

# 2022

# Full Year and Fourth Quarter



# VERITEX<sup>®</sup>

## HOLDINGS, INC.

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# Safe Harbor and Non-GAAP Measures

## Forward-looking statements

This presentation includes “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, which change over time and are beyond our control, that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include, without limitation, statements relating to the expected payment of Veritex Holdings, Inc.’s (“Veritex”) quarterly cash dividend; the impact of certain changes in Veritex’s accounting policies, standards and interpretations; the effects of the COVID-19 pandemic and actions taken in response thereto; and 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,” “seeks,” “targets,” “outlooks,” “plans” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “may” and “could” are generally forward-looking in nature and not historical facts, although not all forward-looking statements include the foregoing words. We refer you to the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Veritex’s Annual Report on Form 10-K for the year ended December 31, 2021 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](http://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 supplement, update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law. All forward-looking statements, expressed or implied, included in this presentation are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Veritex or persons acting on Veritex’s behalf may issue.

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## Non-GAAP Financial Measures

This presentation contains certain non-GAAP (generally accepted accounting principles) financial measures, including tangible book value per common share (“TBVPS”), tangible common equity to tangible assets, return on average tangible common equity (“ROATCE”), operating earnings, pre-tax, pre-provision (“PTPP”) operating earnings, diluted operating earnings per shares (“EPS”), operating return on average assets (“ROAA”), PTPP operating ROAA, Operating ROATCE, operating efficiency ratio, operating noninterest income, operating noninterest expense and adjusted net interest margin (“NIM”). Veritex’s management uses these non-GAAP financial measures to evaluate its operating performance and provide information that is important to investors. The non-GAAP financial measures that Veritex discusses in this presentation should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. 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.



# Veritex Holdings, Inc.

## Franchise Overview



**\$12.2**

Billion in assets

**2.15%**

PTPP ROAA

**9%**

CAGR TBV since  
Green Bank  
acquisition, 1/1/19

**\$1.52**

Billion market cap

**2019**

Best Banks to Work for  
By **AMERICAN BANKER.**

**2020**

Fastest Growing Companies  
By **FORTUNE**

**2021**

Fastest Growing Companies  
By **FORTUNE**





# Strong, Resilient Texas Market

Our platform is *powered* by the Texas markets we serve



- Behind Texas' strong economy are **49 Fortune 500 companies** headquartered in Texas, **more than 1,600 foreign companies** and 2.7 million small businesses
- Pro-business environment** with no personal or corporate income taxes and the leading destination for companies relocating from other states
- Texas is the **#1 exporting state in the nation** for the 20th consecutive year, exporting \$375 billion in goods in 2021



- 4<sup>th</sup> largest MSA in the U.S. by population
- 2<sup>nd</sup> highest projected household income among Texas MSAs
- 22 Fortune 500 companies
- 176 companies have relocated to DFW since 2010
- 2<sup>nd</sup> best job center in the U.S. for technology professions in 2020



- 5<sup>th</sup> largest MSA in the U.S. by population
- 7<sup>th</sup> largest metro economy in the U.S. by GDP
- 5<sup>th</sup> in U.S. job growth since 2010
- 3<sup>rd</sup> highest concentration of Fortune 500 companies in the U.S.
- 35 companies have relocated to Houston since 2010

## Superior Growth Profile

Market	VBTX Deposits	Current Population	Projected ('22E - '27E) Population Growth vs. National
DFW	\$5.3B	7.8M	1.9x
Houston	\$1.8	7.3	1.9x
Texas	\$7.1	29.8	1.7x

## Corporate Relocations to Texas



Examples of companies moving to call Texas home during 2020 – 2021 are diverse across sector and size

Source: Bureau of Labor Statistics; Dallas Chamber of Commerce; Greater Houston Partnership; YTexas; Houston.org; S&P Global Market Intelligence



# Fourth Quarter and Year End Highlights

Financial Highlights (\$M)	Fourth Quarter 2022	Third Quarter 2022	Fourth Quarter 2021	Full Year 2022	Full Year 2021
Net Interest Income	106.1	\$101.0	76.7	364.7	280.8
Non-Interest Revenue	14.3	13.0	16.2	52.8	58.4
Total Revenue	120.4	114.0	92.9	417.5	339.2
Non-Interest Expense	57.3	51.0	45.1	203.1	167.7
PTPP	63.1	63.0	47.8	214.4	171.5
Provision for Credit Losses	11.3	7.5	(4.4)	27.8	(4.8)
Income Tax Expense	11.9	12.2	10.7	40.3	36.7
Net Income	39.9	43.3	41.5	146.3	139.6

Key Performance Metrics	Fourth Quarter 2022	Third Quarter 2022	Fourth Quarter 2021	Full Year 2022	Full Year 2021
Diluted EPS <sup>1</sup>	0.73	0.79	0.82	2.71	2.77
BVPS (\$)	26.83	26.15	26.64	26.83	26.64
ROAA (%)	1.35	1.50	1.68	1.33	1.49
Efficiency Ratio (%)	47.6	44.7	48.5	48.6	49.5
ROATCE (%) <sup>1</sup>	16.75	17.82	20.06	15.78	17.57

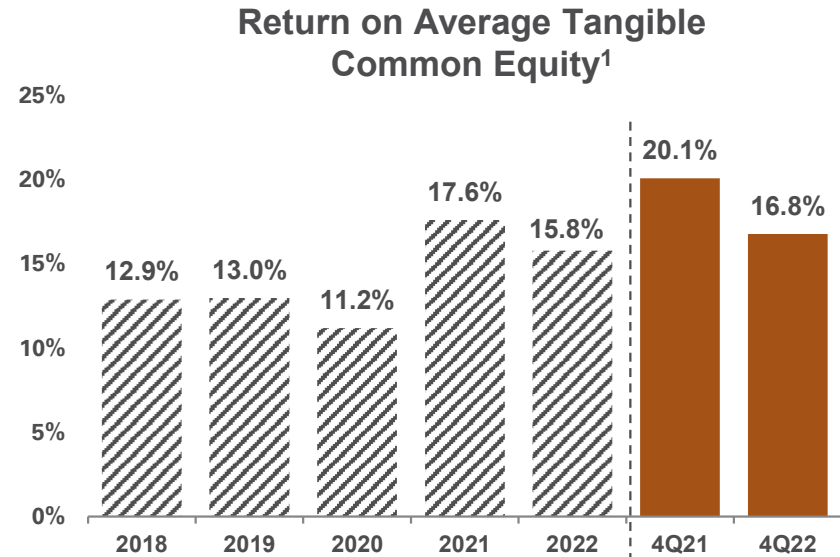
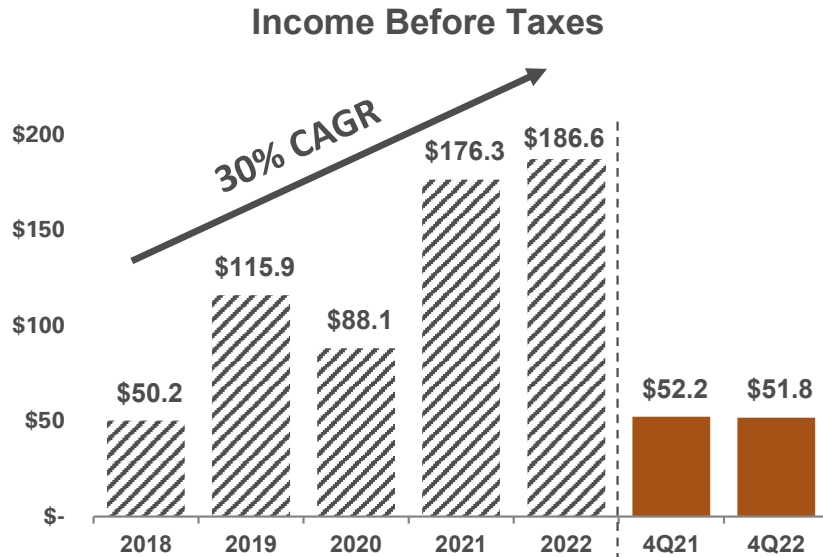
  

Key Operating Performance Metrics	Fourth Quarter 2022	Third Quarter 2022	Fourth Quarter 2021	Full Year 2022	Full Year 2021
Operating Diluted EPS <sup>1</sup>	0.74	0.80	0.84	2.74	2.77
TBVPS (\$)	18.64	17.91	17.49	18.64	17.49
Operating ROAA (%)	1.36	1.51	1.72	1.35	1.49
Operating Efficiency Ratio (%)	47.1	44.4	47.6	48.2	49.3
Operating ROATCE (%) <sup>1</sup>	16.95	17.94	20.48	15.94	17.58



<sup>1</sup> 2022 figures include the impact of our common stock offering completed in 1Q22 in which we issued 4,314,474 shares with net proceeds of ~\$153.8 million.

# Significant Earnings Improvement while Investing for our Future



**Driven by growth in loans and deposits**

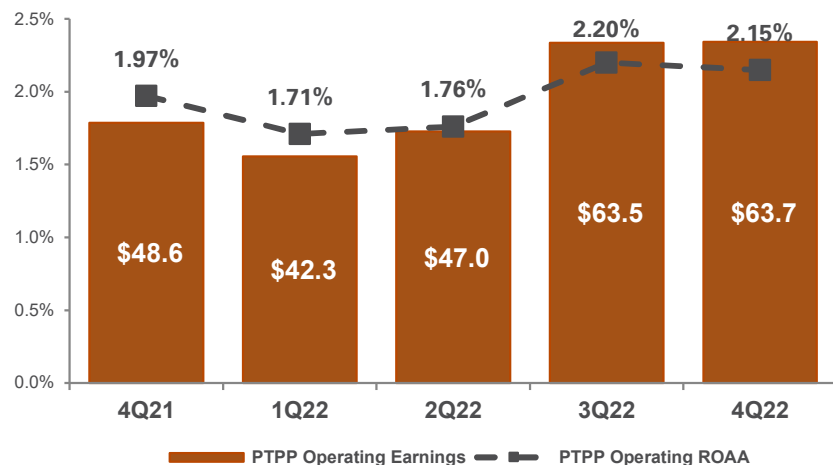
**Scalable business model with expense leverage**



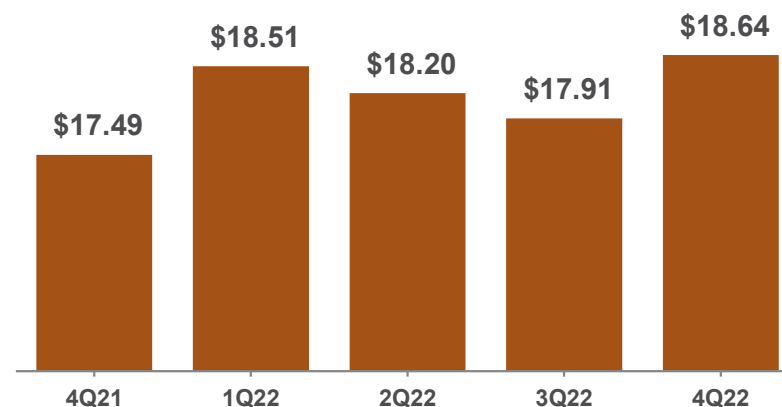
<sup>1</sup> Please refer to the “Reconciliation of Non-GAAP Financial Measures” at the end of this presentation for a description and reconciliation of these non-GAAP financial measures. ROATCE figures include the impact of the common stock offering completed in 1Q22 in which we issued 4,314,474 shares with net proceeds of ~\$153.8 million.

# Financial Metrics

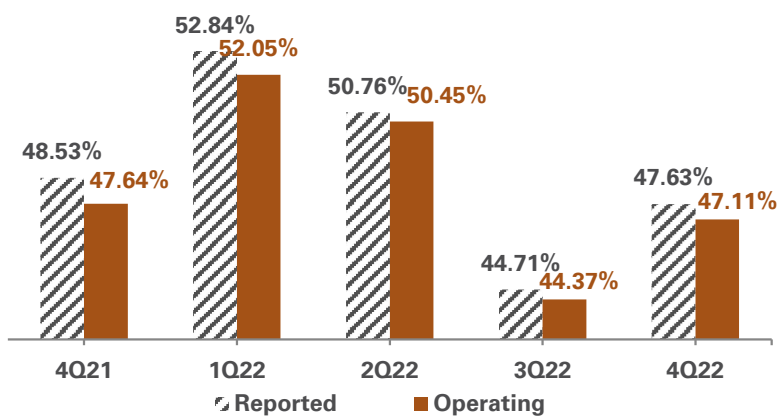
### PTPP Return on Average Assets<sup>1</sup>



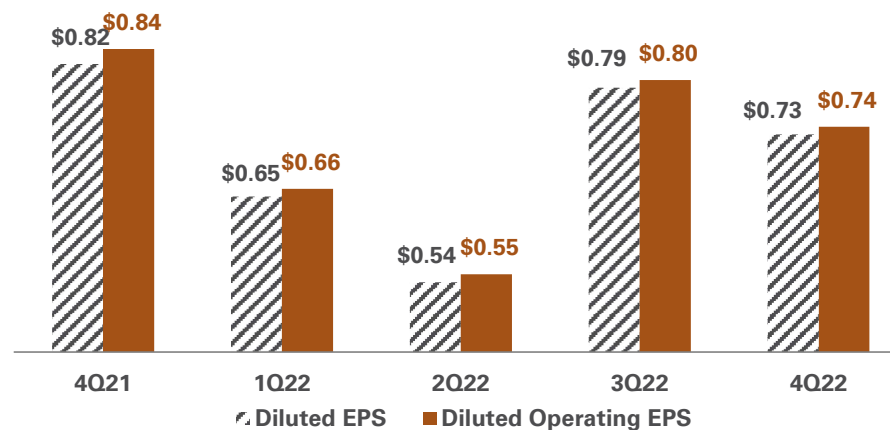
### TBVPS<sup>1</sup>



### Efficiency Ratio<sup>1</sup>



### Diluted Earnings Per Share<sup>1</sup>

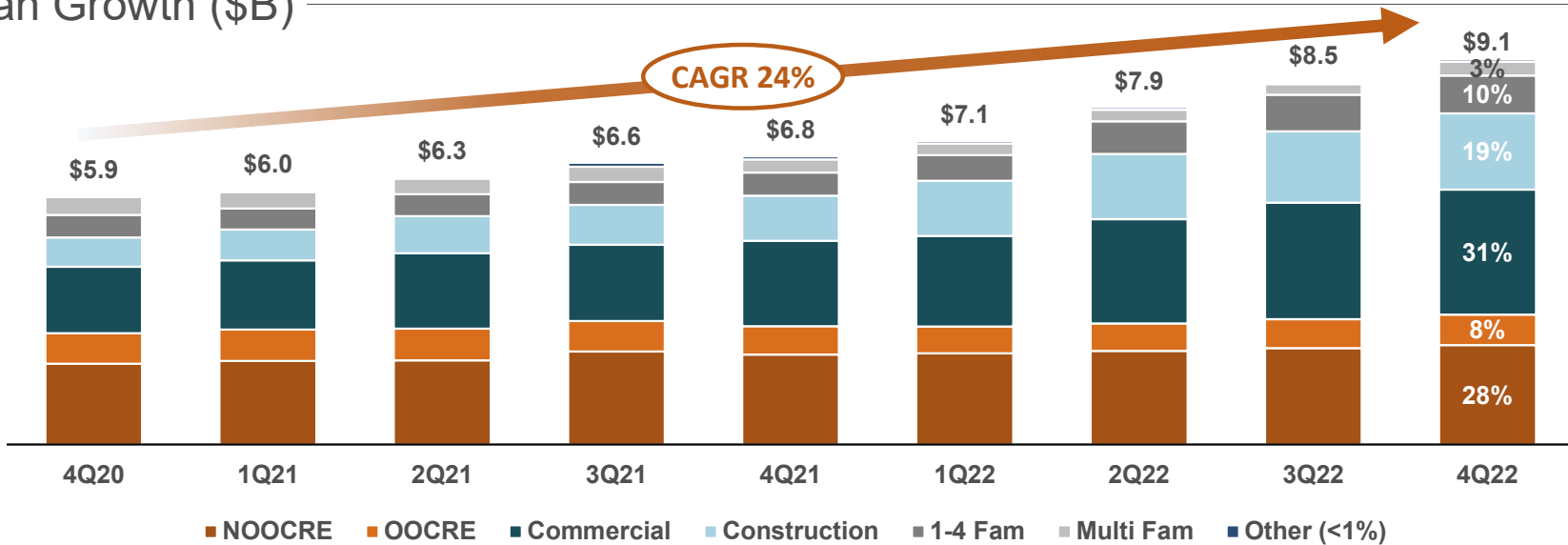


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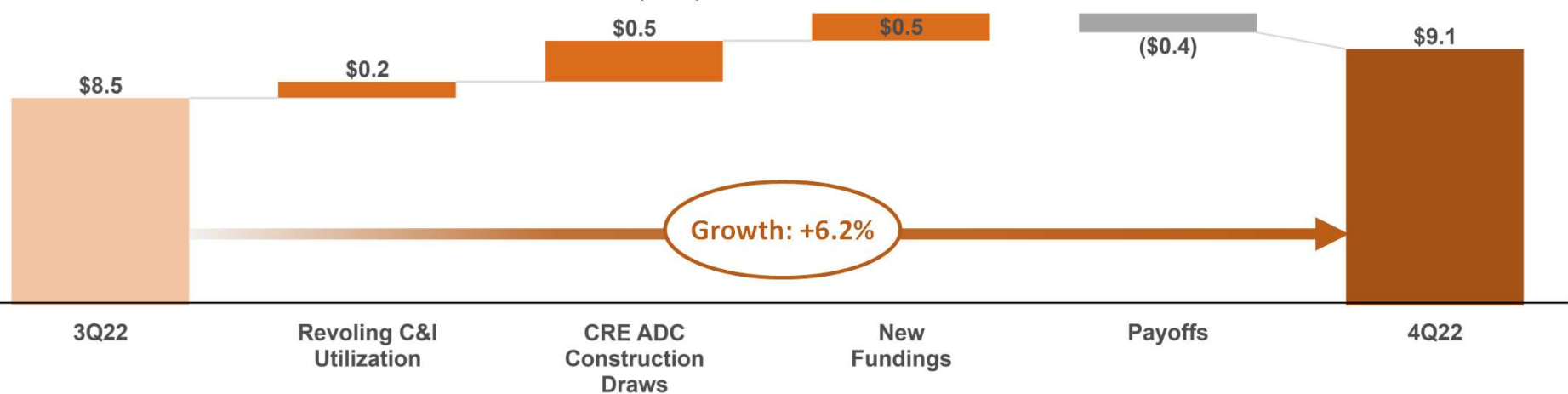
# Disciplined Lending in Growing Texas Market

*Strong broad growth; CAGR 24%*

Loan Growth (\$B)



Quarter over Quarter Loan Growth (\$B)





# Disciplined Lending in Texas



Investment in Talent Paying Off

- ◇ Hired 40 new producers since the beginning of the pandemic
- ◇ New hires accounting for between 30 – 35% of net loan growth during 2022
- ◇ Banker productivity beginning to season on the Veritex platform



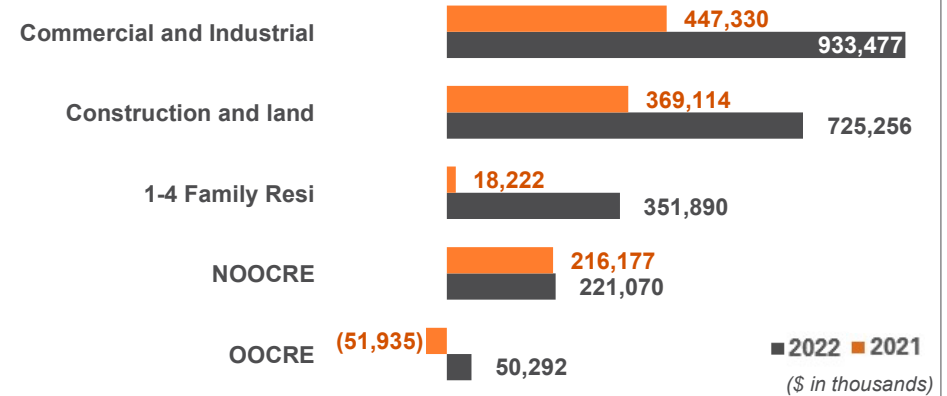
Trending Positive Net Production

- ◇ Benefiting from client relationship growth and utilization
- ◇ Significant new client wins

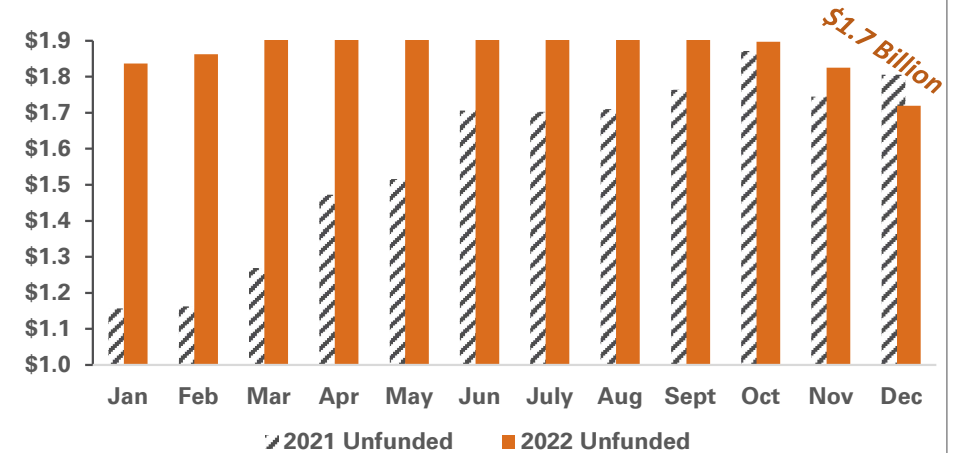
Loan Production vs Payoffs:



## YTD Growth by Portfolio



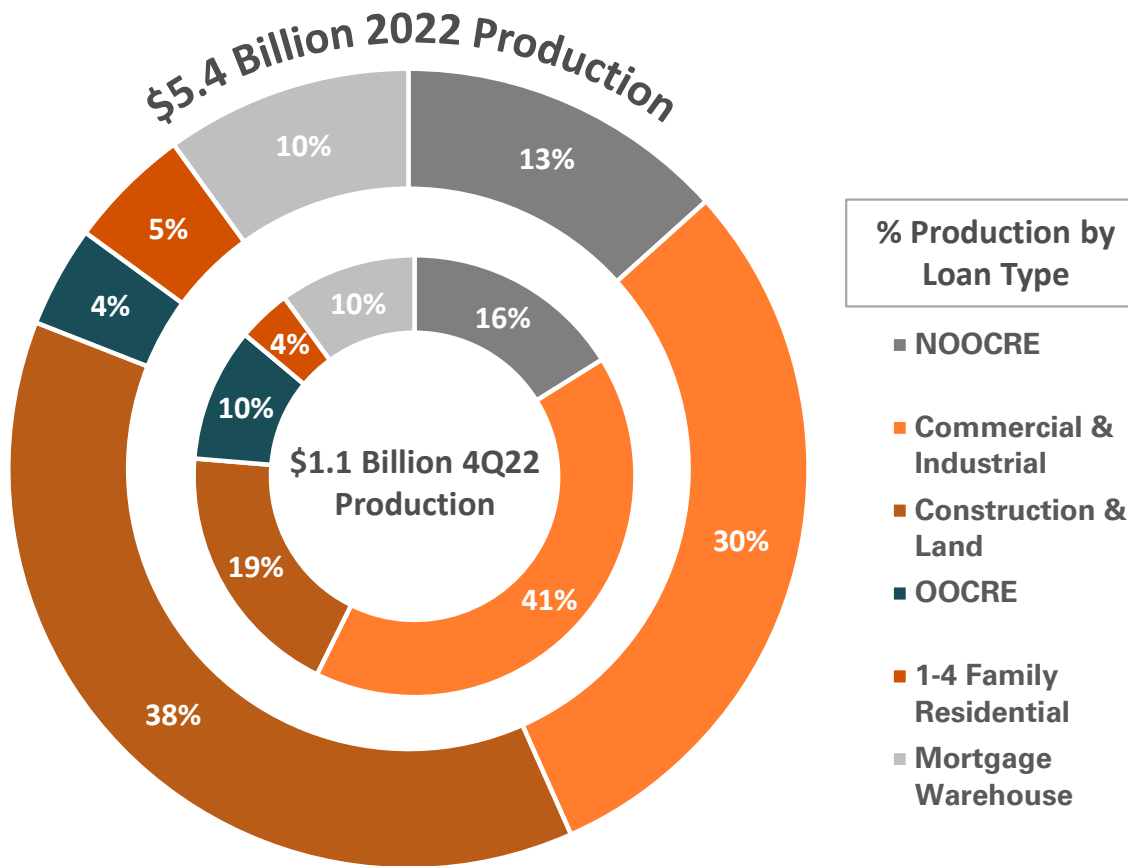
## CRE ADC Construction LOC Current Unfunded (Non-Revolving)



# Shifting Production Focus

*Reflects the Bank's Increased Investment in C&I and Limits Growth in CRE*

## FY 2022 / 4Q22 Loan Production



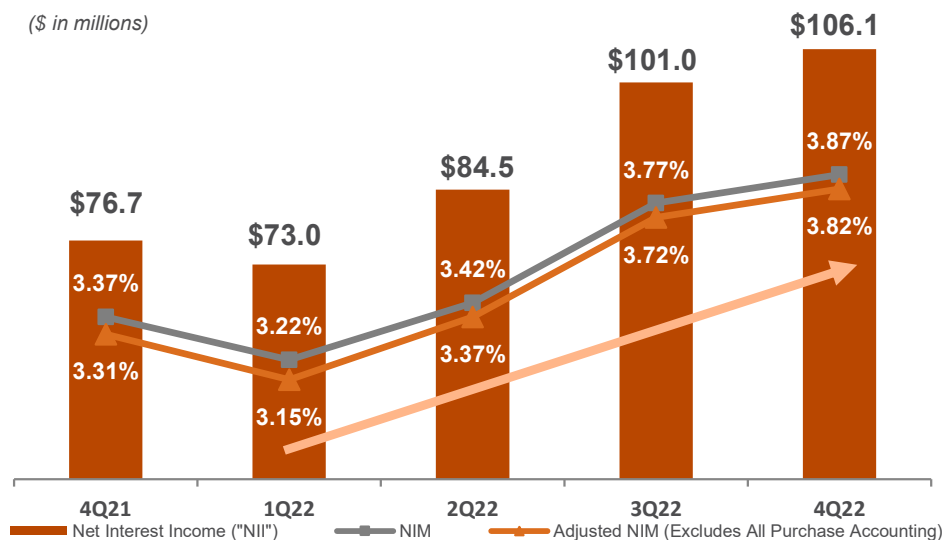
-  Diversified loan production across loan and market type
-  Attractive markets undergoing structural growth with in-footprint experience
-  Prudent underwriting consistent with past practice and aligned with risk appetite
-  Relationship banking and high-touch service yielding profitable growth at attractive spreads
-  Continued focus on Commercial and Industrial lending which better aligns with deposit priorities of the Bank



# Growing Net Interest Income

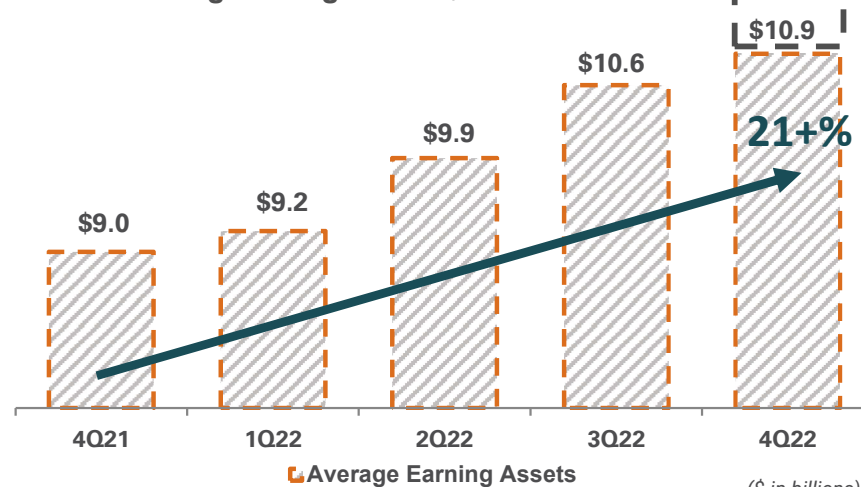
Expanded NIM 50 bps in 2022

(\$ in millions)



## Average Earnings Assets

Quarter ending earning assets \$11.3



## Net Interest Income Rollforward

(\$ in thousand)

	3Q22 v 4Q22	2021 v 2022
<b>Beginning Net Interest Income</b>	<b>\$101,040</b>	<b>\$280,783</b>
Impact of rate changes	4,161	30,815
Impact of growth	735	49,367
Change in earning asset mix and other	161	5,762
Debt security prepayment income	-	(2,070)
<b>Ending Net Interest Income</b>	<b>\$106,097</b>	<b>\$364,657</b>

## Interest Rate Sensitivity<sup>1</sup>

Interest Rate Scenario	Forecasted Net Interest Income (\$ in millions)	Percentage Change From Base	Forecasted Net Interest Margin	Forecasted Net Interest Margin Change From Base
Up 200 bps	\$ 458.0	8.88%	4.00%	8.70%
Up 100 bps	\$ 439.5	4.46%	3.84%	4.35%
BASE CASE	\$ 420.7	0.00%	3.68%	0.00%
Down 100 bps	\$ 400.9	-4.72%	3.51%	-4.62%
Down 200 bps	\$ 378.6	-10.01%	3.32%	-9.78%

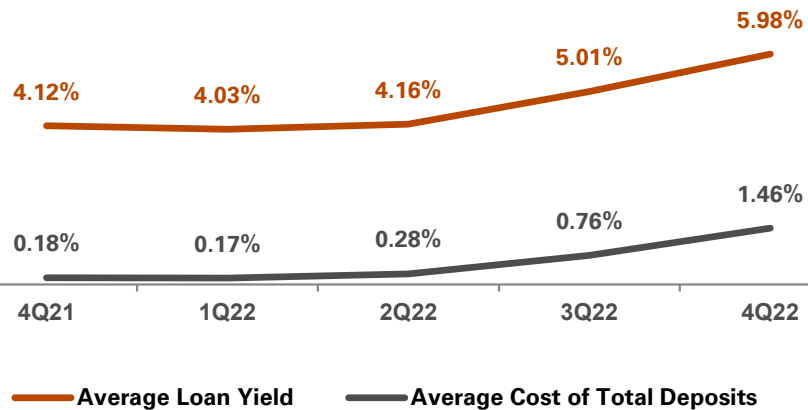


<sup>1</sup> Interest rate sensitivity is calculated using a static rate shock.

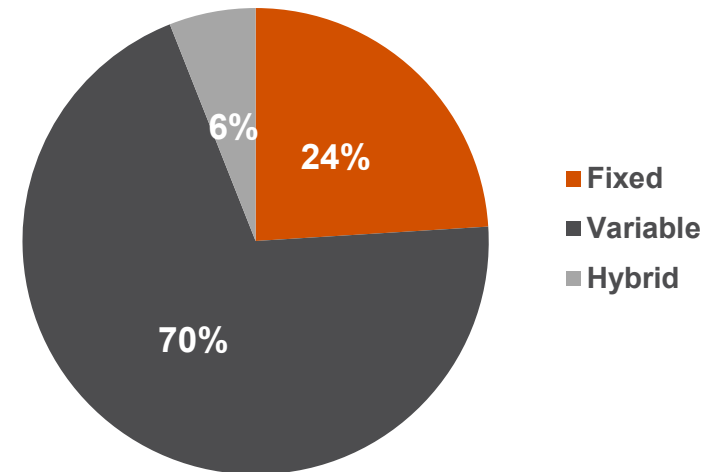
# Interest Rate Components of Loans and Investments

*Loan yield up 97 bps and deposit rates up 70 bps*

5 Quarter Trend, exc. MW and PPP

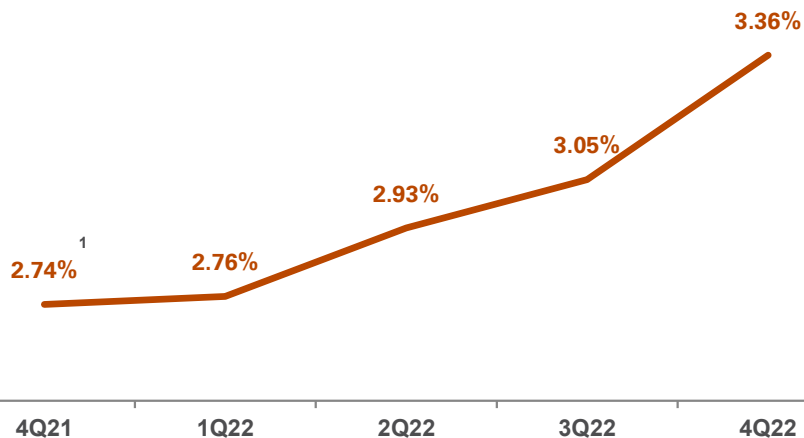


Loan Portfolio by Repricing Type



## Debt Investment Yields

5 quarter investment yield trend, excluding prepayments



## Variable and Hybrid Loans by Index

Variable and Hybrid Loans by Rate Index	Amount (in millions)	% of Variable and Hybrid Loans
1-Month LIBOR	\$ 1,378.8	19.2%
12-Month LIBOR	\$ 285.2	4.0%
1-Month SOFR	\$ 3,890.7	54.3%
Prime Rate	\$ 1,608.4	22.4%
Other	\$ 6.3	0.1%
<b>Total Variable and Hybrid Loans</b>	<b>\$ 7,169.4</b>	<b>100.0%</b>

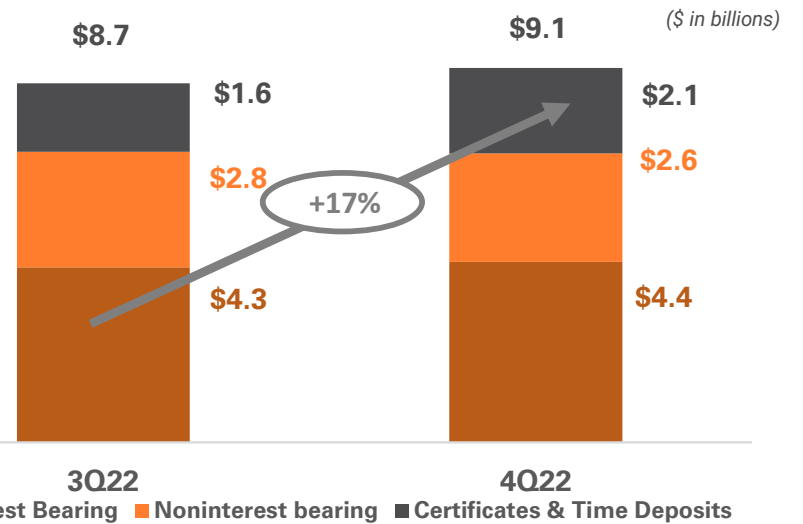
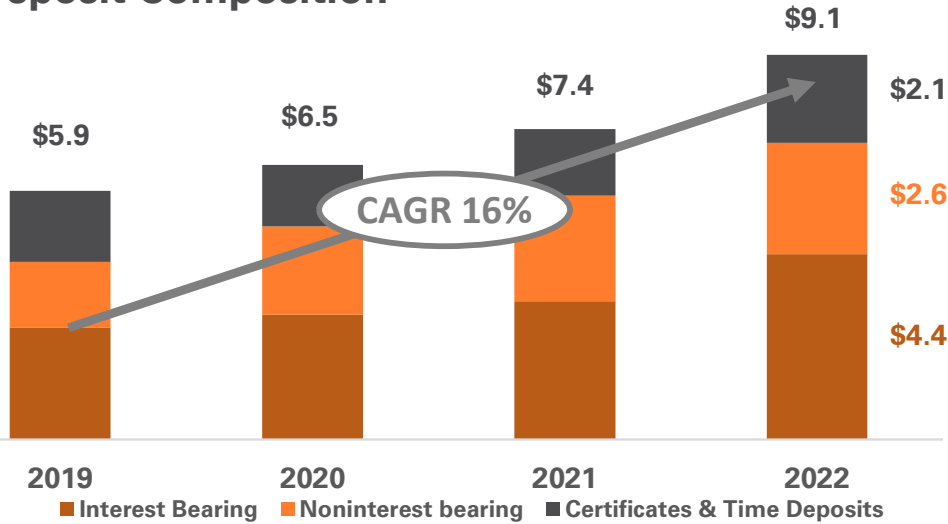


<sup>1</sup> Excludes \$2.1 million of prepayment penalty income on debt securities during 4Q21.

# Deposit Growth

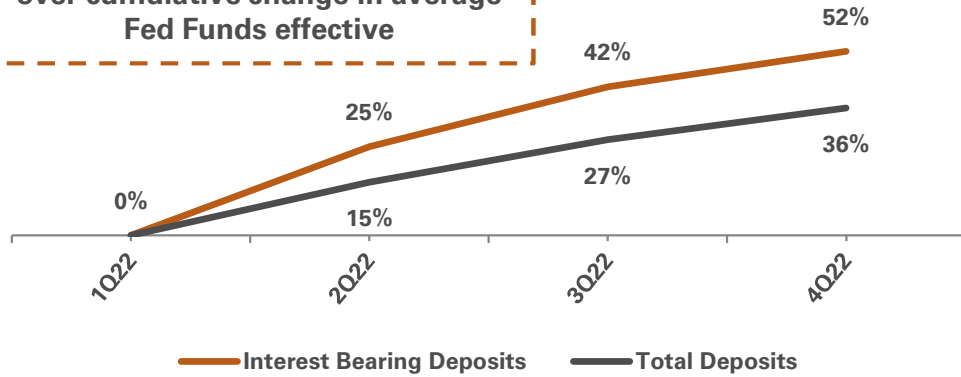
**Strong deposit management; CAGR of 16%**

## Deposit Composition



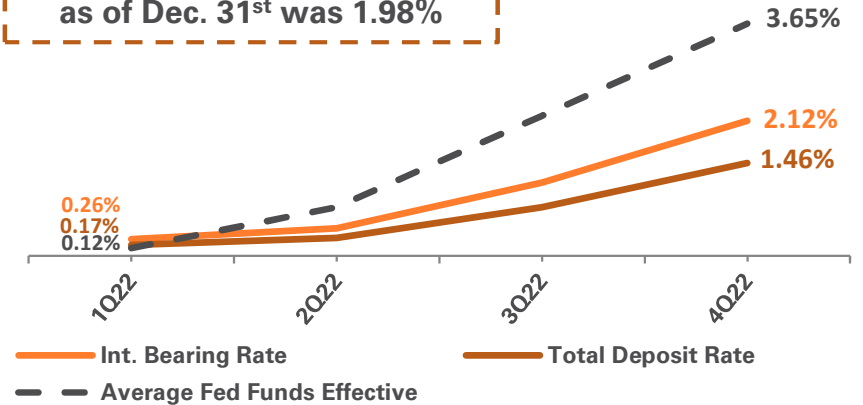
## Rate Hike Beta Trends

Cumulative change in deposit costs over cumulative change in average Fed Funds effective



## Rates and Average Fed Funds Effective

Spot rate for total deposits as of Dec. 31<sup>st</sup> was 1.98%





# Operating Noninterest Income/Expense

Efficiency ratio 47.6%

## 4Q22 / 3Q22 Noninterest Income Comparison

\$13,021

\$14,326



3Q22

4Q22

■ Service Charges & Fees on Deposit Accounts  
■ Govt. Guaranteed Loan Income  
■ Other

■ Loan Fees  
■ Customer Swap Income  
■ Gain on MLHFS

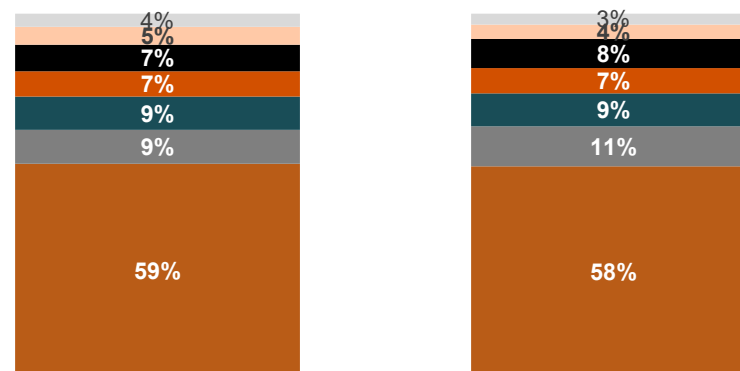
Note: Excludes noninterest income line items in a loss position

- Government guaranteed loan income increased \$7.2 million primarily due to increases in the gain on sale of USDA loans through our wholly owned subsidiary, North Avenue Capital, LLC
- Customer swap income decreased \$1.1 million primarily due to decreased trades executed during 4Q22 compared to 3Q22
- Equity method investment income decreased \$4.4 million primarily due to the increase in interest rates and the corresponding impact on volume

## 4Q22 / 3Q22 Noninterest Expense Comparison

\$50,607

\$56,729



3Q22

4Q22

■ Salary and Employee Benefits  
■ Occupancy and Equip.  
■ Prof. Fees  
■ Marketing

■ Other  
■ Data Processing  
■ Amort. Of Intang.

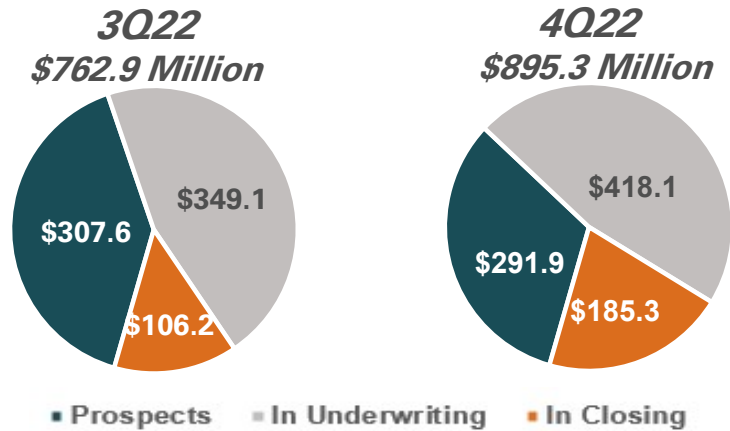
- Salaries and employee benefits increased \$3.3 million, or 11%, from 3Q22 primarily due to new talent hires made late in September with a full quarter of expense recognition in 4Q22 and additional new hires during 4Q22 coupled with increases in lender incentives and inflation
- Professional and regulatory fees increased \$683 thousand, or 18%, primarily due to the Company's increase in regulatory service fees and an increase in FDIC assessment fees due to an increase in asset size



# Government Guaranteed and Thrive

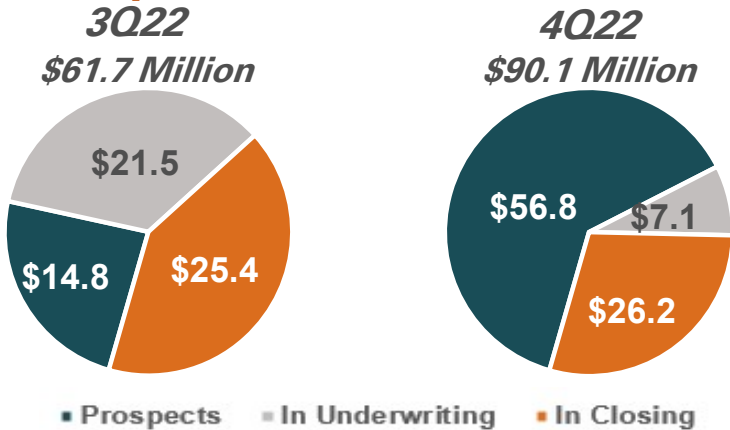
## Government Guaranteed

### USDA Pipeline Quarter over Quarter (\$ in millions)



Full Year 2022 – Closed \$117 million

### SBA Pipeline Quarter over Quarter

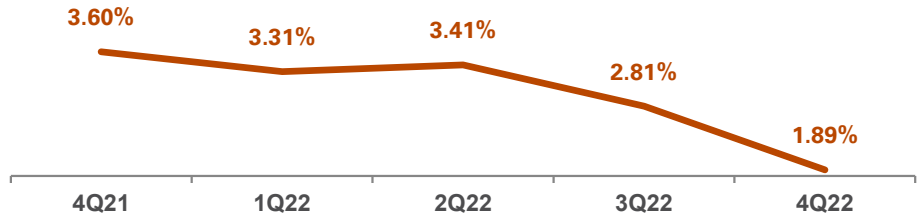


Full Year 2022 – Closed \$40 million

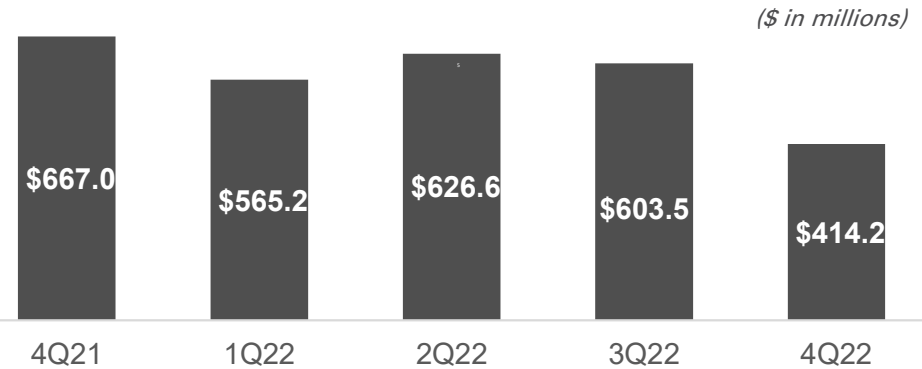
## Thrive Mortgage, LLC

(Investment completed on July 19, 2021)

### Gain on Sale %



### Total Volume

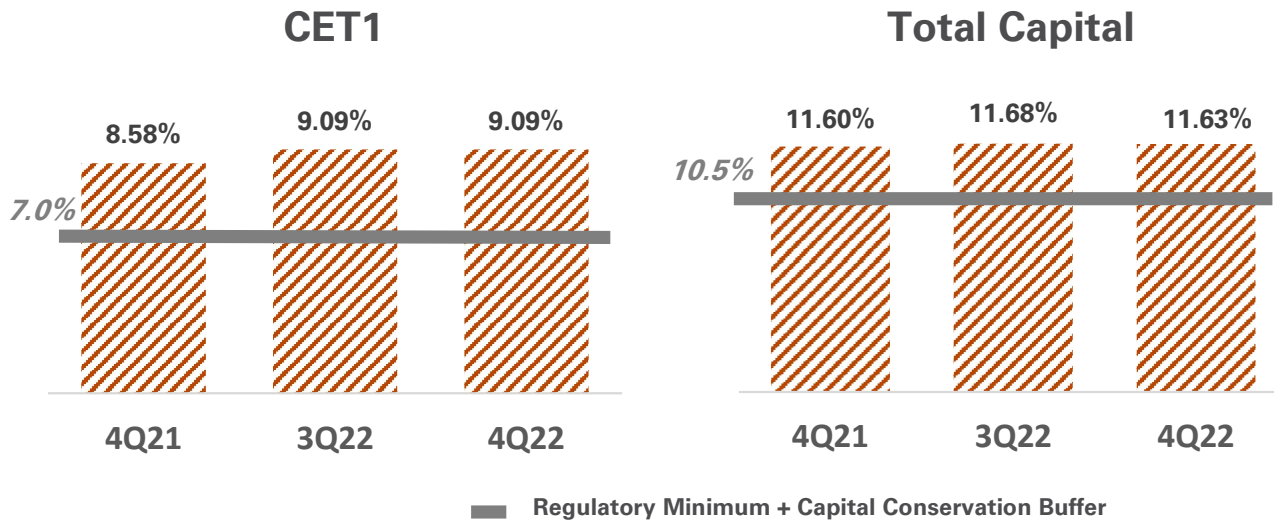


Thrive is continuing to reduce its expenses and head count across the organization.



# Strong Capital Supporting Balance Sheet

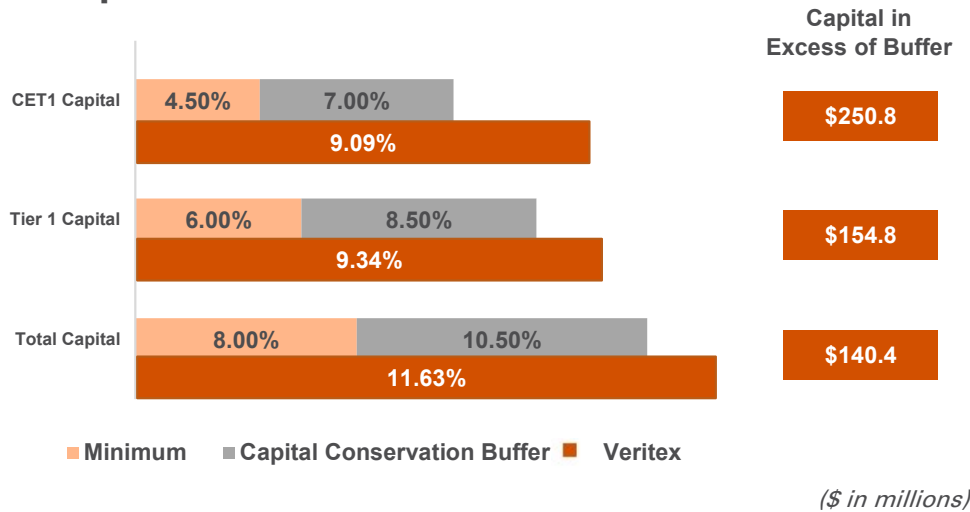
**CET1 focus with target 10%**



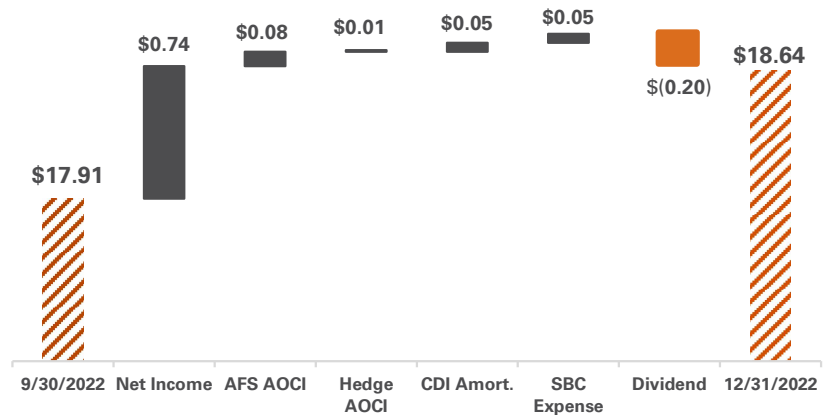
## Capital Priorities

- Support organic growth
- Maintain strong debt ratings
- Provide attractive dividend
- Strategic growth, including M&A

## Capital Levels



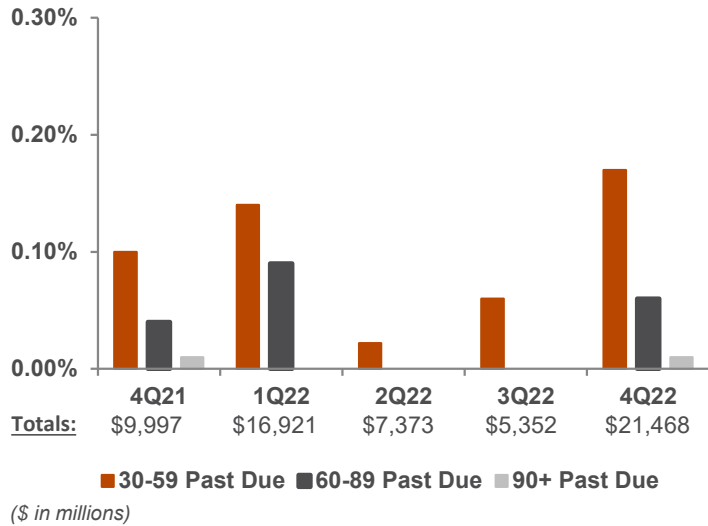
## TBVPS



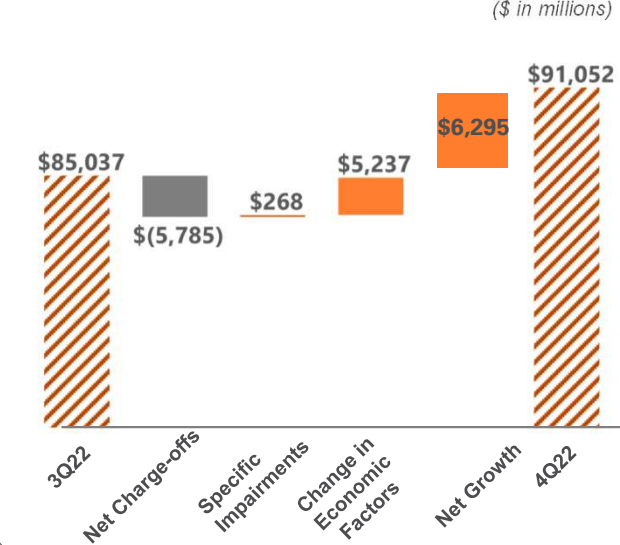
# Asset Quality and ACL

*Increasing reserves reflect uncertain economic outlook*

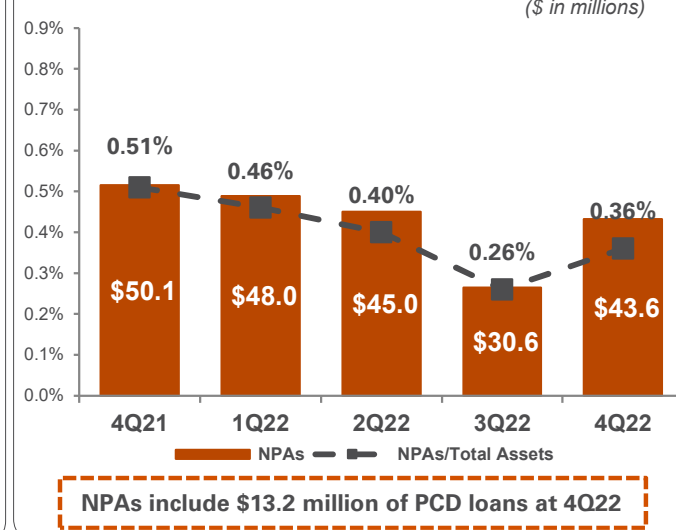
Past Due Trend<sup>1</sup> % of Total Loans<sup>2</sup>



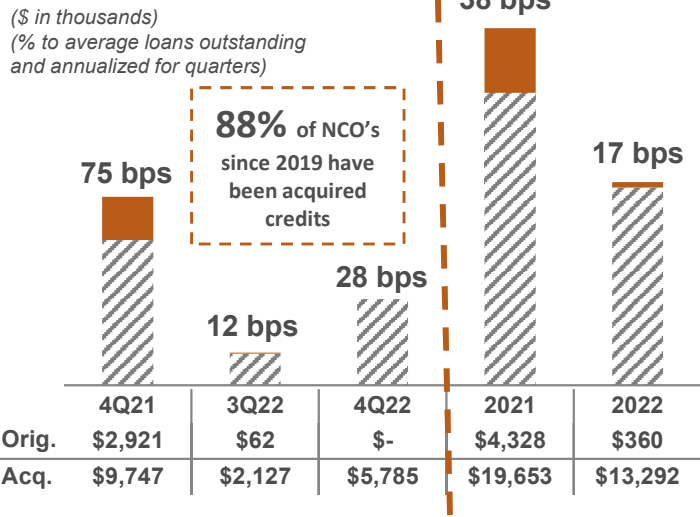
ACL



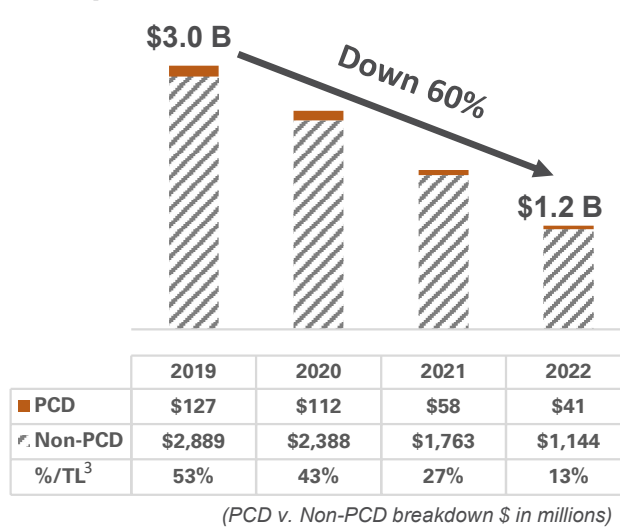
NPAs / Total Assets



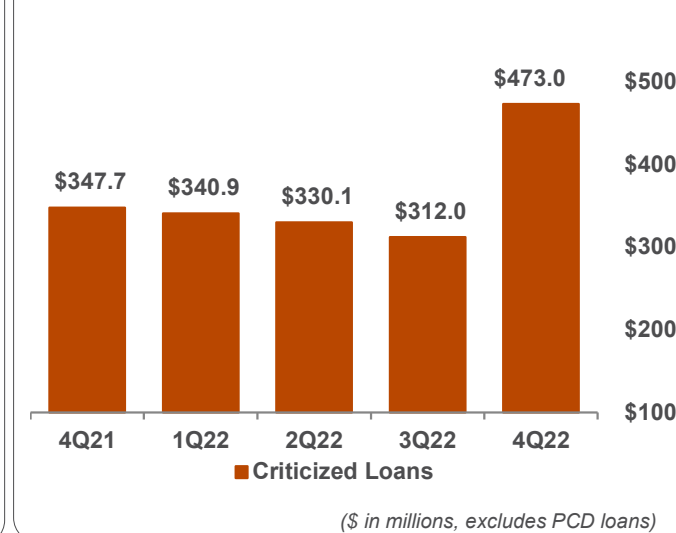
Net Charge-offs



Acquired Loan Trend



Quarterly Criticized Loans



<sup>1</sup> Past due loans exclude purchased credit deteriorated loans that are accounted for on a pooled basis and non-accrual loans.

<sup>2</sup> Total loans excludes Loans Held for Sale, MW and PPP loans.

<sup>3</sup> Total Loans, excluding MW and PPP, ("TL")

# Supplemental Information



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# Reconciliation of Non-GAAP Financial Measures

	As of				
	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
(Dollars in thousands, except per share data)					
<b>Tangible Common Equity</b>					
Total stockholders' equity	\$ 1,449,773	\$ 1,411,899	\$ 1,429,442	\$ 1,447,996	\$ 1,315,079
Adjustments:					
Goodwill	(404,452)	(404,452)	(404,452)	(404,452)	(403,771)
Core deposit intangibles	(38,247)	(40,684)	(43,122)	(45,560)	(47,998)
<b>Tangible common equity</b>	<b>\$ 1,007,074</b>	<b>\$ 966,763</b>	<b>\$ 981,868</b>	<b>\$ 997,984</b>	<b>\$ 863,310</b>
Common shares outstanding	54,030	53,988	53,951	53,907	49,372
Book value per common share	\$ 26.83	\$ 26.15	\$ 26.50	\$ 26.86	\$ 26.64
Tangible book value per common share	\$ 18.64	\$ 17.91	\$ 18.20	\$ 18.51	\$ 17.49

	As of				
	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
(Dollars in thousands, except percentages)					
<b>Tangible Common Equity</b>					
Total stockholders' equity	\$ 1,449,773	\$ 1,411,899	\$ 1,429,442	\$ 1,447,996	\$ 1,315,079
Adjustments:					
Goodwill	(404,452)	(404,452)	(404,452)	(404,452)	(403,771)
Core deposit intangibles	(38,247)	(40,684)	(43,122)	(45,560)	(47,998)
<b>Tangible common equity</b>	<b>\$ 1,007,074</b>	<b>\$ 966,763</b>	<b>\$ 981,868</b>	<b>\$ 997,984</b>	<b>\$ 863,310</b>
<b>Tangible Assets</b>					
Total assets	\$ 12,154,361	\$ 11,714,454	\$ 11,304,811	\$ 10,453,680	\$ 9,757,249
Adjustments:					
Goodwill	(404,452)	(404,452)	(404,452)	(404,452)	(403,771)
Core deposit intangibles	(38,247)	(40,684)	(43,122)	(45,560)	(47,998)
<b>Tangible Assets</b>	<b>\$ 11,711,662</b>	<b>\$ 11,269,318</b>	<b>\$ 10,857,237</b>	<b>\$ 10,003,668</b>	<b>\$ 9,305,480</b>
<b>Tangible Common Equity to Tangible Assets</b>	<b>8.60 %</b>	<b>8.58 %</b>	<b>9.04 %</b>	<b>9.98 %</b>	<b>9.28 %</b>



# Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended					For the Year Ended	
	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
(Dollars in thousands, except for percentages)							
<b>Net income available for common stockholders adjusted for amortization of core deposit intangibles</b>							
Net income	\$ 39,897	\$ 43,322	\$ 29,626	\$ 33,470	\$ 41,506	\$ 146,315	\$ 139,584
Adjustments:							
Plus: Amortization of core deposit intangibles	2,438	2,438	2,438	2,438	2,438	9,752	9,761
Less: Tax benefit at the statutory rate	512	512	512	512	512	2,048	2,050
<b>Net income available for common stockholders adjusted for amortization of core deposit intangibles</b>	<b>\$ 41,823</b>	<b>\$ 45,248</b>	<b>\$ 31,552</b>	<b>\$ 35,396</b>	<b>\$ 43,432</b>	<b>\$ 154,019</b>	<b>\$ 147,295</b>
<b>Average Tangible Common Equity</b>							
Total average stockholders' equity	\$1,434,818	\$1,453,816	\$1,447,377	\$1,357,448	\$1,301,676	\$1,423,660	\$1,267,992
Adjustments:							
Average goodwill	(404,452)	(404,452)	(404,452)	(404,014)	(393,220)	(404,344)	(376,480)
Average core deposit intangibles	(39,792)	(42,230)	(44,720)	(47,158)	(49,596)	(43,451)	(53,233)
<b>Average tangible common equity</b>	<b>\$ 990,574</b>	<b>\$1,007,134</b>	<b>\$ 998,205</b>	<b>\$ 906,276</b>	<b>\$ 858,860</b>	<b>\$ 975,865</b>	<b>\$ 838,279</b>
<b>Return on Average Tangible Common Equity (Annualized)</b>	<b>16.75 %</b>	<b>17.82 %</b>	<b>12.68 %</b>	<b>15.84 %</b>	<b>20.06 %</b>	<b>15.78 %</b>	<b>17.57 %</b>



# Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended				For the Year Ended		
	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Dec 31, 2021	
(Dollars in thousands, except per share data)							
<b>Operating Earnings</b>							
Net income	\$ 39,897	\$ 43,322	\$ 29,626	\$ 33,470	\$ 41,506	\$ 146,315	\$ 139,584
Plus: Severance payments <sup>1</sup>	630	—	—	—	—	630	627
Plus: Loss on sale of debt securities AFS, net	—	—	—	—	—	—	188
Less: Thrive PPP loan forgiveness income <sup>2</sup>	—	—	—	—	—	—	1,912
Plus: M&A expenses	—	384	295	700	826	1,379	826
Operating pre-tax income	40,527	43,706	29,921	34,170	42,332	148,324	139,313
Less: Tax impact of adjustments	132	81	66	156	(78)	435	92
Plus: Nonrecurring tax adjustments <sup>3</sup>	—	—	—	—	—	—	426
Operating earnings	\$ 40,395	\$ 43,625	\$ 29,855	\$ 34,014	\$ 42,410	\$ 147,889	\$ 139,647
<b>Weighted average diluted shares outstanding</b>	54,780	54,633	54,646	51,571	50,441	53,952	50,352
<b>Diluted EPS</b>	\$ 0.73	\$ 0.79	\$ 0.54	\$ 0.65	\$ 0.82	\$ 2.71	\$ 2.77
<b>Diluted operating EPS</b>	\$ 0.74	\$ 0.80	\$ 0.55	\$ 0.66	\$ 0.84	\$ 2.74	\$ 2.77

<sup>1</sup> Severance payments relate to restructurings made for the years ended December 31, 2022 and 2021.

<sup>2</sup> During the year ended December 31, 2021, Thrive's PPP loan with another bank was 100% forgiven by the Small Business Administration. As a result of our 49% investment in Thrive, the \$1.9 million represents our portion of the PPP loan forgiveness. PPP fee income is not taxable and as such has no tax impact.

<sup>3</sup> A nonrecurring tax adjustment of \$426 thousand recorded for the year ended December 31, 2021 was due to a true-up of a deferred tax liability.





# Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended				For the Year Ended		
	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Dec 31, 2021	
	(Dollars in thousands, except percentages)						
<b>Pre-Tax, Pre-Provision Operating Earnings</b>							
Net Income	\$ 39,897	\$ 43,322	\$ 29,626	\$ 33,470	\$ 41,506	\$ 146,315	\$ 139,584
Plus: Provision for income taxes	11,890	12,248	8,079	8,102	10,697	40,319	36,722
Plus: Provision (benefit) for credit losses and unfunded commitments	11,277	7,500	9,000	(7)	(4,389)	27,770	(4,830)
Plus: Severance payments	630	—	—	—	—	630	627
Plus: Loss on sale of debt securities AFS, net	—	—	—	—	—	—	188
Less: Thrive PPP loan forgiveness income	—	—	—	—	—	—	1,912
Plus: M&A expenses	—	384	295	700	826	1,379	826
<b>Net pre-tax, pre-provision operating earnings</b>	<b>\$ 63,694</b>	<b>\$ 63,454</b>	<b>\$ 47,000</b>	<b>\$ 42,265</b>	<b>\$ 48,640</b>	<b>\$ 216,413</b>	<b>\$ 171,205</b>
<b>Total average assets</b>	<b>\$11,761,044</b>	<b>\$11,460,857</b>	<b>\$10,711,663</b>	<b>\$ 9,998,922</b>	<b>\$ 9,788,671</b>	<b>\$10,989,258</b>	<b>\$ 9,361,578</b>
<b>Pre-tax, pre-provision operating return on average assets<sup>1</sup></b>	<b>2.15 %</b>	<b>2.20 %</b>	<b>1.76 %</b>	<b>1.71 %</b>	<b>1.97 %</b>	<b>1.97 %</b>	<b>1.83 %</b>
<b>Average Total Assets</b>	<b>\$11,761,044</b>	<b>\$11,460,857</b>	<b>\$10,711,663</b>	<b>\$ 9,998,922</b>	<b>\$ 9,788,671</b>	<b>\$10,989,258</b>	<b>\$ 9,361,578</b>
Return on average assets <sup>1</sup>	1.35 %	1.50 %	1.11 %	1.36 %	1.68 %	1.33 %	1.49 %
Operating return on average assets <sup>1</sup>	1.36	1.51	1.12	1.38	1.72	1.35	1.49



# Reconciliation of Non-GAAP Financial Measures

<b>Operating earnings adjusted for amortization of core deposit intangibles</b>							
Operating earnings	\$ 40,395	\$ 43,625	\$ 29,855	\$ 34,014	\$ 42,410	\$ 147,889	\$ 139,647
Adjustments:							
Plus: Amortization of core deposit intangibles	2,438	2,438	2,438	2,438	2,438	9,752	9,761
Less: Tax benefit at the statutory rate	512	512	512	512	512	2,048	2,050
<b>Operating earnings adjusted for amortization of core deposit intangibles</b>	<b>\$ 42,321</b>	<b>\$ 45,551</b>	<b>\$ 31,781</b>	<b>\$ 35,940</b>	<b>\$ 44,336</b>	<b>\$ 155,593</b>	<b>\$ 147,358</b>
<b>Average Tangible Common Equity</b>							
Total average stockholders' equity	\$ 1,434,818	\$ 1,453,816	\$ 1,447,377	\$ 1,357,448	\$ 1,301,676	\$ 1,423,660	\$ 1,267,992
Adjustments:							
Less: Average goodwill	(404,452)	(404,452)	(404,452)	(404,014)	(393,220)	(404,344)	(376,480)
Less: Average core deposit intangibles	(39,792)	(42,230)	(44,720)	(47,158)	(49,596)	(43,451)	(53,233)
<b>Average tangible common equity</b>	<b>\$ 990,574</b>	<b>\$ 1,007,134</b>	<b>\$ 998,205</b>	<b>\$ 906,276</b>	<b>\$ 858,860</b>	<b>\$ 975,865</b>	<b>\$ 838,279</b>
<b>Operating return on average tangible common equity<sup>1</sup></b>	<b>16.95 %</b>	<b>17.94 %</b>	<b>12.77 %</b>	<b>16.08 %</b>	<b>20.48 %</b>	<b>15.94 %</b>	<b>17.58 %</b>
<b>Efficiency ratio</b>	<b>47.63 %</b>	<b>44.71 %</b>	<b>50.76 %</b>	<b>52.84 %</b>	<b>48.53 %</b>	<b>48.64 %</b>	<b>49.45 %</b>
Net interest income	\$ 106,097	\$ 101,040	\$ 84,480	\$ 73,040	\$ 76,741	\$ 364,657	\$ 280,783
Noninterest income	14,326	13,021	10,378	15,097	16,150	52,822	58,405
Plus: Loss on sale of debt securities AFS, net	—	—	—	—	—	—	188
Less: Thrive's PPP loan forgiveness income	—	—	—	—	—	—	1,912
Operating noninterest income	14,326	13,021	10,378	15,097	16,150	52,822	56,681
Noninterest expense	57,359	50,991	48,153	46,572	45,077	203,075	167,712
Less: Severance payments	630	—	—	—	—	630	627
Less: M&A expenses	—	384	295	700	826	1,379	826
Operating noninterest expense	\$ 56,729	\$ 50,607	\$ 47,858	\$ 45,872	\$ 44,251	\$ 201,066	\$ 166,259
<b>Operating efficiency ratio</b>	<b>47.11 %</b>	<b>44.37 %</b>	<b>50.45 %</b>	<b>52.05 %</b>	<b>47.64 %</b>	<b>48.21 %</b>	<b>49.27 %</b>

<sup>1</sup> Annualized ratio for quarterly metrics.





2022 /

Fourth Quarter  
And Year End



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