



ViewPoint Financial Group, Inc.

NASDAQ: VPFG

Third Quarter 2011 Results

Gary Base – President and Chief Executive Officer

Patti McKee – Executive Vice President and Chief Financial Officer

Mark Hord – Executive Vice President and General Counsel

Safe Harbor Statement

When used in filings by the Company with the Securities and Exchange Commission (the “SEC”) in the Company’s press releases or other public or shareholder communications, and in oral statements made with the approval of an authorized executive officer, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “intends” or similar expressions are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties, including, among other things, changes in economic conditions, legislative changes, changes in policies by regulatory agencies, fluctuations in interest rates, the risks of lending and investing activities, including changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses, the Company’s ability to access cost-effective funding, fluctuations in real estate values and both residential and commercial real estate market conditions, demand for loans and deposits in the Company’s market area, the industry-wide decline in mortgage production, competition, changes in management’s business strategies and other factors set forth under Risk Factors in the Company’s Form 10-K, that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The Company wishes to advise readers that the factors listed above could materially affect the Company’s financial performance and could cause the Company’s actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements.

The Company does not undertake – and specifically declines any obligation – to publicly release the result of any revisions which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Opening Remarks

- ❑ Loan balances increased \$290.0 million during the quarter, or 18.5%, with growth primarily in Warehouse Purchase Program and Commercial Real Estate
- ❑ Net interest margin up 6 basis points YOY, up 4 basis points linked quarter
- ❑ Q3 net income of \$5.1 million, or \$0.16 per share, up 5.9% linked quarter
- ❑ Q3 results driven by higher net interest income and lower provision expense

Corporate & Geographic Overview

Total Assets: **\$3.24 billion**
Total Net Loans: **\$1.84 billion**
Total Deposits: **\$2.07 billion**

Number of Locations:
25 Community Bank Branches
10 Loan Production Offices¹

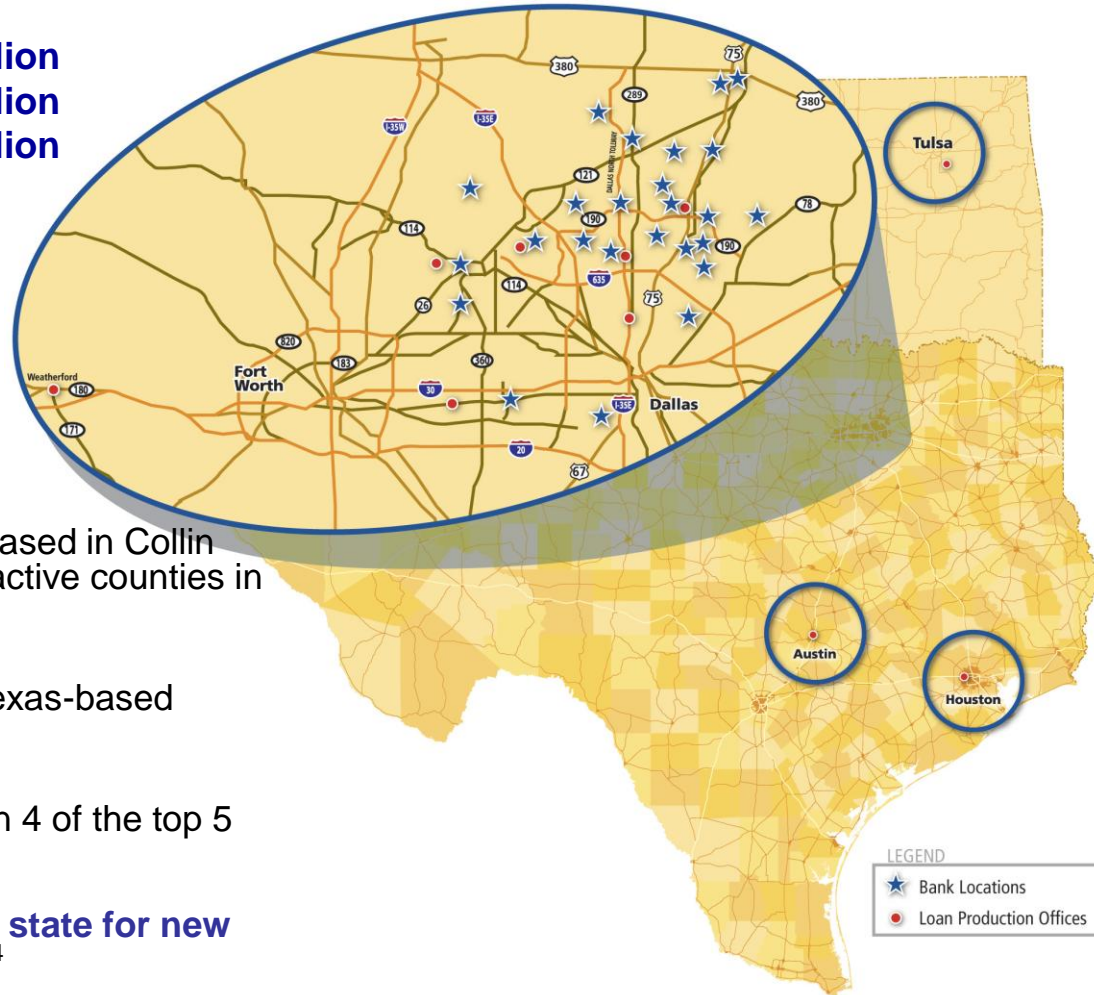
59 years in Texas market

#1 in deposit market share of those banks based in Collin County, one of the most demographically attractive counties in Texas²

Ranked #5 in deposit market share among Texas-based community banks in DFW Metroplex²

81% of our commercial real estate loans are in 4 of the top 5 **best cities for jobs in the U.S.**³

Texas listed as *Site Selection Magazine's* **top state for new and expanded corporate facilities** in 2010.⁴



LEGEND
★ Bank Locations
● Loan Production Offices

Source: VPF 10-Q for Q3 2011, Company documents
¹ Excludes Warehouse Purchase Program office in Littleton, CO
² FDIC market share data as of June 2011
³ Forbes.com: "The Best Cities for Jobs" (May 11, 2011)
⁴ The Dallas Morning News: Trade Magazine Rankings 2010 (March 2, 2011)

New Locations

- ❑ Two new bank branches opened in Q3 2011 in Flower Mound and in Carrollton

- ❑ Relocation of grocery store banking center to full-service community bank branch in the Lake Highlands neighborhood in Dallas planned for Q4 2011
 - 1,482 existing VPFG households with deposits of \$20.8 million at 9/30
 - 2010 Estimated Average Household Income: \$69,683

Source: Nielsen Claritas, Company Documents, household information based on 5 mile radius

Business Strategy

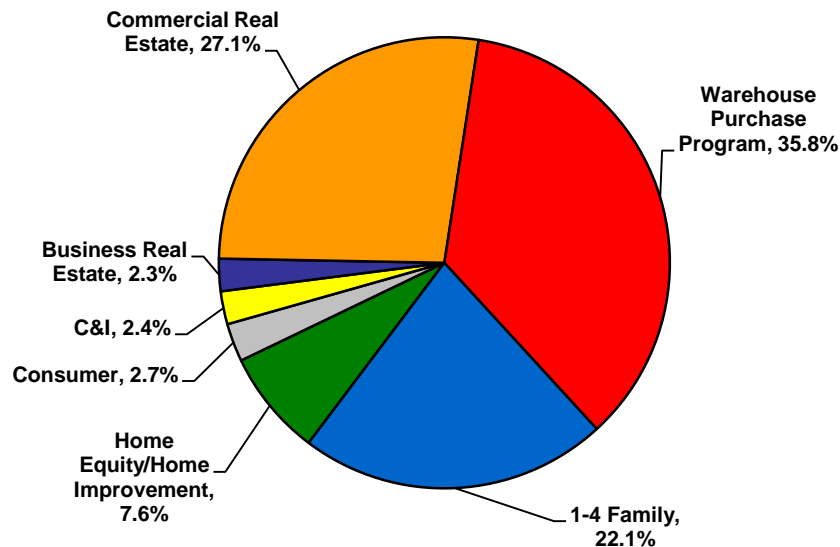
- ❑ Capitalize on a position of balance sheet strength
- ❑ Continue to grow organically in our economically stable and growing Texas market
- ❑ Remain focused on our community banking approach and enhance the profitability of existing relationships
- ❑ Continue to develop existing lines of business, diversify the loan portfolio and develop Commercial and Industrial lending
- ❑ Evaluate other opportunities to deploy capital:
 - ❑ New locations
 - ❑ Potential acquisitions
 - ❑ Dividends

ViewPoint's Loan Portfolio Strategy

In order to improve our profitability, while maintaining a strong capital position and asset quality, we will continue to focus on our four primary engines:

- Commercial Real Estate
- Warehouse Purchase Program
- Residential Mortgage
- Commercial and Industrial

September 30, 2011 Loan Composition

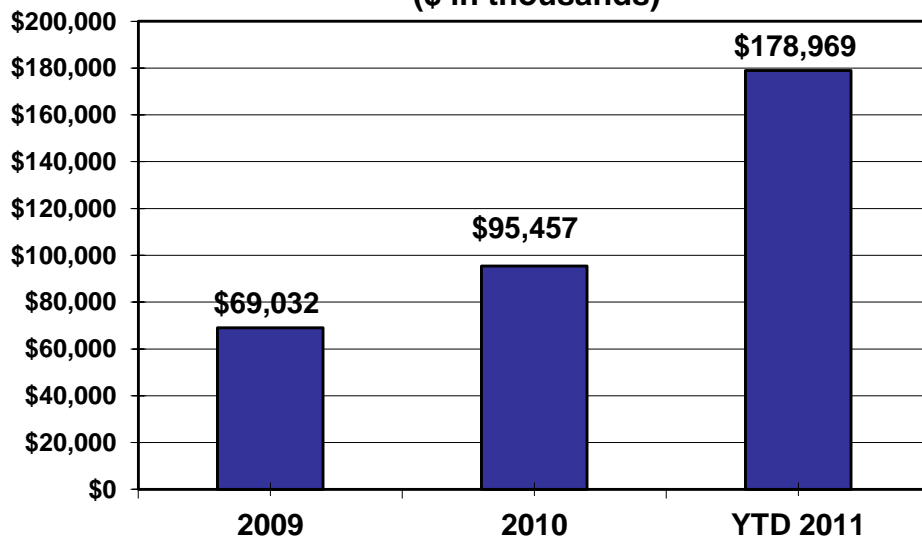


Source: VPFG 10-Q for Q3 2011
Includes loans held for sale

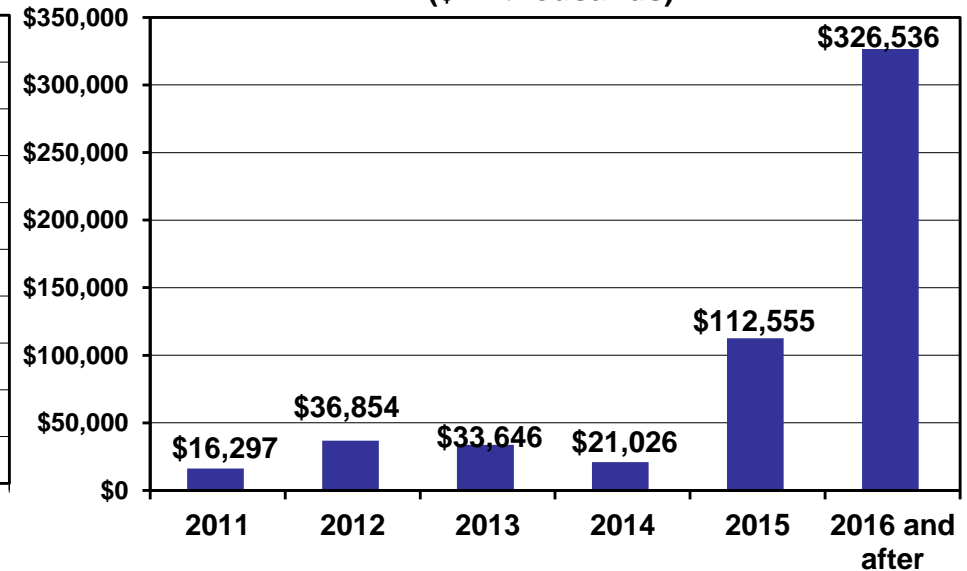
Commercial RE Portfolio

YTD production of \$179.0 million at Q3 2011 compared to \$54.0 million for same period in 2010

Commercial RE Production
(\$ in thousands)



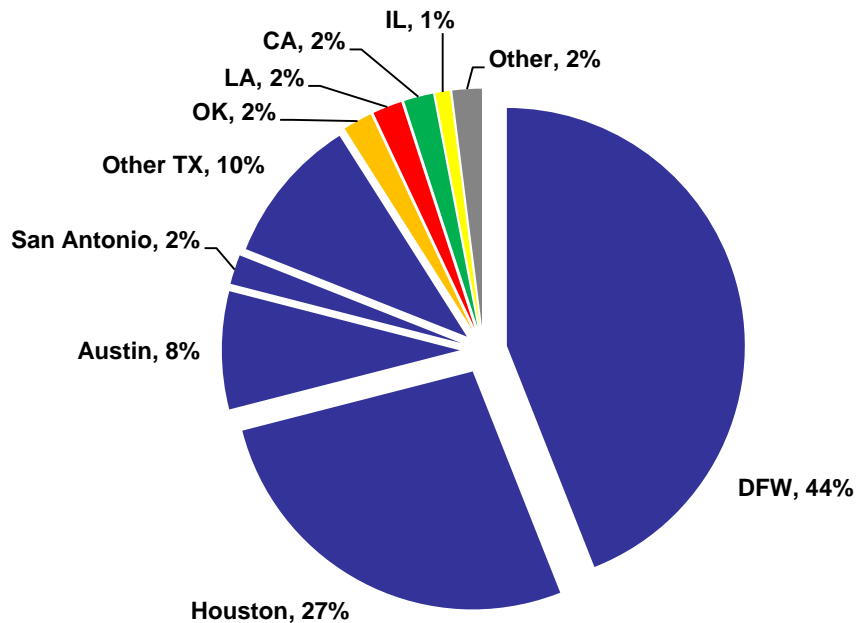
Commercial RE Portfolio Maturity Schedule
(\$ in thousands)



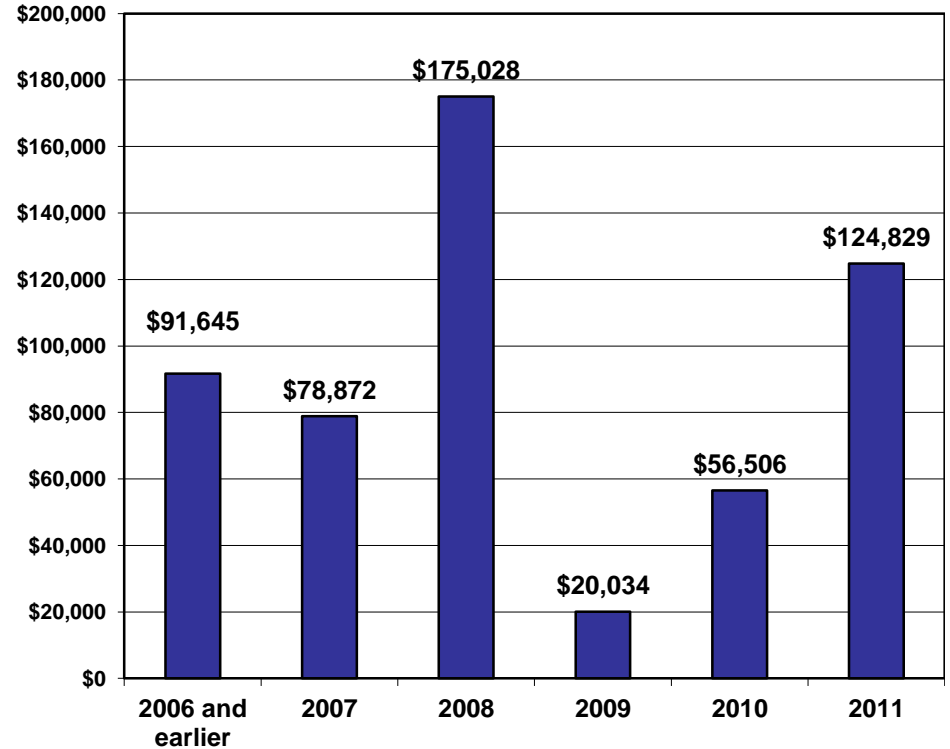
Source: VPF 10-Q for Q3 2011
Company Documents

Commercial RE Portfolio

Texas focused - 91% in Texas



CRE Portfolio by Origination Date

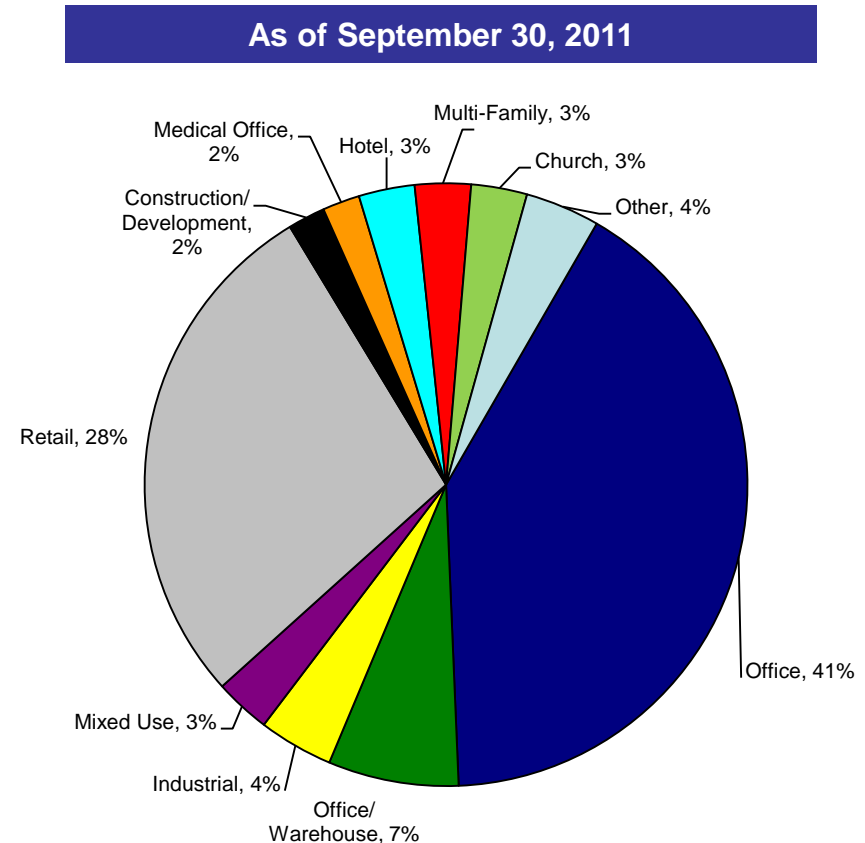


Source: VPFG 10-Q for Q3 2011, Company Documents

*Other states include Arizona, Georgia, Kansas, Missouri, Nevada, New Mexico, Oregon and Washington

Comm. RE: Diverse & Well-Underwritten

Property Type	\$ Amount (Millions)	% of Total	LTV at orig.
Office	\$226	41%	62%
Retail	\$151	28%	60%
Office/Warehouse	\$39	7%	63%
Industrial	\$24	4%	62%
Mixed Use	\$19	3%	52%
Multi-Family	\$17	3%	68%
Church	\$16	3%	50%
Hotel	\$14	3%	53%
Construction/Development	\$12	2%	49%
Medical Office	\$10	2%	46%
Other	\$19	4%	49%



Total Commercial RE – \$546.9M

Total LTV – 59%

Source: Company Documents

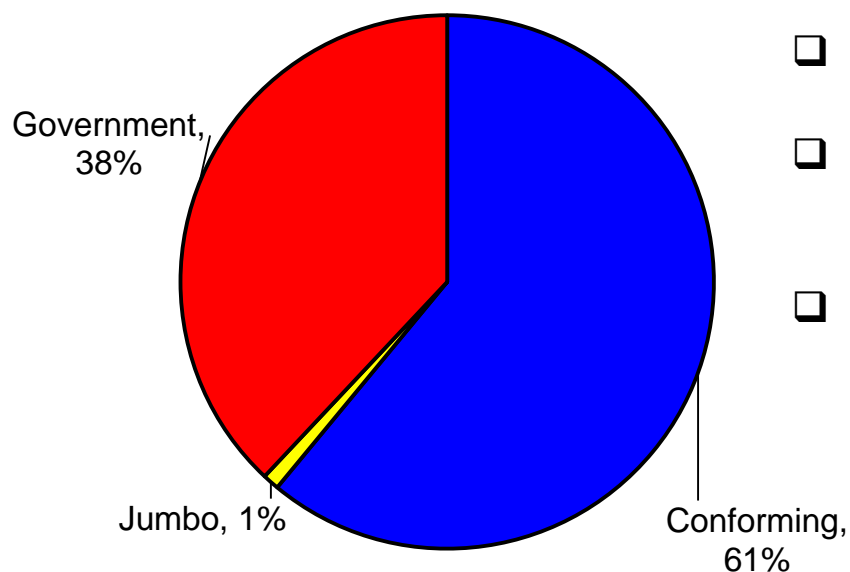
Warehouse Purchase Program

- ❑ Outstanding balance increased \$258.8 million from Q2 2011 to \$663.8 million at Q3 2011, average balance increased \$113.4 million for the same time period
- ❑ Increase due to rate environment and refinance activity
- ❑ Portfolio experiences seasonal fluctuations
- ❑ Gross Average Yield – 4.36% for Q3 2011 vs. 4.61% for Q2 2011

Source: Company Documents at September 30, 2011

Warehouse Purchase Program

Loan Types



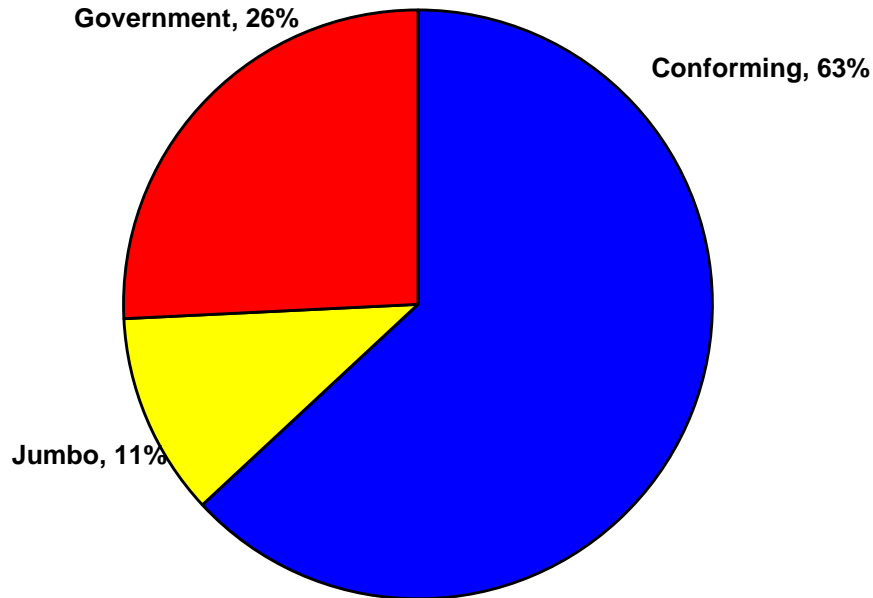
- ❑ Nationwide portfolio production covering 46 states
- ❑ 31 clients as of September 30, 2011
- ❑ 99% conforming and government loans
- ❑ Approved maximum borrowing amounts ranging from \$10.0 million to \$38.5 million
- ❑ High quality underwriting standards
 - Minimum tangible net worth
 - Personal guarantees of repurchase obligations
 - Historical profitability

Source: Company Documents at September 30, 2011

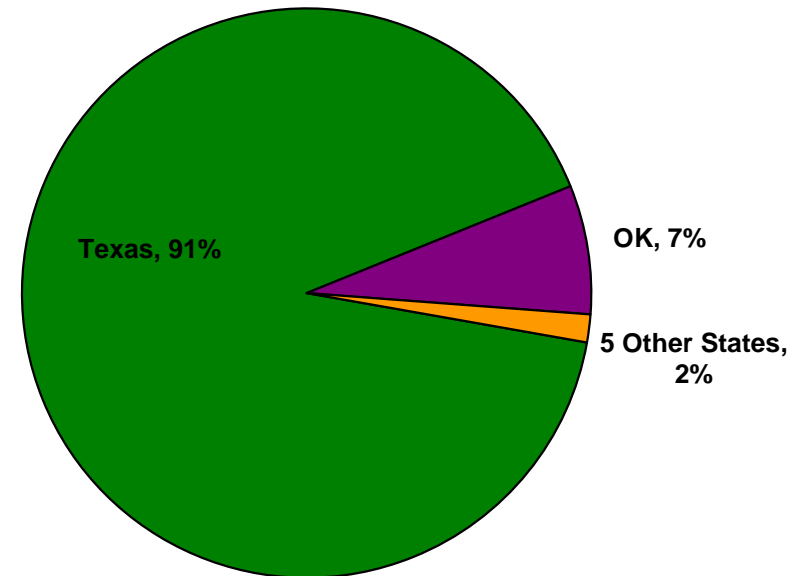
Residential Mortgage

- ❑ Focused on conforming residential mortgage loans originated through our wholly owned subsidiary, ViewPoint Mortgage (“VPM”)

Loan Type

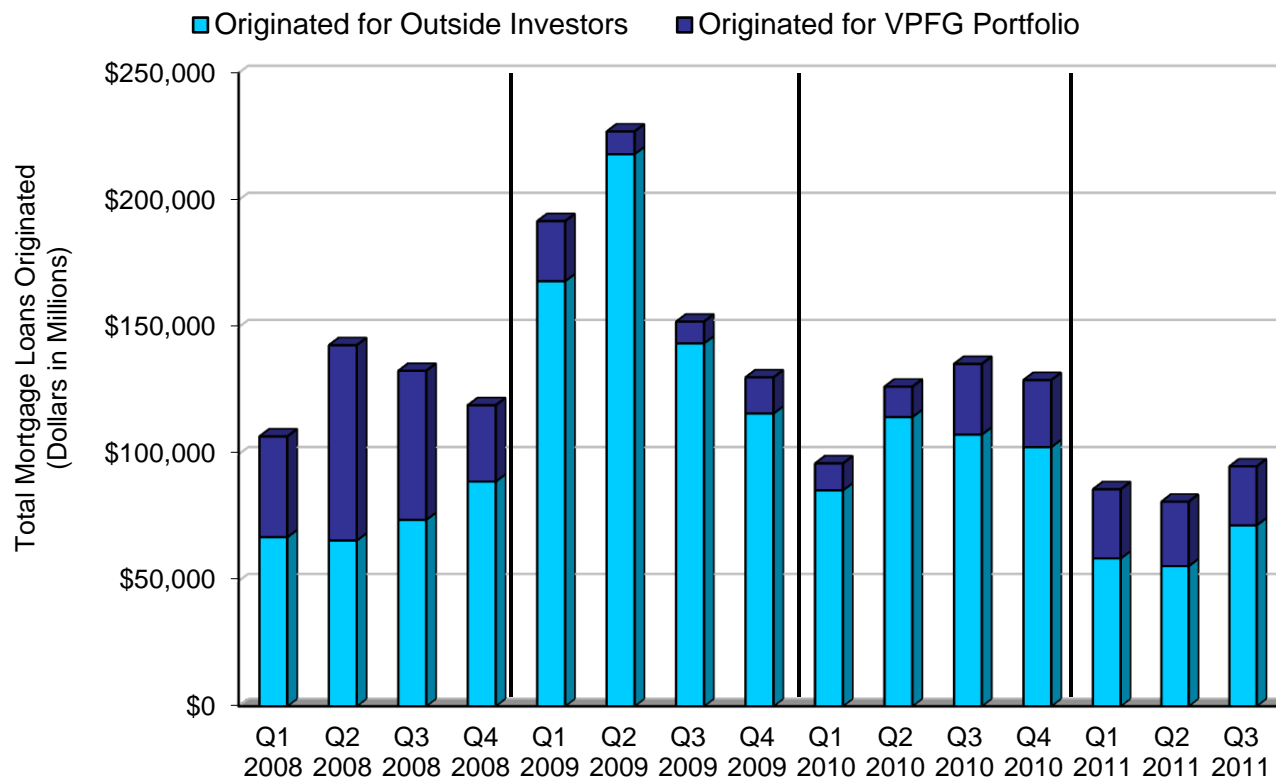


Geography by Collateral



Source: VPMG 10-Q for Q3 2011; Company Documents

Residential Mortgage: Total Production



- VPM originated \$95.2 million during Q3 2011, down 30% YOY
- Gain on sale of 2.7% for Q3 2011

Source: VPFG 10-Q for Q3 2011

Financial Summary – 3rd Quarter 2011

❑ Loan Production:

- ❑ Gross loans grew \$290.0 million, or 18.5%, from Q2 2011
- ❑ Fueled by \$258.8 million increase in Warehouse Purchase Program and \$19.1 million increase in Commercial RE

❑ Net Interest Margin:

- ❑ NIM increased 6 bps YOY, from 2.81% for Q3 2010 to 2.87% for Q3 2011, due to lower deposit and borrowing rates
- ❑ NIM increased 4 bps compared to Q2 2011 due to increased WPP volume and lower deposit costs

❑ Earnings:

- ❑ Quarterly net income increased by \$286,000, or 5.9%, from Q2 2011; EPS up \$0.01 to \$0.16
- ❑ Driven by higher net interest income and lower provision for loan losses

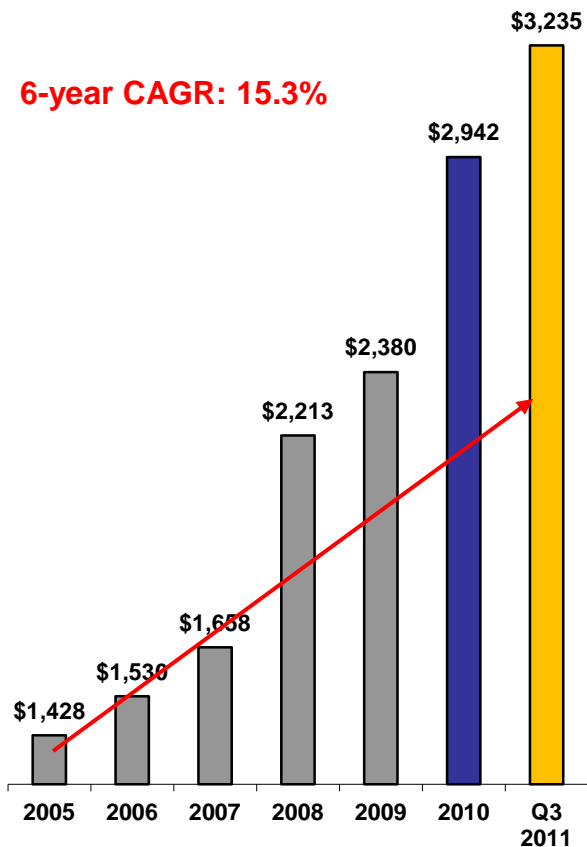
❑ Stable Credit Trends:

- ❑ Net charge-offs declined by \$275,000 for Q3 2011 compared to Q3 2010
- ❑ NPL/ Loan Ratio is 1.50%, outperforming Texas peers

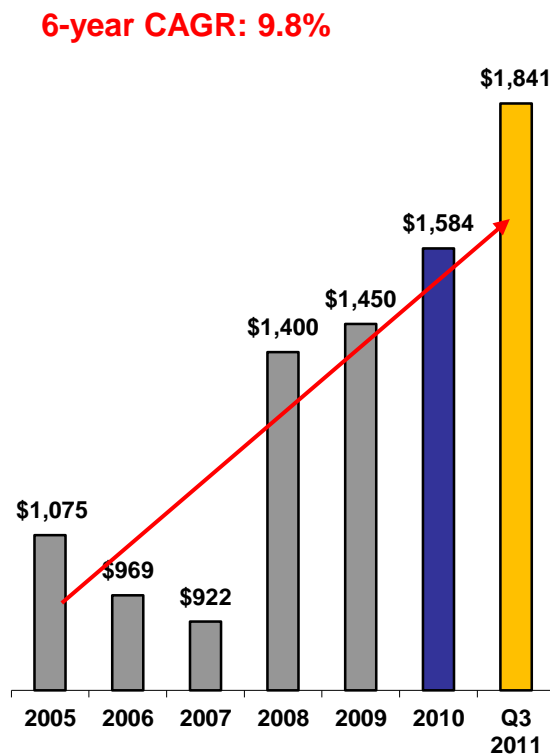
Source: VPFG 10-Q for Q3 2011, Company Documents

VPFG – Track Record of Strong Growth

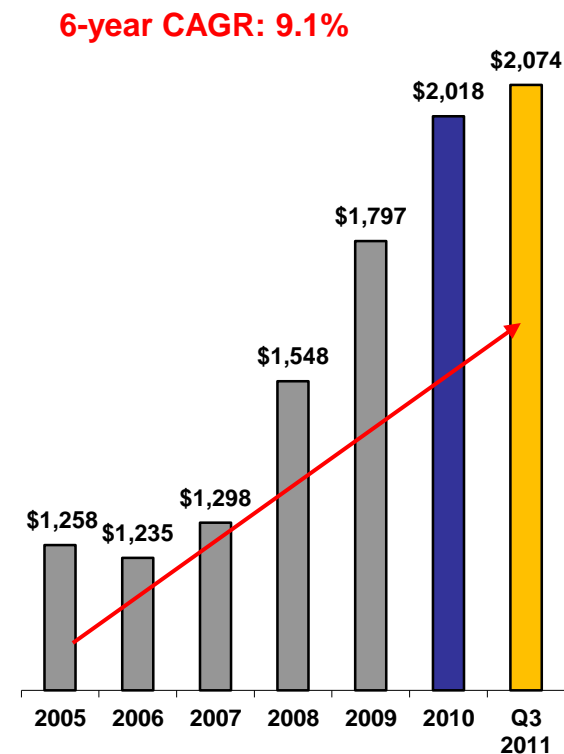
Assets



Loans, net

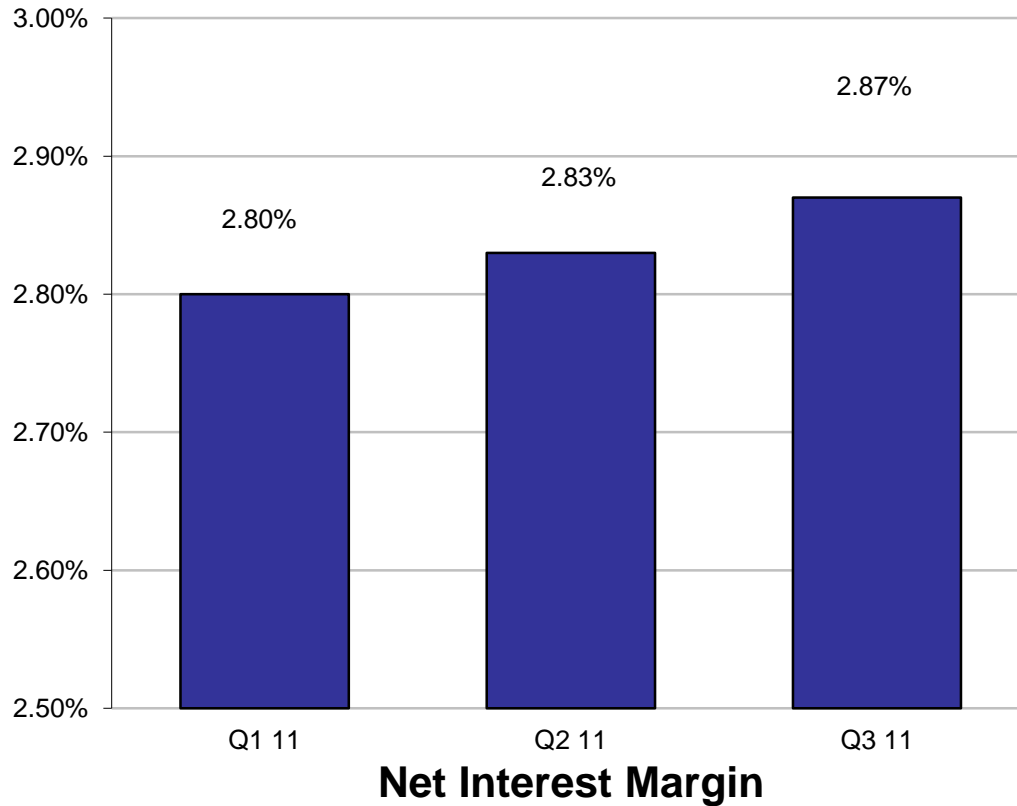


Deposits



Source: VPFG 10-Q for Q3 2011, Company documents
 Loan totals include loans held for sale

Improving Net Interest Margin

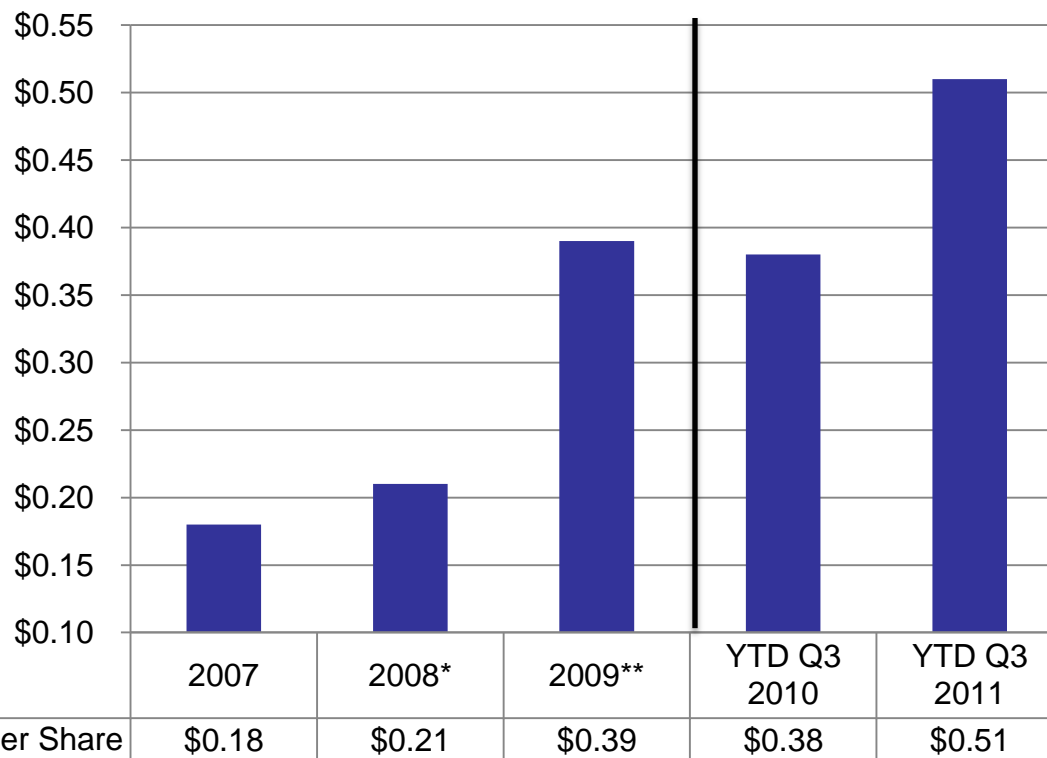


- ☐ Net interest margin increased 4 basis points from Q2 2011
 - ☐ Higher WPP volume
 - ☐ Lower deposit costs

- ☐ Net interest margin increased 6 basis points from Q3 2010
 - ☐ Lower deposit costs
 - ☐ FHLB restructure in Nov. 2010

Source: VPFG 10-Q for Q3 2011; Company Documents

Earnings Per Share Growth



- YTD EPS up \$0.13 YOY
- Higher net interest income
- Lower provision for loan losses
- YTD 2011 income includes \$2.2 million net of tax gain on sale of AFS securities

*Excludes non-cash after-tax impairment charge of \$9.1 million related to collateralized debt obligations.

**Excludes non-cash after-tax impairment charge of \$8.1 million related to collateralized debt obligations.

Source: VPFG 10-Q for Q3 2011; Company Documents

Share and per share information for periods prior to July 6, 2010, have been revised to reflect the 1.4:1 conversion ratio on publicly traded shares

Financial Comparisons for Quarter-End

	2011 Q3	2011 Q2
Equity to Total Assets	12.57%	13.73%
Deposit Growth*	0.13%	1.86%
Loan Growth ^{(1)*}	18.51%	10.30%
Asset Growth*	9.16%	6.00%
Net Interest Margin	2.87%	2.83%
EPS	\$0.16	\$0.15
Return on Assets	0.69%	0.69%
Return on Equity	5.02%	4.69%
Efficiency Ratio ⁽²⁾	68.22%	67.97%
Operating Exp / Avg Assets	2.49%	2.59%

Source: VPFQ Q3 2011 10-Q, Q3 2011 Earnings Release

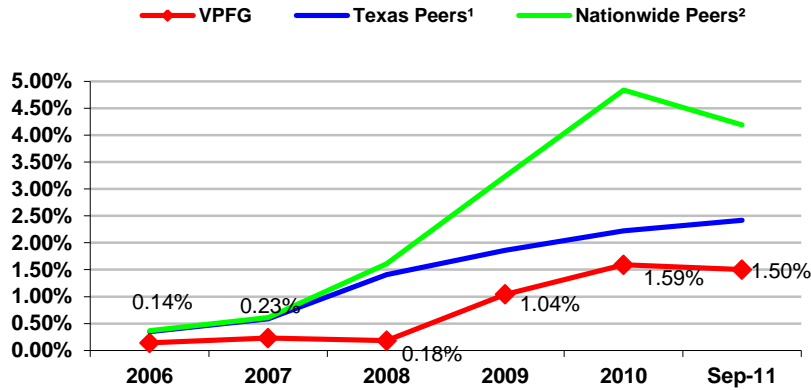
* Growth rates calculated based on ending balances linked quarter

(1) Including loans held for sale

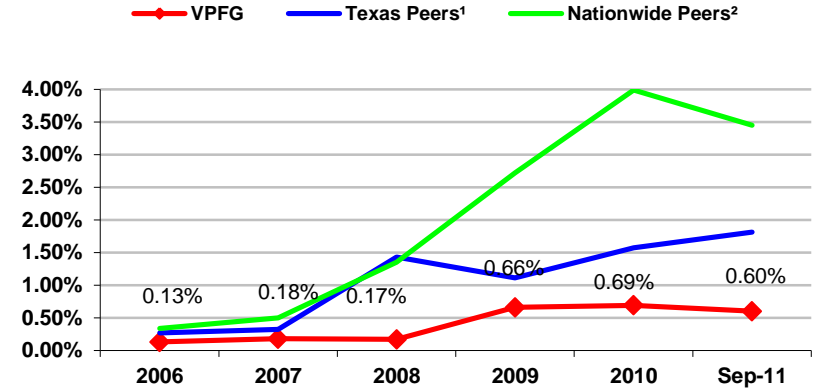
(2) Calculated by dividing total noninterest expense by net interest income plus noninterest income, excluding gain (loss) on sale of foreclosed assets, impairment of goodwill, gains from securities transactions and other nonrecurring items

Credit Quality Trends

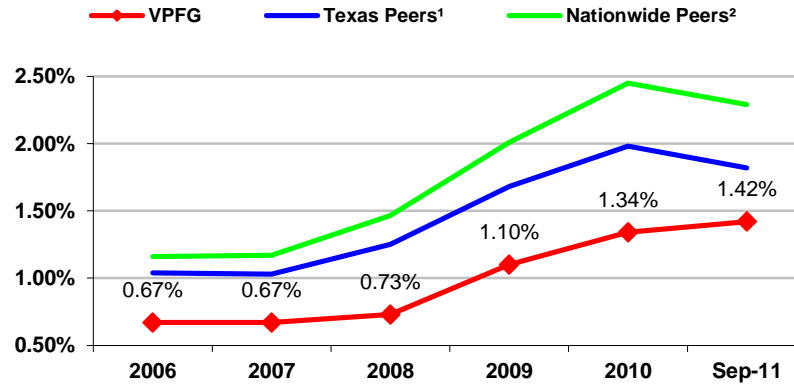
NPLs / Loans



NPAs / Assets



Reserves / Gross Loans



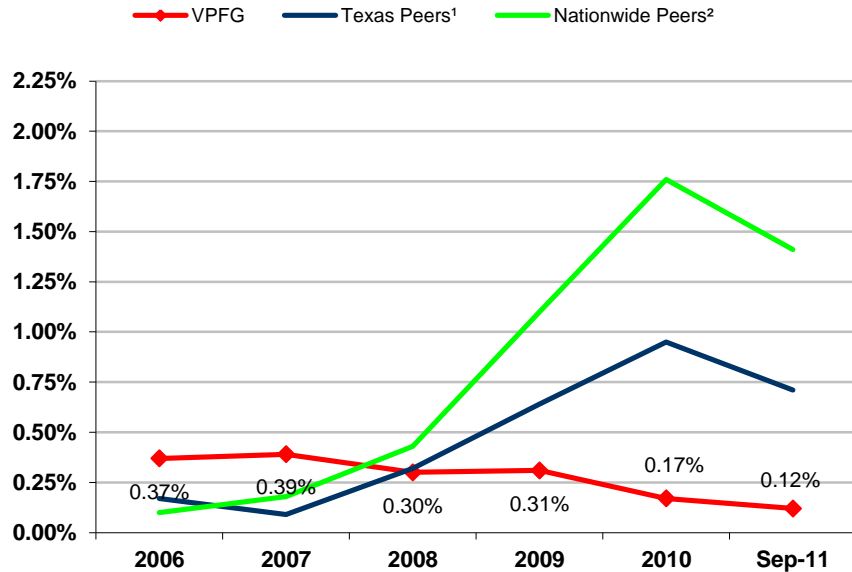
¹ Texas Peers include: EBTX, FFIN, MCBI, NODB, OABC, PRSP, SBSI, TCBI (peer data as of June 30, 2011)

² Nationwide Peers include public U.S. depositories with assets between \$2B and \$5B (peer data as of June 30, 2011)

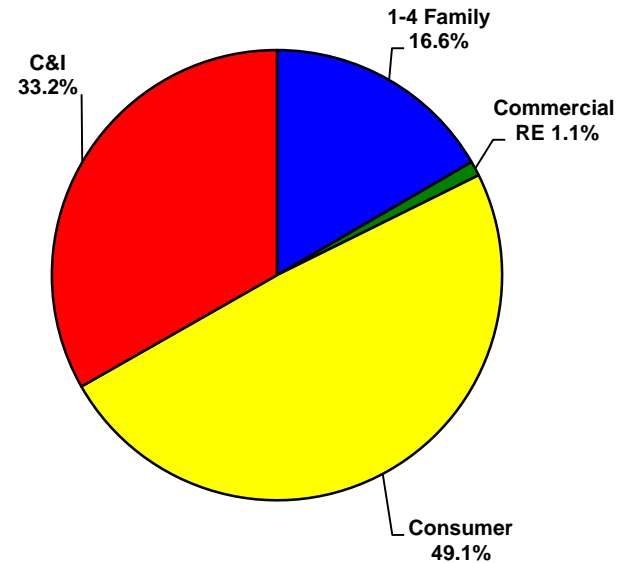
Source: Q3 Earnings Release 2011, SNL Financial

Net Charge-Off Trends

Net Charge-Offs / Avg. Loans



2011 Charge-Offs at 9/30/11 by Loan Type (as % of Total Charge Offs)



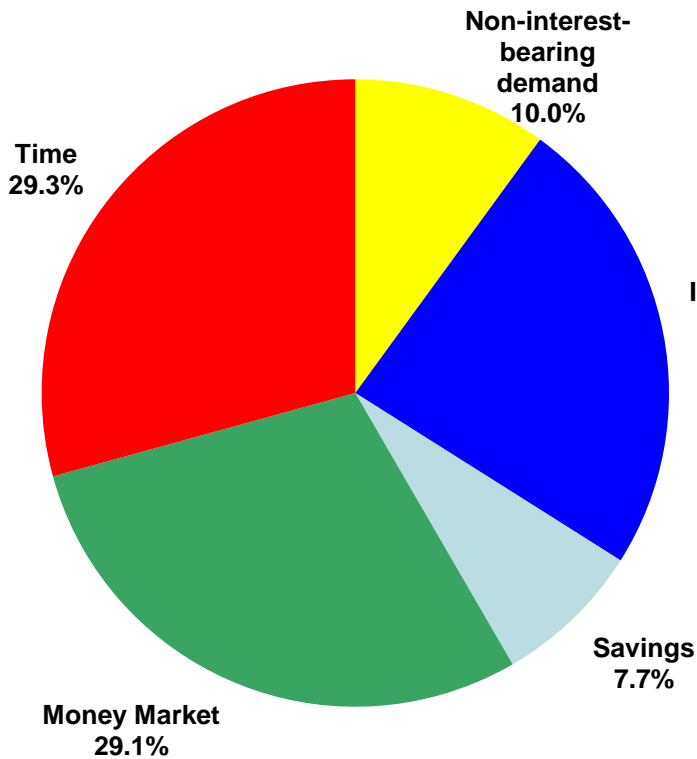
2011 YTD Charge-Offs: \$1,414,000

¹ Texas Peers include: EBTX, FFIN, MCBI, NODB, OABC, PRSP, SBSI, TCBI (peer data as of June 30, 2011)

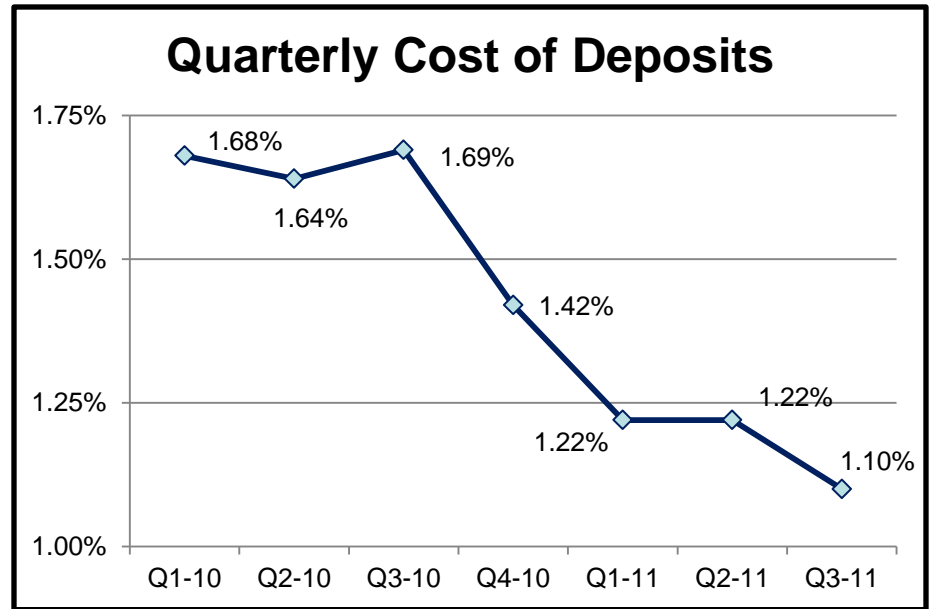
² Nationwide Peers include public U.S. depositories with assets between \$2B and \$5B (peer data as of June 30, 2011)

Source: Company Documents at September 30, 2011, SNL Financial

Deposit Composition



- Continued improvement in deposit cost
- Non-interest bearing deposits increased from \$195 million to \$208 million linked quarter

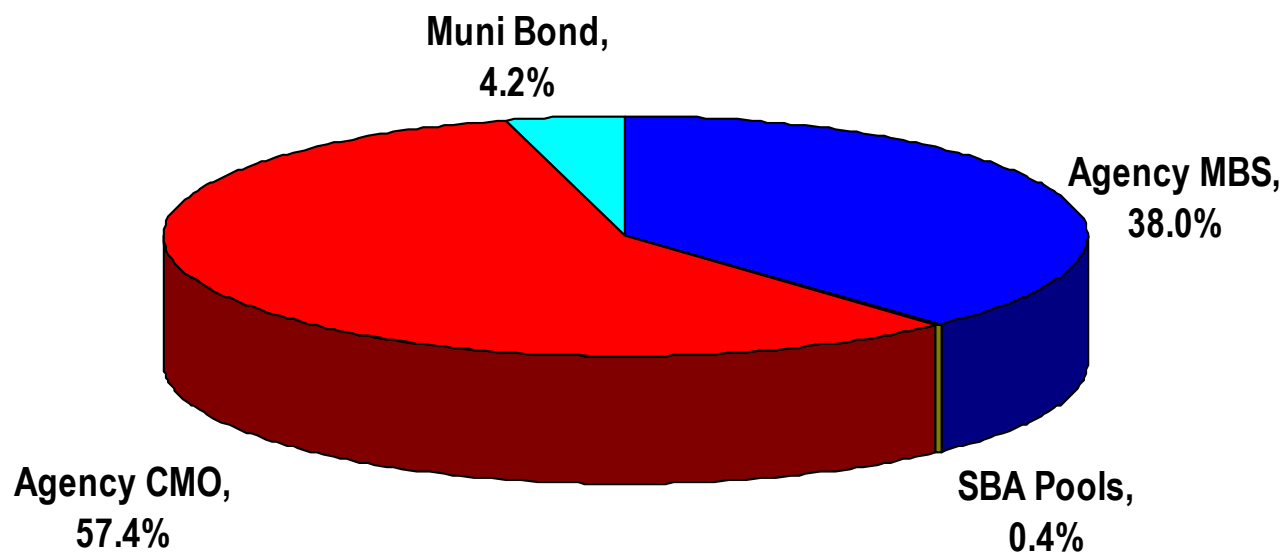


Source: VPFQ 10-Q for Q3 2011

Low Risk Investment Portfolio Mix

Investment Strategy:

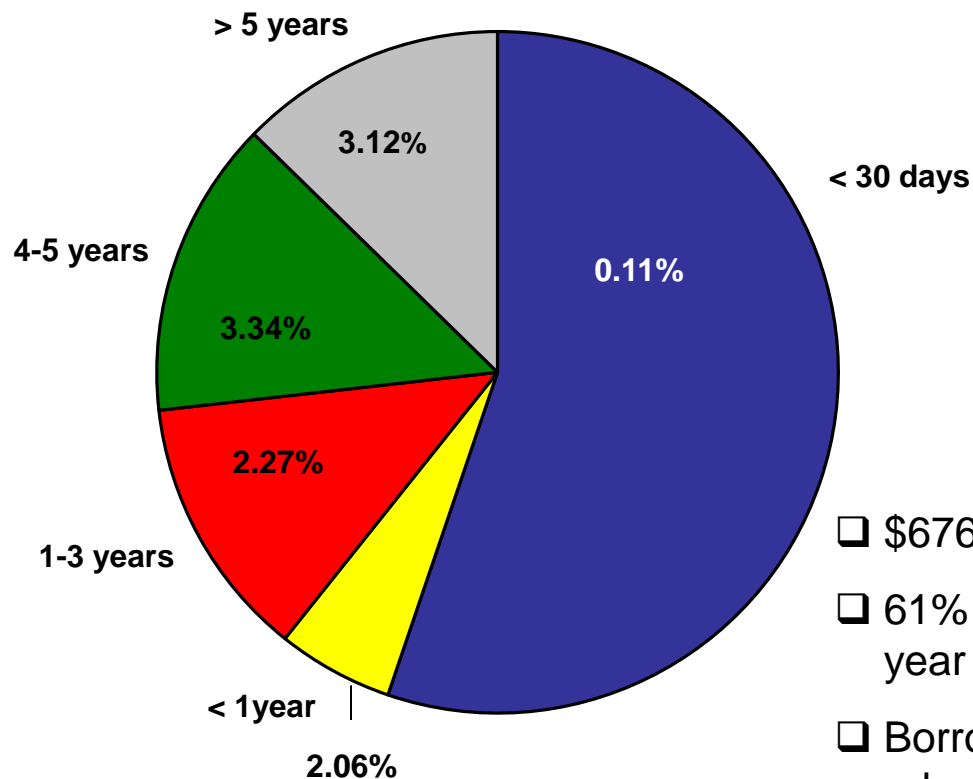
- ❑ Liquidity
 - Average cash flow from investments of \$22.0 million per month
 - 55% of portfolio is AFS
- ❑ 52% fixed, 36% variable, 12% Ascending Rate
- ❑ Asset Liability Tool
- ❑ Duration of 1.23



Source: VPFG 10-Q for Q3 2011; Company Documents

Schedule of Borrowings

Weighted Average Rates (WAR) on Debt Maturities



- ❑ \$676,242 @ WAR 1.32%
- ❑ 61% of borrowings mature in less than 1 year
- ❑ Borrowed \$372.0 million in short-term advances at WAR of 0.09% to match WPP growth

Source: VPFG 10-Q for Q3 2011; Company documents

Capital Management Plan

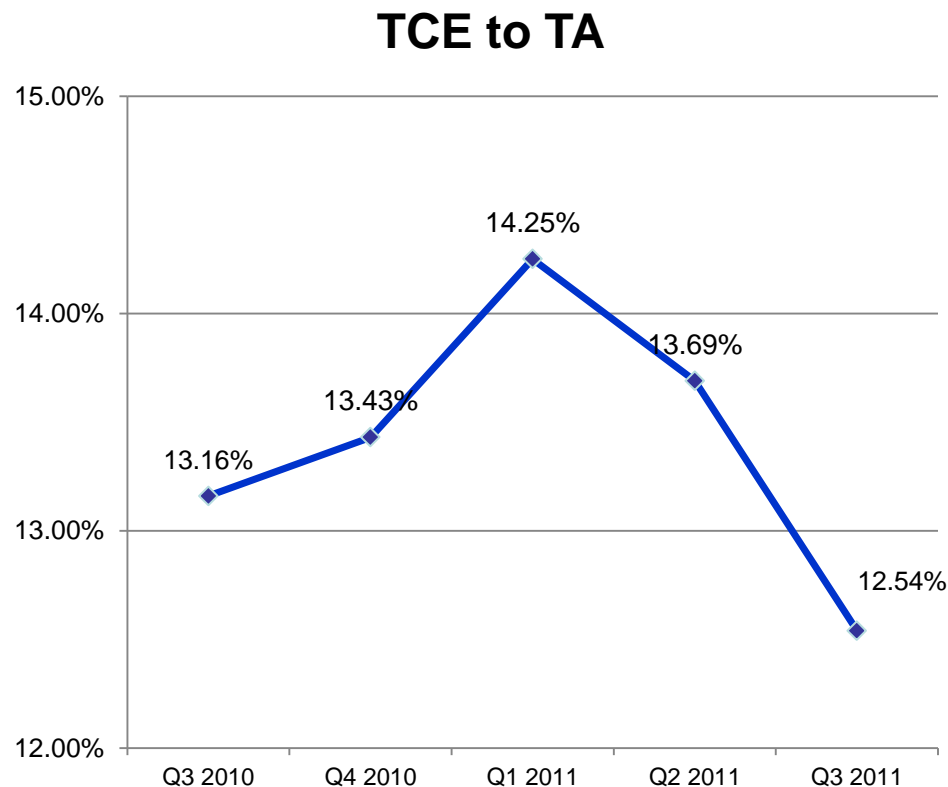
- Share Repurchase
 - Repurchased 577,000 shares in Sept. 2011 at average price of \$11.70

- Dividends
 - Paid out 29% of earnings to shareholders to date in 2011

- Organic Growth & Market Expansion

- FHLB Matching (Arbitrage)

- Remain Well-Capitalized



Source: Company Documents as of September 30, 2011

Strong Stock Performance

ViewPoint Financial Group, Inc. - Price Change (%)



Source: SNL Financial as of 10/19/2011

Closing Remarks

- ❑ One of the largest independent community banking franchises in Texas
 - Economically and demographically one of the strongest market areas in the country
- ❑ Improving profitability due to transition to full service community bank
 - More diversified revenue stream from full complement of commercial and retail products
- ❑ Strong credit metrics reflecting disciplined underwriting standards
- ❑ Well-capitalized and able to deploy capital
- ❑ Price to TBV of 98.4% at September 30, compared to 135.1% for Texas peers based on most recent data available*
- ❑ TCE per share of \$11.83 at September 30
- ❑ Positive asset quality comparisons to Texas peers

*Source: SNL Financial as of 10/27/2011

Questions?

- ❑ The subsequent tables present non-GAAP reconciliations of the following calculations:
 - ❑ TCE (Tangible Common Equity) to TCA (Tangible Common Assets) ratio
 - ❑ TCE per share
 - ❑ Price to TBV
 - ❑ Non-GAAP net income and earnings per share

TCE to TA, TCE per Share and Price to TBV at September 30, 2011

(Dollar amounts in thousands)

Total GAAP equity	\$406,686
Less: goodwill	(818)
Less: mortgage servicing rights	(466)
Total tangible equity	<u>\$405,402</u>
Total GAAP assets	\$3,235,278
Less: goodwill	(818)
Less: mortgage servicing rights	(466)
Total tangible assets	<u>\$3,233,994</u>
GAAP Equity to Total Assets	12.57%
TCE to TA	12.54%
Shares outstanding at September 30, 2011	34,262,491
TCE per Share	\$11.83
Average VPFG stock price for September 2011	\$11.64
Price to TBV	98.38%

Reconciliation of Non-GAAP to GAAP Net Income and EPS

(Dollar amounts in thousands except per share data)

	09-2011 YTD	09-2010 YTD	2009	2008	2007
GAAP net income (loss)	\$16,554	\$11,309	\$2,670	\$(3,315)	\$5,067
Impairment of collateralized debt obligations (all credit), net of tax	-	-	8,082	9,114	-
Non-GAAP net income	\$16,554	\$11,309	\$10,752	\$5,799	\$5,067
Non-GAAP basic and diluted earnings per share	\$0.51	\$0.38	\$0.39	\$0.21	\$0.18