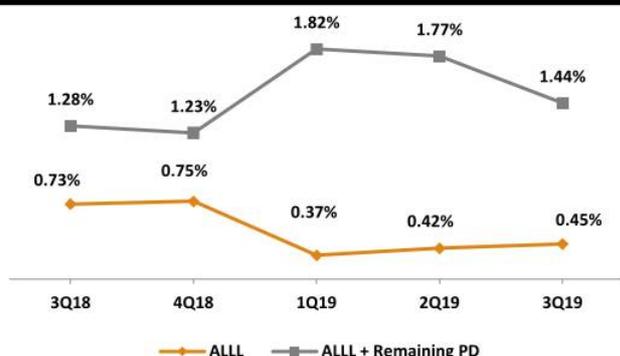
¹ Average costs of total deposits excludes \$158, \$132, \$2,731, \$1,355 and \$1,210 of deposit premium accretion as of 3Q18, 4Q18, 1Q19, 2Q19, and 3Q19, respectively.

² Average costs of interest-bearing deposits excludes \$711, \$644, \$559, \$484, \$391, \$335 of deposit premium accretion as of April 2019, May 2019, June 2019, July 2019, August 2019 and September 2019, respectively.

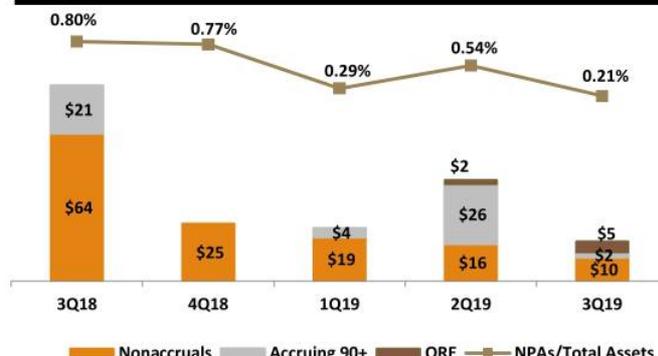


Strong Asset Quality

Allowance for Loan Losses Ratio



NPAs / Total Assets



Q3 Provision Breakdown

Specific Reserves	1,180
General Reserves (including renewed loans)	2,933
Acquired energy loan ¹	5,561
Provision	9,674

Q3 ALLL Rollforward

June 30, 2019 Balance	24,712
Charge-offs ²	(8,214)
Recoveries	71
Provision	9,674
September 30, 2019 Balance	26,243

¹ Charge-off related to a commercial energy loan relationship acquired from Sovereign Bancshares, Inc. in 2017. The relationship consists of a \$7.8 million loan to an independent oil and gas exploration company that filed for bankruptcy protection in 2018 and recently entered into a sales process pursuant to Section 363 of the Bankruptcy Code. The \$5.6 charge-off of this commercial loan relationship (calculated as full charge-off of \$6.1 less a specific reserve of \$253 thousand less a purchase discount of \$161 thousand) results in the Company exiting the relationship in full.

² Excluding the \$5.6 energy loan provision, the remaining charge-offs recorded during the third quarter of 2019 were fully reserved against in the second quarter of 2019.

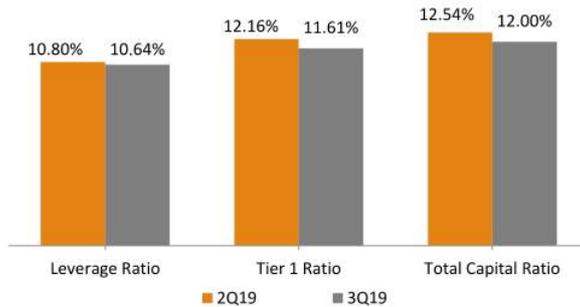


VHI Capital Ratios and Actions

Company Level as of September 30, 2019¹



Bank Level as of September 30, 2019¹



• Dividends

- › On October 21, 2019, declared quarterly cash dividend of \$0.125 per common share payable in November 2019

• Stock Buyback Program

- › Increased to \$100 million from \$50 million and extended previously announced stock buyback program
- › QTD repurchased \$29.0 million in common stock (1,177,241 shares)
- › YTD repurchased \$58.8 million in common stock (2,349,103 shares)
- › Reduction in share count of **4.29%**

• 2019 Return to Shareholders

- › **QTD return of \$35.7 million** (\$29.0 million in stock buyback and \$6.7 million in common dividends)
- › **YTD return of \$79.1 million** (\$58.8 million in stock buyback and \$20.3 million in common dividends)

¹ Preliminary

² Please refer to the "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation for a description and reconciliation of these non-GAAP financial measures.



Outlook and Focus Through 2020

1

Strong operating earnings profile, highlighted by year to date 2019 PTPP return on average assets of 2.30%¹, operating return on average tangible common equity of 17.57%¹ and an operating efficiency ratio of 43.19%¹.

2

Fortress balance sheet with significant liquidity, capital and limited credit downside given less than \$25 million in net energy exposure and \$58.5 million in remaining purchase discount on acquired loans.

3

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

4

Focused on:

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

5

Not focused on:

- M&A because we have achieved the necessary scale to deliver top quality financial results

6

Attractive valuation at 10.0² times 2020 consensus earnings.

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

² As of October 16, 2019 and 2020 consensus earnings estimate of \$2.43 from individual analyst reports.



VERITEX

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Non-GAAP Financial Measures



	As of				
	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18
	(Dollars in thousands, except per share data)				
Tangible Common Equity					
Total stockholders' equity	\$ 1,205,530	\$ 1,205,293	\$ 1,193,705	\$ 530,638	\$ 517,212
Adjustments:					
Goodw ill	(370,463)	(370,221)	(368,268)	(161,447)	(161,447)
Core deposit intangibles	(70,014)	(72,465)	(74,916)	(11,675)	(12,107)
Tangible common equity	<u>\$ 765,053</u>	<u>\$ 762,607</u>	<u>\$ 750,521</u>	<u>\$ 357,516</u>	<u>\$ 343,658</u>
Common shares outstanding	52,373	53,457	54,236	24,254	24,192
Book value per common share	\$23.02	\$22.55	\$21.88	\$21.88	\$21.38
Tangible book value per common share	\$14.61	\$14.27	\$13.76	\$14.74	\$14.21
Tangible Common Equity					
Total stockholders' equity	\$ 1,205,530	\$ 1,205,293	\$ 1,193,705	\$ 530,638	\$ 517,212
Adjustments:					
Goodw ill	(370,463)	(370,221)	(368,268)	(161,447)	(161,447)
Core deposit intangibles	(70,014)	(72,465)	(74,916)	(11,675)	(12,107)
Tangible common equity	<u>\$ 765,053</u>	<u>\$ 762,607</u>	<u>\$ 750,521</u>	<u>\$ 357,516</u>	<u>\$ 343,658</u>
Tangible Assets					
Total assets	\$ 7,962,883	\$ 8,010,106	\$ 7,931,747	\$ 3,208,550	\$ 3,275,846
Adjustments:					
Goodw ill	(370,463)	(370,221)	(368,268)	(161,447)	(161,447)
Core deposit intangibles	(70,014)	(72,465)	(74,916)	(11,675)	(12,107)
Tangible Assets	<u>\$ 7,522,406</u>	<u>\$ 7,567,420</u>	<u>\$ 7,488,563</u>	<u>\$ 3,035,428</u>	<u>\$ 3,102,292</u>
Tangible Common Equity to Tangible Assets	10.17%	10.08%	10.02%	11.78%	11.08%

Reconciliation of Non-GAAP Financial Measures



	For the Three Months Ended				For the Nine Months Ended	
	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Sep-19
	(Dollars in thousands)					
Net income available for common stockholders adjusted for amortization of core deposit intangibles						
Net income	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 8,935	\$ 61,688
Adjustments:						
Plus: Amortization of core deposit intangibles	2,451	2,451	2,477	432	431	7,379
Less: Tax benefit at the statutory rate	515	515	520	91	91	1,550
Net income available for common stockholders adjusted for amortization of intangibles	<u>\$ 29,341</u>	<u>\$ 28,812</u>	<u>\$ 9,364</u>	<u>\$ 10,166</u>	<u>\$ 9,275</u>	<u>\$ 67,517</u>
Average Tangible Common Equity						
Total average stockholders' equity	\$ 1,210,147	\$ 1,200,632	\$ 1,190,266	\$ 523,590	\$ 514,876	\$ 1,199,440
Adjustments:						
Average goodwill	(370,224)	(369,255)	(366,795)	(161,447)	(161,447)	(369,097)
Average core deposit intangibles	(71,355)	(73,875)	(76,727)	(11,932)	(12,354)	(73,965)
Average tangible common equity	<u>\$ 768,568</u>	<u>\$ 757,502</u>	<u>\$ 746,744</u>	<u>\$ 350,211</u>	<u>\$ 341,075</u>	<u>\$ 756,378</u>
Return on Average Tangible Common Equity (Annualized)	15.15%	15.26%	5.09%	11.52%	10.79%	11.93%

Reconciliation of Non-GAAP Financial Measures



	For the Three Months Ended				For the Nine Months Ended	
	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Sep-19
	(Dollars in thousands, except per share data)					
Operating Earnings						
Net income	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 8,935	\$ 61,688
Plus: Loss on sale of securities available for sale, net	—	642	772	42	—	1,414
Plus: Loss (gain) on sale of disposed branch assets ¹	—	359	—	—	—	359
Plus: Merger and acquisition expenses	1,035	5,431	31,217	1,150	2,692	37,683
Operating pre-tax income	28,440	33,308	39,396	11,017	11,627	101,144
Less: Tax impact of adjustments ²	217	1,351	6,717	(440)	538	8,285
Plus: Tax Act re-measurement	—	—	—	—	(688)	—
Plus: Other M&A tax items	406	277	—	—	—	683
Net operating earnings	\$ 28,629	\$ 32,234	\$ 32,679	\$ 11,457	\$ 10,401	\$ 93,542
Weighted average diluted shares outstanding	53,873	54,929	55,439	24,532	24,613	54,633
Diluted EPS	\$0.51	\$0.49	\$0.13	\$0.40	\$0.36	\$1.13
Diluted operating EPS	\$ 0.53	\$ 0.59	\$ 0.59	\$ 0.47	\$ 0.42	\$ 1.71

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

² During the fourth quarter of 2018, the Company initiated a transaction cost study, which through December 31, 2018 resulted in \$727 thousand of expenses paid that are non-deductible merger and acquisition expenses. As such, the \$727 thousand of non-deductible expenses are reflected in the six months ended June 30, 2018 tax impact of adjustments amounts reported. All other non-merger related adjustments to operating earnings are taxed at the statutory rate.

Reconciliation of Non-GAAP Financial Measures



	For the Three Months Ended				For the Nine Months Ended	
	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Sep-19
	(Dollars in thousands, except per share data)					
Pre-Tax, Pre-Provision Operating Earnings						
Net income	\$ 27,405	\$ 26,876	\$ 7,407	\$ 9,825	\$ 8,935	\$ 61,688
Plus: Provision for income taxes	7,595	7,369	1,989	3,587	1,448	16,953
Plus: Provision for loan losses	9,674	3,335	5,012	1,364	3,057	18,021
Plus: Loss on sale of securities available for sale, net	—	642	772	42	—	1,414
Plus: Loss (gain) on sale of disposed branch assets	—	359	—	—	—	359
Plus: Merger and acquisition expenses	1,035	5,431	31,217	1,150	2,692	37,683
Net pre-tax, pre-provision operating earnings	\$ 45,709	\$ 44,012	\$ 46,397	\$ 15,968	\$ 16,132	\$ 136,118
Average total assets	\$ 8,009,377	\$ 7,937,319	\$ 7,841,267	\$ 3,243,168	\$ 3,225,797	\$ 7,929,028
Pre-tax, pre-provision operating return on average assets¹	2.26%	2.22%	2.40%	1.95%	1.98%	2.30%
Average total assets	\$ 8,009,377	\$ 7,937,319	\$ 7,841,267	\$ 3,243,168	\$ 3,225,797	\$ 7,929,028
Return on average assets ¹	1.36%	1.36%	0.38%	1.20%	1.10%	1.04%
Operating return on average assets ¹	1.42%	1.63%	1.69%	1.40%	1.28%	1.58%

¹ Annualized ratio.

Reconciliation of Non-GAAP Financial Measures



	For the Three Months Ended				For the Nine Months Ended	
	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Sep-19
	(Dollars in thousands, except per share data)					
Operating earnings adjusted for amortization of intangibles						
Net operating earnings	\$ 28,629	\$ 32,234	\$ 32,679	\$ 11,457	\$ 10,401	\$ 93,542
Adjustments:						
Plus: Amortization of core deposit intangibles	2,451	2,451	2,477	432	431	7,379
Less: Tax benefit at the statutory rate	515	515	520	91	91	1,550
Operating earnings adjusted for amortization of intangibles	\$30,565	\$34,170	\$34,636	\$11,798	\$10,741	\$99,371
Average Tangible Common Equity						
Total average stockholders' equity	\$ 1,210,147	\$ 1,200,632	\$ 1,190,266	\$ 523,590	\$ 514,876	\$ 1,199,440
Adjustments:						
Average goodwill	(370,224)	(369,255)	(366,795)	(161,447)	(161,447)	(369,097)
Average core deposit intangibles	(71,355)	(73,875)	(76,727)	(11,932)	(12,354)	(73,965)
Average tangible common equity	\$ 768,568	\$ 757,502	\$ 746,744	\$ 350,211	\$ 341,075	\$ 756,378
Operating Return on average tangible common equity¹	15.78%	18.09%	18.81%	13.37%	12.49%	17.57%
Efficiency ratio	43.67%	51.49%	82.30%	54.27%	57.58%	59.42%
Operating efficiency ratio	42.36%	43.66%	43.54%	50.65%	49.09%	43.19%

¹ Annualized ratio.

Reconciliation of Non-GAAP Financial Measures



	As of				
	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18
	(Dollars in thousands, except per share data)				
Operating Noninterest Income					
Noninterest income	\$ 8,430	\$ 6,034	\$ 8,484	\$ 3,619	\$ 2,408
Plus: Loss on sale of securities available for sale, net	-	642	772	42	-
Operating noninterest income	<u>\$ 8,430</u>	<u>\$ 6,676</u>	<u>\$ 9,256</u>	<u>\$ 3,661</u>	<u>\$ 2,408</u>
Operating Noninterest Expense					
Noninterest expense	\$ 34,630	\$ 39,896	\$ 66,993	\$ 17,358	\$ 18,246
Plus: Loss (gain) on sale of disposed branch assets ¹	-	359	-	-	-
Plus: Merger and acquisition expenses	1,035	5,431	31,217	1,150	2,692
Operating noninterest expense	<u>\$ 33,595</u>	<u>\$ 34,106</u>	<u>\$ 35,776</u>	<u>\$ 16,208</u>	<u>\$ 15,554</u>

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



VERITEX



PRESS RELEASE
FOR IMMEDIATE RELEASE

Veritex Holdings, Inc. Declares Cash Dividend on Common Stock

Dallas, TX – October 21, 2019 – 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 \$0.125 per share on its outstanding common stock. The dividend will be paid on or after November 21, 2019 to shareholders of record as of the close of business on November 7, 2019.

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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