



# **VBTX**

**Veritex Holdings, Inc.**

**2<sup>nd</sup> Quarter Earnings  
Conference Call  
July 28, 2021**



# Safe Harbor Statement

## Forward-looking statements

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

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# Non-GAAP Financial Measures

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

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

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



# Second Quarter Overview

## Strong Earnings

- Net income of \$29.5 million, or \$0.59 diluted EPS, for 2Q21 compared to \$31.8 million, or \$0.64 diluted EPS, for 1Q21
- Operating earnings<sup>1</sup> of \$30.0 million, or \$0.60 diluted operating EPS<sup>1</sup>, for 2Q21 compared to \$32.2 million, or \$0.64 diluted operating EPS, for 1Q21
- Return on average equity of 9.42% in 2Q21 and 9.96% YTD
- Operating ROATCE<sup>1</sup> of 15.42% in 2Q21 and 16.38% YTD

## Solid Loan and Deposit Growth

- Total loans held for investment (“LHI”), excluding mortgage warehouse (“MW”) and Paycheck Protection Program (“PPP”) loans, increased \$308.6 million, or 20.7% linked quarter annualized (“LQA”)
- Total LHI, excluding MW and PPP, grew \$424.2 million from December 31, 2020, or 14.5% annualized, and \$545.2 million, or 9.5%, year over year (“YOY”)
- Total deposits grew \$74.3 million, or 4.3% LQA, and \$853.4 million, or 14.0%, YOY
- Total noninterest-bearing deposits grew \$216.3 million over 1Q21, representing 34.2% of total deposits as of June 30, 2021
- Average cost of total deposits decreased to 0.23% for 2Q21 from 0.31% for 1Q21

## Capital Build

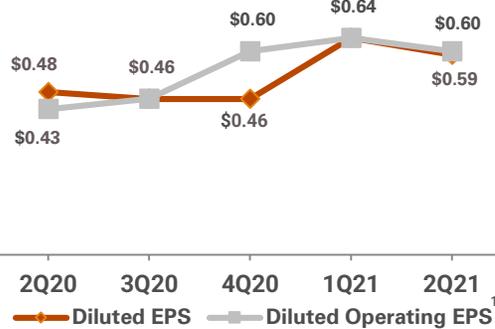
- Book value per common share increased to \$25.72 from \$24.96 at March 31, 2021
- Tangible book value per common share<sup>1</sup> increased to \$17.16 from \$16.34 at March 31, 2021
- Declared quarterly dividend of \$0.20 in 2Q21, a 17.6% increase over 1Q21

<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.

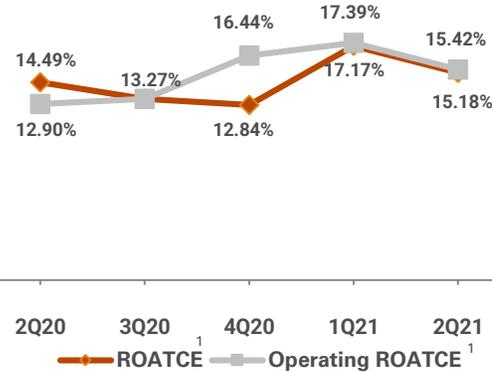


# Key Financial Metrics

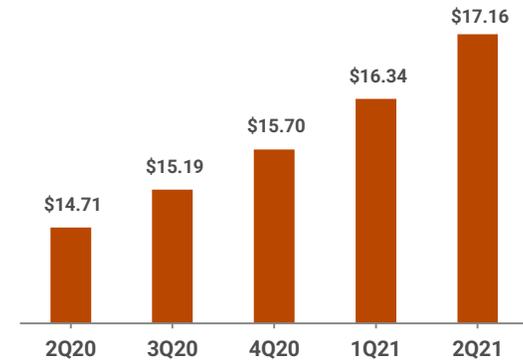
Diluted EPS



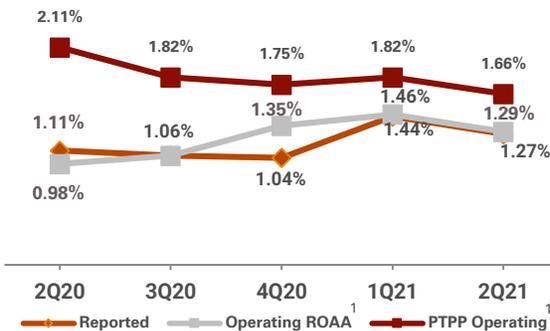
Return on Average Tangible Common Equity<sup>1</sup>



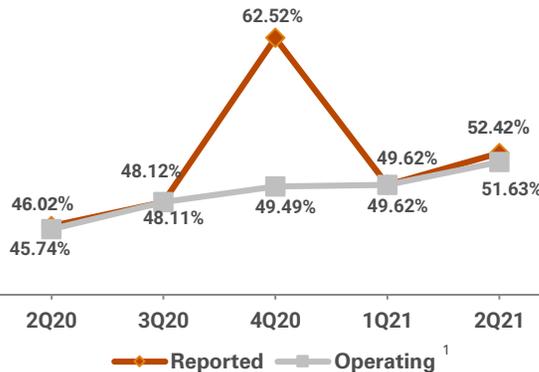
Tangible Book Value per Common Share<sup>1</sup>



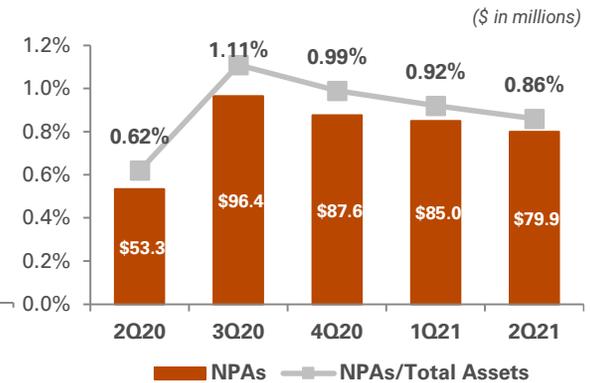
ROAA



Efficiency Ratio



NPAs / Total Assets



<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.

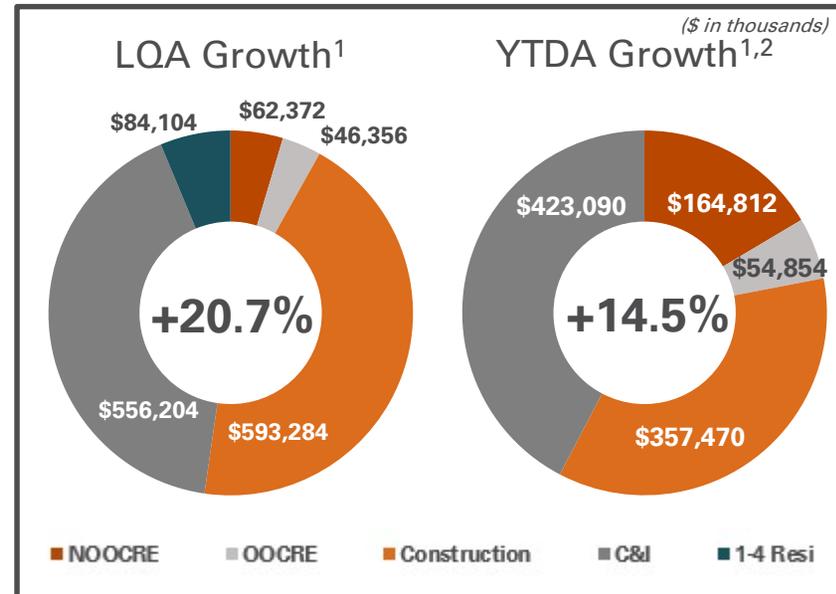
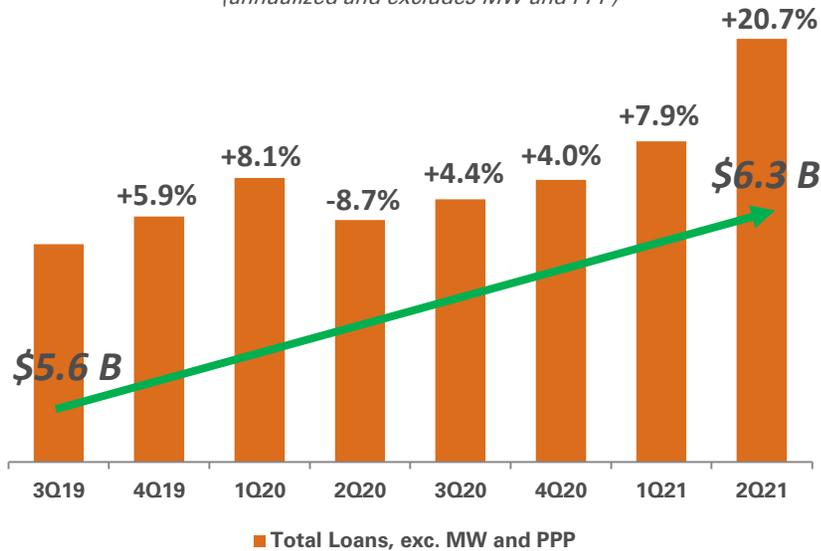


# Loan Growth

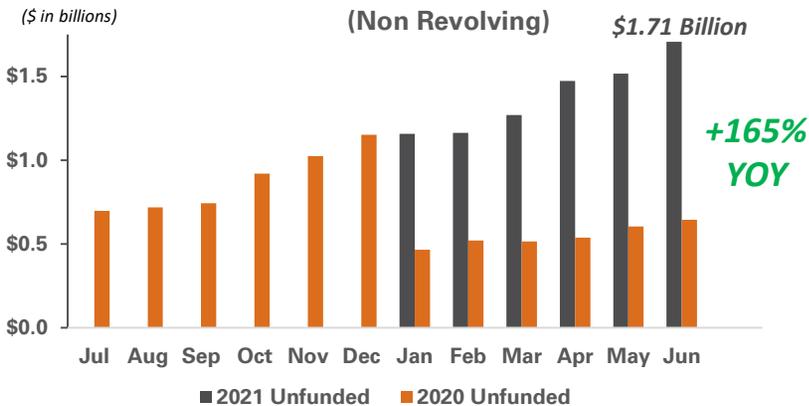
3.90% weighted average rate of new and renewed Q2 loan production, excluding MW and PPP

## Quarterly Loan Growth

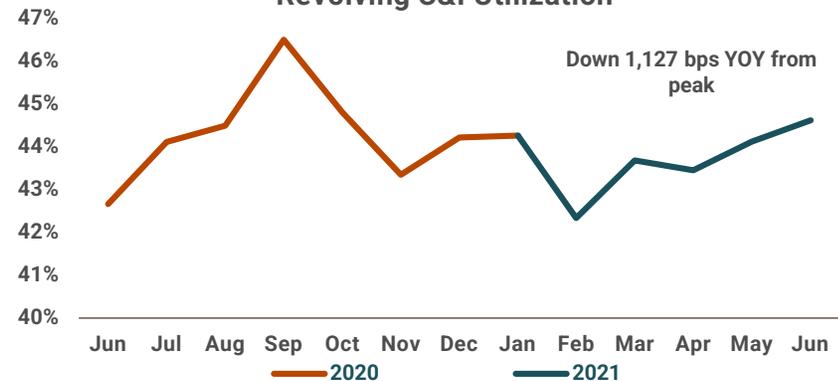
(annualized and excludes MW and PPP)



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



## Revolving C&I Utilization



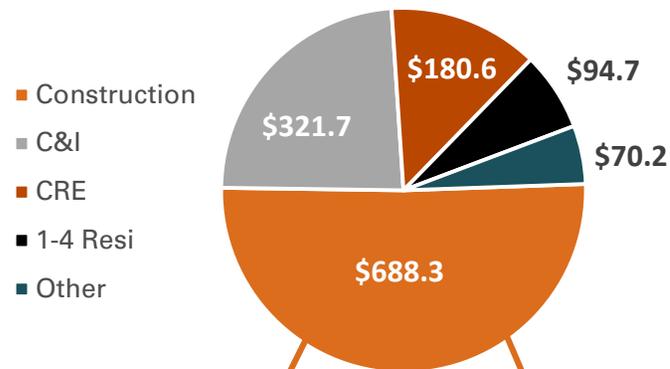
<sup>1</sup> Excludes MW and PPP and represents portfolios with growth for the respective periods.

<sup>2</sup> Year to date annualized ("YTTA")



# 2<sup>nd</sup> Quarter Loan Production

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

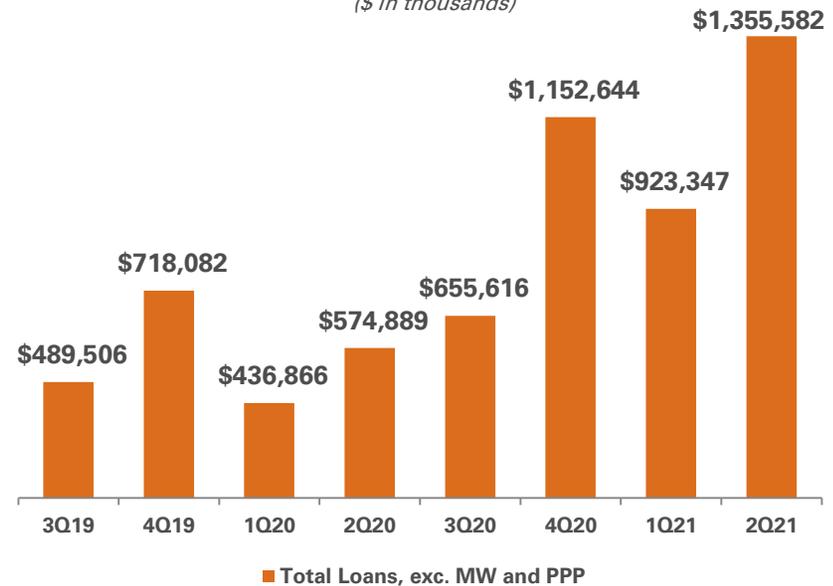


## Construction Loans > \$10 Million

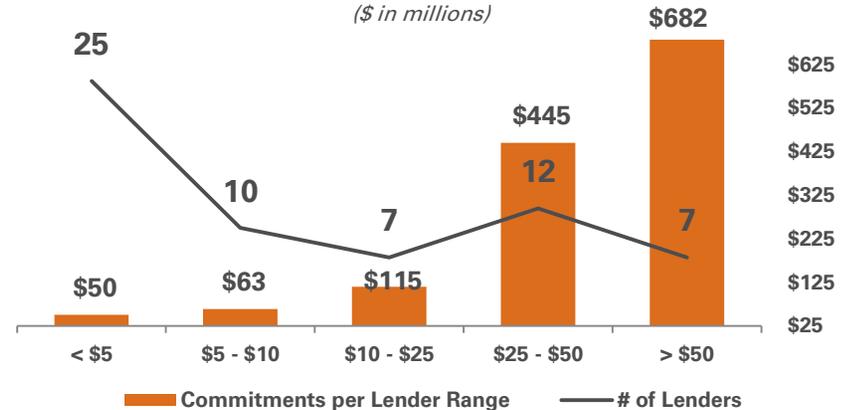
(76% of Total Q2 Construction Production)

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

Quarterly Commitment Production  
*(\$ in thousands)*

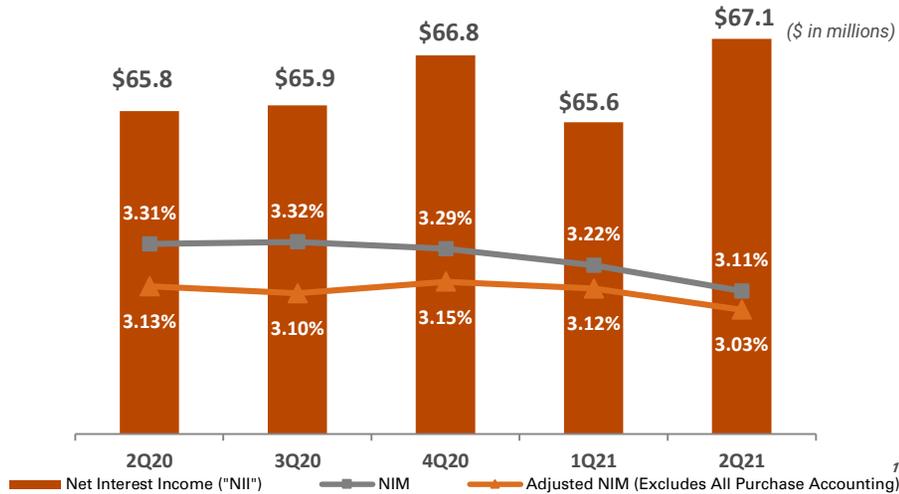


2Q21 Lenders Production by Total Commitment Range  
*(\$ in millions)*





# Net Interest Income



## Net Interest Income Rollforward

(\$ in thousands)

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

## Asset Sensitivity as of June 30, 2021

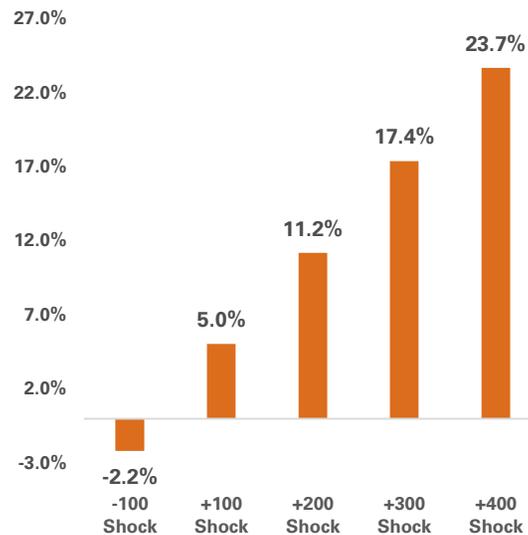
## Average Earning Assets

(\$ in millions)

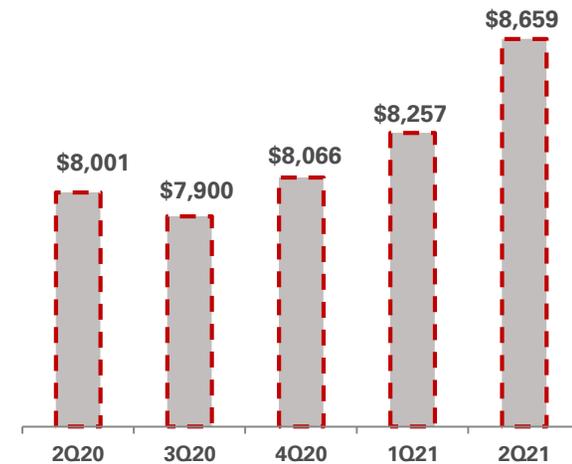
### Floating Rate Loan Repricing

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

### Static Shock Impact on NII



### Average Earning Assets

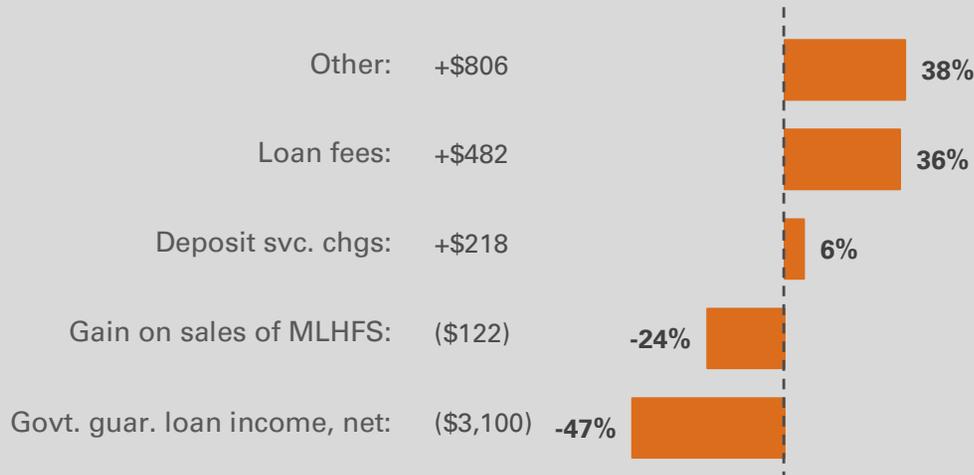




# Operating Noninterest Income

## Change in Operating Noninterest Income Quarter-over-Quarter

(\$ in thousands)

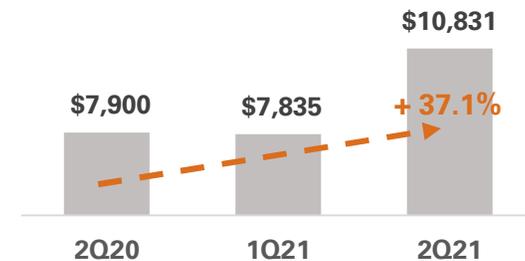


### Quarter-over-Quarter Commentary

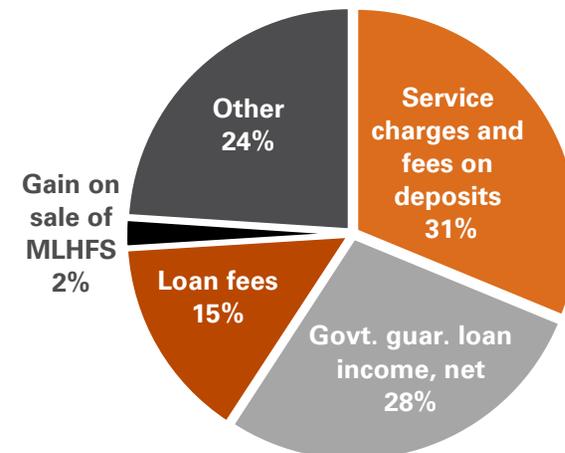
- Other noninterest income increased 38%, primarily driven by a \$663 thousand increase in insurance income received during 2Q21 associated with the Company's bank owned life insurance policy
- Loan fees increased 36%, primarily driven by a \$418 thousand increase in syndication fees compared to 1Q21. Over the last year, the Company has invested in a Syndication Group with direct results reflected in 2Q21 noninterest income
- Government guaranteed loan income, net, decreased 47%, primarily as a result of a \$5.6 million decrease fee income earned on PPP loans offset by a \$2.0 million increase on gain on sale of SBA loans

## Total Operating Noninterest Income, exc. PPP income<sup>1</sup>

(\$ in thousands)



### 2Q21 Operating Noninterest Income Breakdown



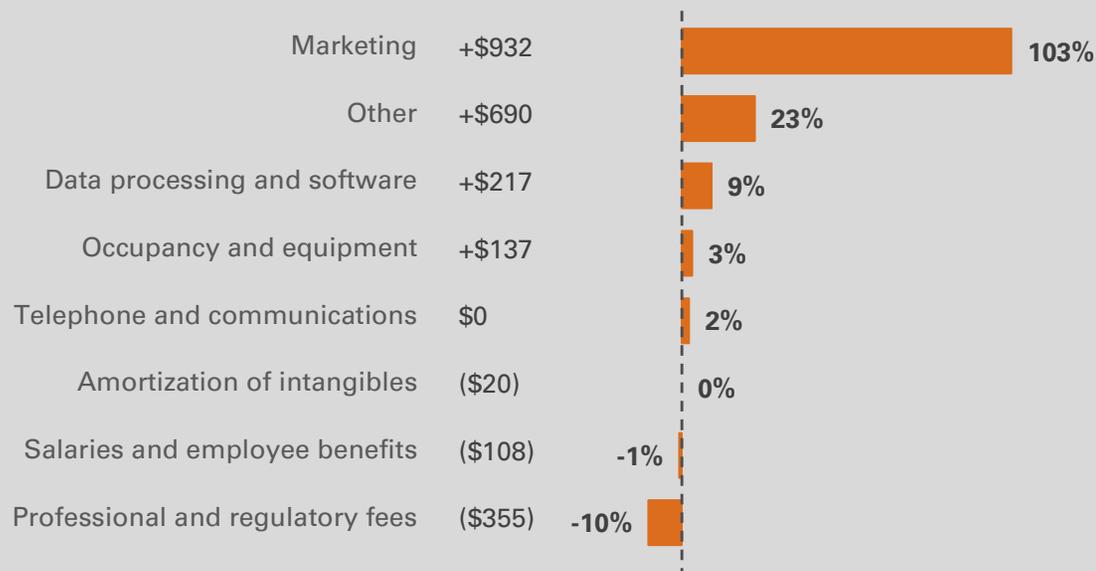
<sup>1</sup> Excludes PPP income of \$1.6 million, \$6.3 million and \$10.5 million as of June 30, 2021, March 31, 2021 and June 30, 2020, respectively. PPP income includes upfront fees and changes in fair value recognized as the Company elected to report PPP loans at fair value using the fair value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



# Operating Noninterest Expense

## Change in Operating Noninterest Expense Quarter-over-Quarter

(\$ in thousands)

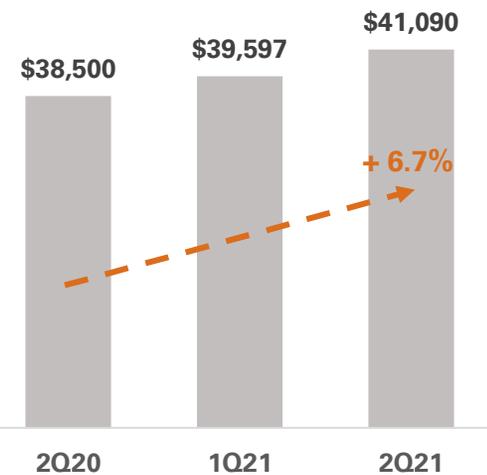


### Quarter-over-Quarter Commentary

- Marketing increased 103% from 1Q21, primarily resulting from an approximate increase of \$842 thousand in annual sponsorship fees
- Other noninterest expense increased 23% as a result of a \$203 thousand write down of certain other real estate owned properties and approximately \$194 thousand of loan related legal expenses

## Total Operating Noninterest Expense

(\$ in thousands)



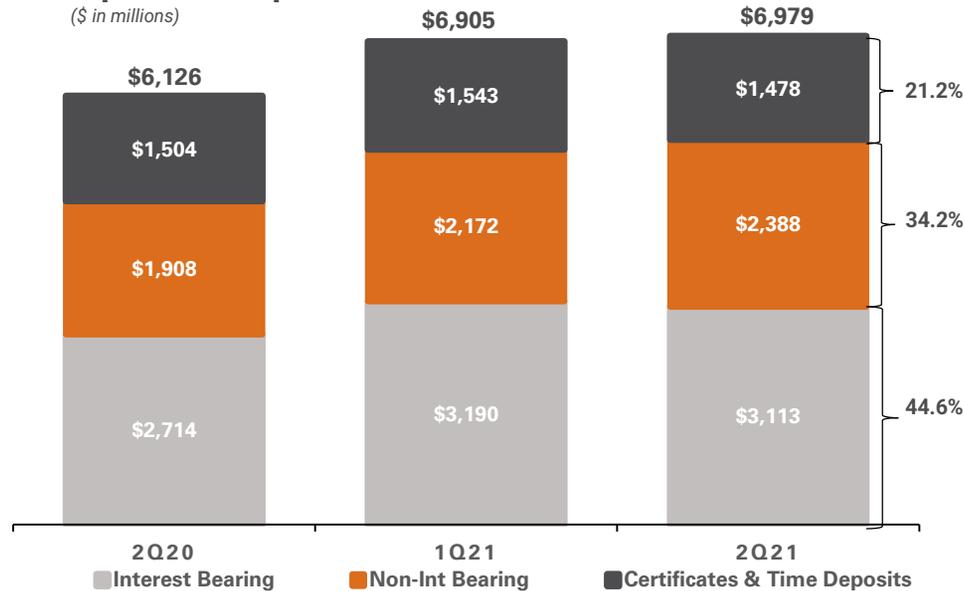
Continued investment in talent driving YOY expense growth



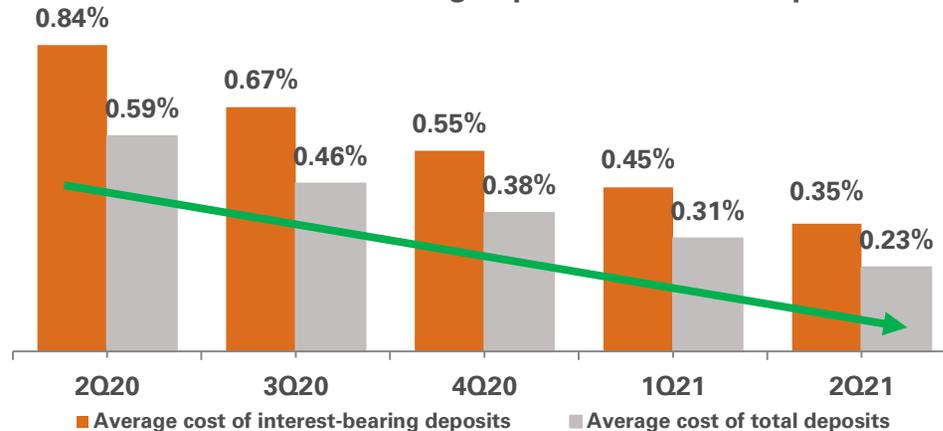
# Deposit Growth

## Deposits Composition

(\$ in millions)



## Cost of Interest-bearing Deposits and Total Deposits



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

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

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

## Certificates & Time Maturity Table

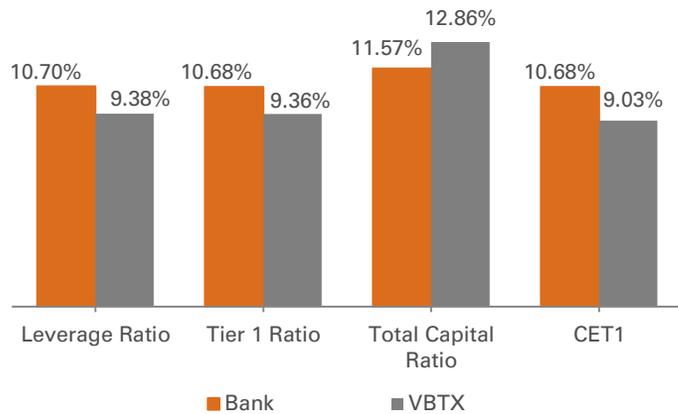
	Balance (\$000)	WA Rate
Q3 2021	373,686	0.62%
Q4 2021	260,082	0.67%
Q1 2022	265,169	0.59%
Q2 2022	163,701	0.38%
Q3 2022	123,332	0.34%
Q4 2022	86,211	0.39%
Q1 2023	100,902	0.40%
Q2 2023	65,896	0.44%
Q3 2023+	38,881	1.65%
<b>Total</b>	<b>1,477,860</b>	<b>0.56%</b>



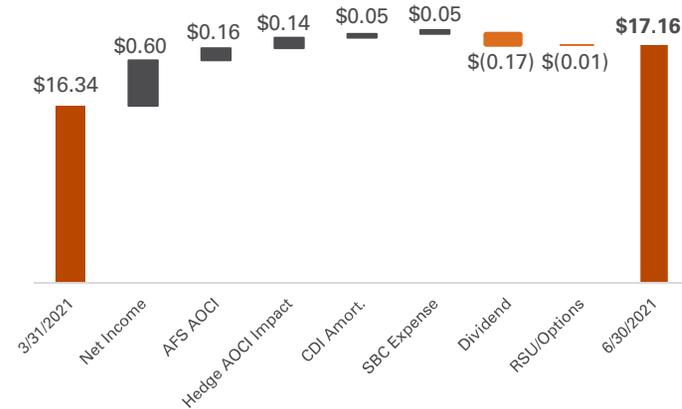
# Capital Build

VBTX Amounts (\$ in thousands)	June 30, 2021	March 31, 2021	\$ Change
<b>Basel III Standardized<sup>1</sup></b>			
CET1 capital	\$ 804,619	\$ 779,057	\$ 25,562
CET1 capital ratio	9.03%	9.27%	
Leverage capital	\$ 833,956	\$ 808,338	\$ 25,618
Leverage capital ratio	9.38%	9.50%	
Tier 1 capital	\$ 833,956	\$ 808,338	\$ 25,618
Tier 1 capital ratio	9.36%	9.61%	
Total capital	\$ 1,146,015	\$ 1,124,859	\$ 21,156
Total capital ratio	12.86%	13.38%	
Risk weighted assets	\$ 8,913,134	\$ 8,401,800	\$ 511,334
Total assets <sup>2</sup>	\$ 9,349,525	\$ 9,237,510	\$ 112,015
Tangible common equity / Tangible assets <sup>3</sup>	9.51%	9.17%	

Ratios as of June 30, 2021



TBVPS Rollforward



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

<sup>2</sup> Total assets includes PPP loans that we did not utilize the Paycheck Protection Program Liquidity Facility to fund.

<sup>3</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.



# Thrive Mortgage Investment

## 49% Investment Completed July 16, 2021

### 2021 Financial Information

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

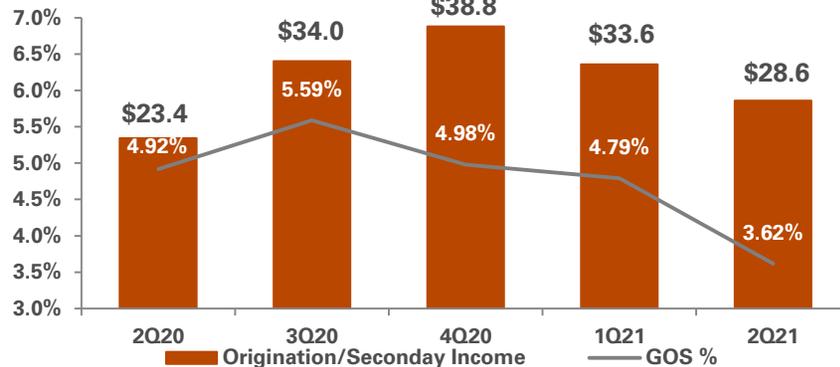
### Quarterly and YTD Volume

*(\$ in millions)*



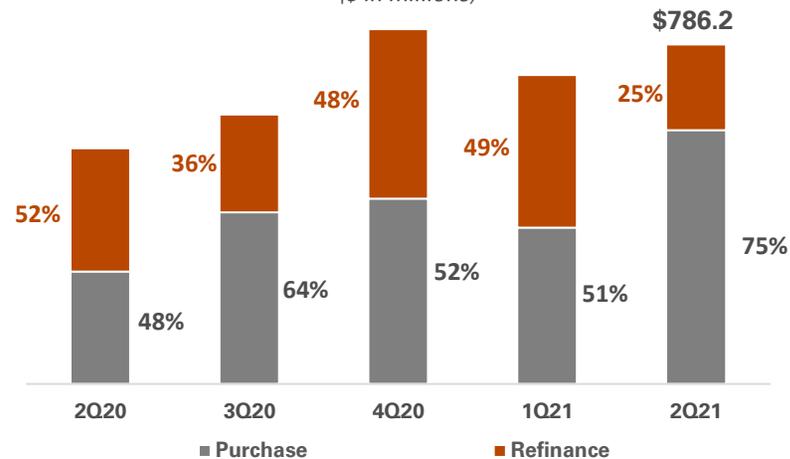
### Income and GOS %

*(\$ in millions)*



### Purchased v. Refinance

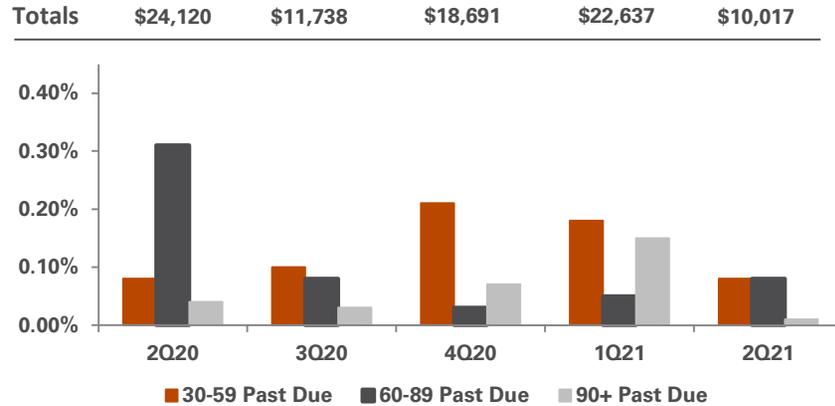
*(\$ in millions)*



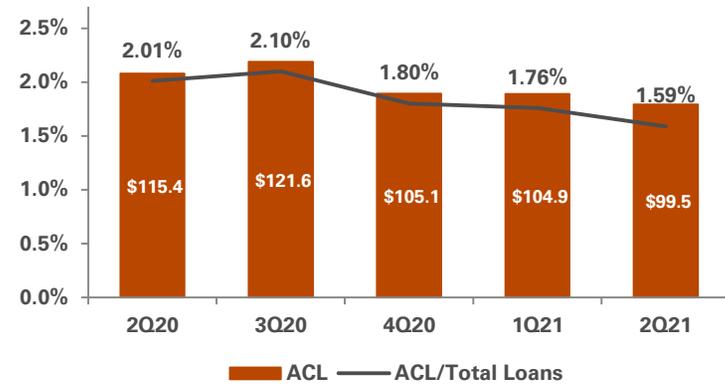


# Asset Quality and ACL

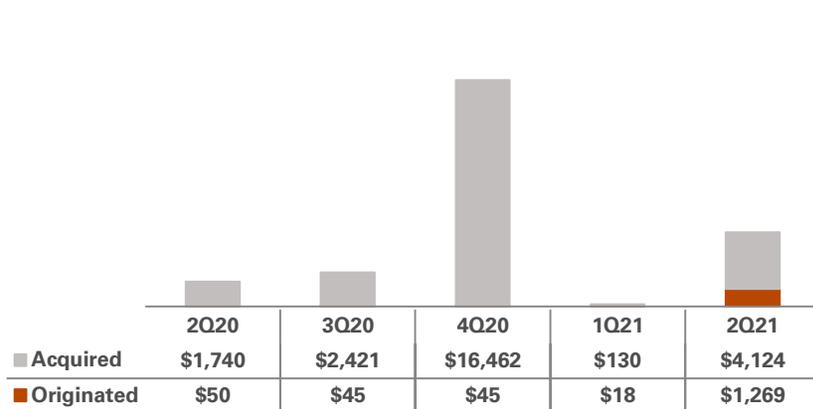
Past Due<sup>1</sup> Trends % of Total Loans<sup>2</sup>  
(\$ in millions)



ACL / Total Loans<sup>2</sup>  
(\$ in millions)



Net Charge-offs  
(\$ in thousands)



Quarterly Criticized Loans  
(\$ in millions, excludes PCD 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.



**VBTX**

**Veritex Holdings, Inc.**

**Supplemental  
Information**



# Reconciliation of Non-GAAP Financial Measures

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

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



# Reconciliation of Non-GAAP Financial Measures

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



# Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended				For the Year Ended		
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020	6/30/2020	
	(Dollars in thousands)						
<b>Operating Earnings</b>							
Net income	\$ 29,456	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 61,243	\$ 28,162
Plus: Severance payments <sup>1</sup>	627	-	-	-	-	627	-
Plus: Loss (gain) on sale of securities available for sale, net	-	-	256	8	(2,879)	-	(2,879)
Plus: Debt extinguishment costs <sup>2</sup>	-	-	9,746	-	1,561	-	1,561
Operating pre-tax income	30,083	31,787	32,803	22,928	22,710	61,870	26,844
Less: Tax impact of adjustments	131	-	2,100	-	(277)	131	(277)
Plus: Discrete tax adjustments <sup>3</sup>	-	426	(973)	-	(1,799)	426	(1,799)
Operating earnings	\$ 29,952	\$ 32,213	\$ 29,730	\$ 22,928	\$ 21,188	\$ 62,165	\$ 25,322
<b>Weighted average diluted shares outstanding</b>	50,331	49,998	49,837	49,775	49,727	50,187	50,383
<b>Diluted EPS</b>	\$ 0.59	\$ 0.64	\$ 0.46	\$ 0.46	\$ 0.48	\$ 1.22	\$ 0.56
<b>Diluted operating EPS</b>	\$ 0.60	\$ 0.64	\$ 0.60	\$ 0.46	\$ 0.43	\$ 1.24	\$ 0.50

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

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

3 A nonrecurring tax adjustment of \$426 thousand recorded in the first quarter of 2021 was due to a true-up of a deferred tax liability. A nonrecurring tax adjustment of \$973 thousand recorded in the fourth quarter of 2020 was primarily due the reversal of acquired deferred tax liabilities resulting in a tax benefit of \$1.2 million offset by tax expense of \$281 thousand for the setup of an uncertain tax position liability relating to state tax exposure for tax years prior to the year ending December 31, 2020. A nonrecurring tax adjustment of \$1,799 was recorded in the second quarter of 2020 as a result of the Company amending a prior year Green Bancorp, Inc. tax return to carry back a net operating loss ("NOL") incurred by Green Bancorp, Inc. on January 1, 2019. The Company was allowed to carry back this NOL as result of a provision in the CARES Act, which permits NOLs generated in tax years 2018, 2019 or 2020 to be carried back five years.



# Reconciliation of Non-GAAP Financial Measures

	For the Quarter Ended				For the Year Ended		
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020	6/30/2021	6/30/2020
(Dollars in thousands)							
<b>Pre-Tax, Pre-Provision Operating Earnings</b>							
Net Income	\$ 29,456	\$ 31,787	\$ 22,801	\$ 22,920	\$ 24,028	\$ 61,243	\$ 28,162
Plus: Provision for income taxes	7,837	8,993	4,702	6,198	3,987	16,830	3,303
Plus: Provision for credit losses and unfunded commitments	577	(570)	902	10,139	18,971	7	54,628
Plus: Severance payments	627	-	-	-	-	627	-
Plus: Loss (gain) on sale of securities, net	-	-	256	8	(2,879)	-	(2,879)
Plus: Debt extinguishment costs	-	-	9,746	-	1,561	-	1,561
<b>Net pre-tax, pre-provision operating earnings</b>	<b>\$ 38,497</b>	<b>\$ 40,210</b>	<b>\$ 38,407</b>	<b>\$ 39,265</b>	<b>\$ 45,668</b>	<b>\$ 78,707</b>	<b>\$ 84,775</b>
<b>Total average assets</b>	<b>\$ 9,321,279</b>	<b>\$ 8,941,271</b>	<b>\$ 8,750,141</b>	<b>\$ 8,585,926</b>	<b>\$ 8,689,774</b>	<b>\$ 9,132,347</b>	<b>\$ 8,380,947</b>
<b>Pre-tax, pre-provision operating return on average assets<sup>1</sup></b>	<b>1.66%</b>	<b>1.82%</b>	<b>1.75%</b>	<b>1.82%</b>	<b>2.11%</b>	<b>1.74%</b>	<b>2.03%</b>
<b>Average Total Assets</b>	<b>\$ 9,321,279</b>	<b>\$ 8,941,271</b>	<b>\$ 8,750,141</b>	<b>\$ 8,585,926</b>	<b>\$ 8,689,744</b>	<b>\$ 9,132,347</b>	<b>\$ 8,380,947</b>
Return on average assets <sup>1</sup>	1.27%	1.44%	1.04%	1.06%	1.11%	1.35%	0.68%
Operating return on average assets <sup>1</sup>	1.29%	1.46%	1.35%	1.06%	0.98%	1.37%	0.61%
<b>Operating earnings adjusted for amortization of core deposit intangibles</b>							
Operating earnings	\$ 29,952	\$ 32,213	\$ 29,730	\$ 22,928	\$ 21,188	\$ 62,165	\$ 25,322
Adjustments:							
Plus: Amortization of core deposit intangibles	2,438	2,447	2,451	2,451	2,451	4,885	4,902
Less: Tax benefit at the statutory rate	512	514	515	515	515	1,026	1,030
Operating earnings adjusted for amortization of core deposit intangibles	31,878	34,146	31,666	24,864	23,124	66,024	29,194
(Dollars in thousands)							
<b>Average Tangible Common Equity</b>							
Total average stockholders' equity	\$ 1,254,371	\$ 1,224,294	\$ 1,196,274	\$ 1,177,882	\$ 1,155,798	\$ 1,239,415	\$ 1,142,626
Adjustments:							
Average goodwill	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)	(370,840)
Average core deposit intangibles	(54,471)	(56,913)	(59,010)	(61,666)	(64,151)	(55,685)	(65,296)
<b>Average tangible common equity</b>	<b>\$ 829,060</b>	<b>\$ 796,541</b>	<b>\$ 766,424</b>	<b>\$ 745,376</b>	<b>\$ 720,807</b>	<b>\$ 812,890</b>	<b>\$ 706,490</b>
<b>Operating return on average tangible common equity<sup>1</sup></b>	<b>15.42%</b>	<b>17.39%</b>	<b>16.44%</b>	<b>13.27%</b>	<b>12.90%</b>	<b>16.38%</b>	<b>8.31%</b>

<sup>1</sup> Annualized ratio.



# Reconciliation of Non-GAAP Financial Measures

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

<sup>1</sup> Annualized ratio.

	For the Quarter Ended				
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020
	(Dollars in thousands, except per share data)				
<b>Adjusted net interest margin</b>					
Net interest income	\$ 67,131	\$ 65,635	\$ 66,766	\$ 65,870	\$ 65,757
Less: Loan accretion	\$ 1,536	\$ 1,911	\$ 2,652	3,953	3,134
Less: Deposit premium amortization	\$ 34	\$ 76	\$ 89	110	263
<b>Adjusted net interest income</b>	<u>\$ 65,561</u>	<u>\$ 63,648</u>	<u>\$ 64,025</u>	<u>\$ 61,807</u>	<u>\$ 62,360</u>
Total interest-earning assets	\$8,659,059	\$8,257,048	\$8,065,652	\$7,899,837	\$8,001,485
<b>Adjusted net interest margin</b>	3.03%	3.12%	3.15%	3.10%	3.13%



# **VBTX**

**Veritex Holdings, Inc.**

**2<sup>nd</sup> Quarter Earnings  
Conference Call  
July 28, 2021**