



ViewPoint Financial Group, Inc.

NASDAQ: VPFG

First Quarter 2013 Earnings

Kevin Hanigan – President and Chief Executive Officer

Patti McKee – Executive Vice President and Chief Financial Officer

Safe Harbor Statement

Certain matters discussed on this call may contain forward-looking statements, which are subject to risks and uncertainties. A number of factors, many of which are beyond ViewPoint Financial Group, Inc.'s control, could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. These risks and uncertainties include the risk of adverse impacts from general economic conditions, competition, interest rate sensitivity and exposure to regulatory and legislative changes. These and other factors that could cause results to differ materially from those described in the forward-looking statements can be found in our annual report on Form 10-K for the year ended December 31, 2012, and in other filings made by ViewPoint Financial Group, Inc. with the Securities and Exchange Commission.

1st Quarter Results

Commercial Bank Transformation

- Continued success executing loan diversity strategy
- Improved earning asset mix from low yielding securities into loans
- Increased mix of non-interest bearing deposits

Strong Loans HFI Growth, Linked Quarter Decline in Loans HFS

- LHFI increased \$54.3 million, or 3.2%, from Q4 2012
- Strong C&I and commercial real estate growth, \$23.9 million and \$57.6 million, respectively, for 7.3% linked quarter increase
- Average balance of WPP down \$170.4 million, or 18.8%, from Q4 2012
- Average balance of WPP up \$100.7 million, or 15.8%, from Q1 2012

Earnings Growth

- Net income increased 14% over Q1 2012, to \$8.1 million, or \$0.21 EPS
- NIM of 3.64%, up 34 bps over 3.30% for same time last year
- Results driven by reduced deposit cost and improvement in earning asset mix

Strong Capitalization & Stable Credit Quality

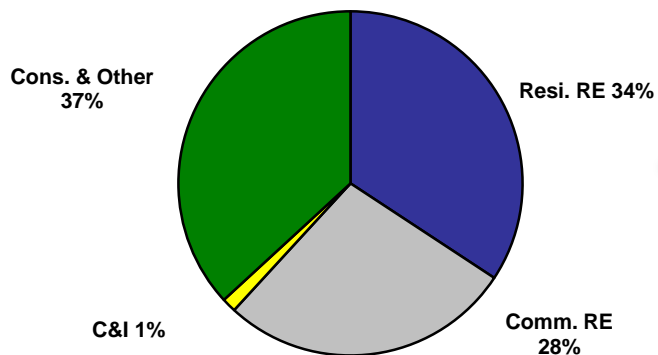
- Tangible common equity of \$500 million, or 14.95% of tangible assets
- Asset quality – NPAs/Loans & OREO of 1.67%
- Compares favorably to industry

Source: VPFG 10-Q for Q1 2013, Company Documents

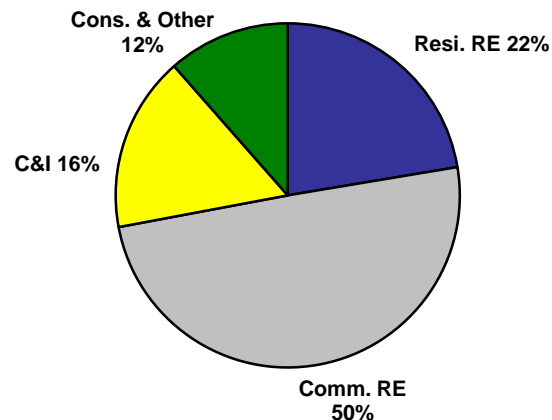
Commercial Bank Transformation

Loans Held for Investment Composition

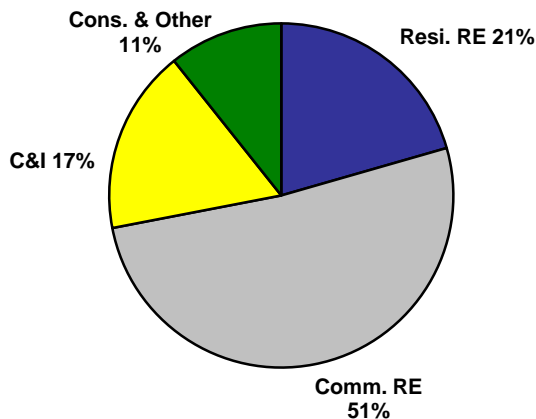
December 31, 2007



December 31, 2012



March 31, 2013



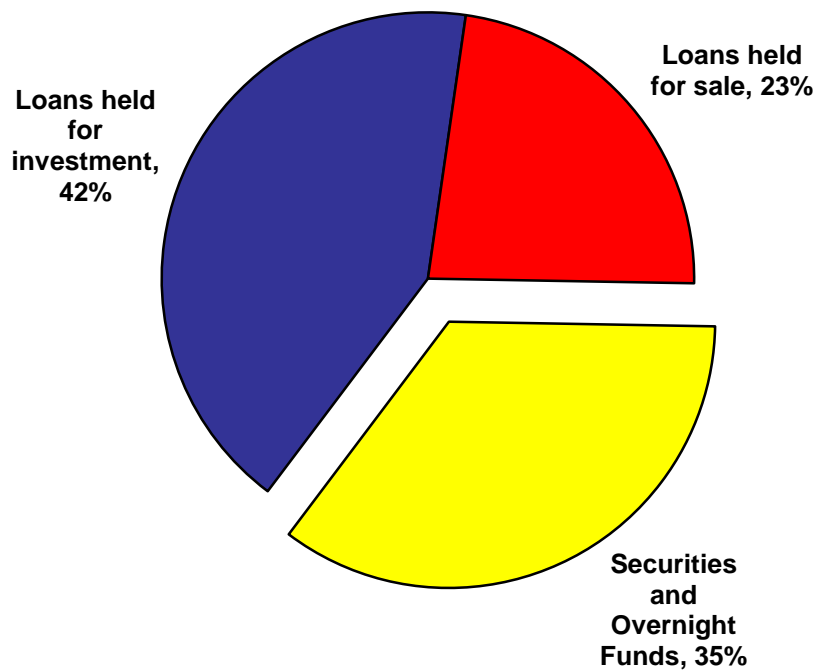
★ Continued progress in transitioning towards a balanced loan book

Source: SNL Financial, VPFG 10-Q for Q1 2013

Improved Earning Asset Mix

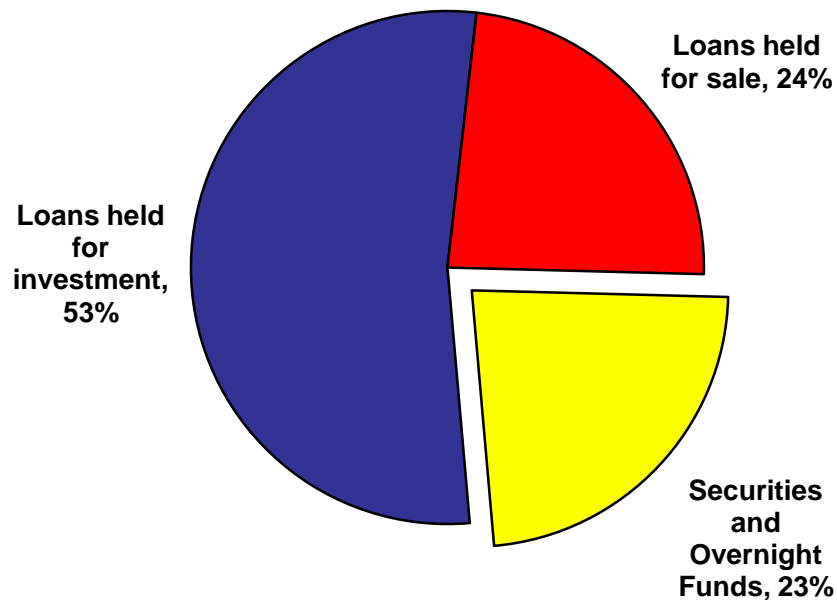
Average Earning Assets and Related Yields

March 31, 2012



Yield on earning assets: 4.13%

March 31, 2013

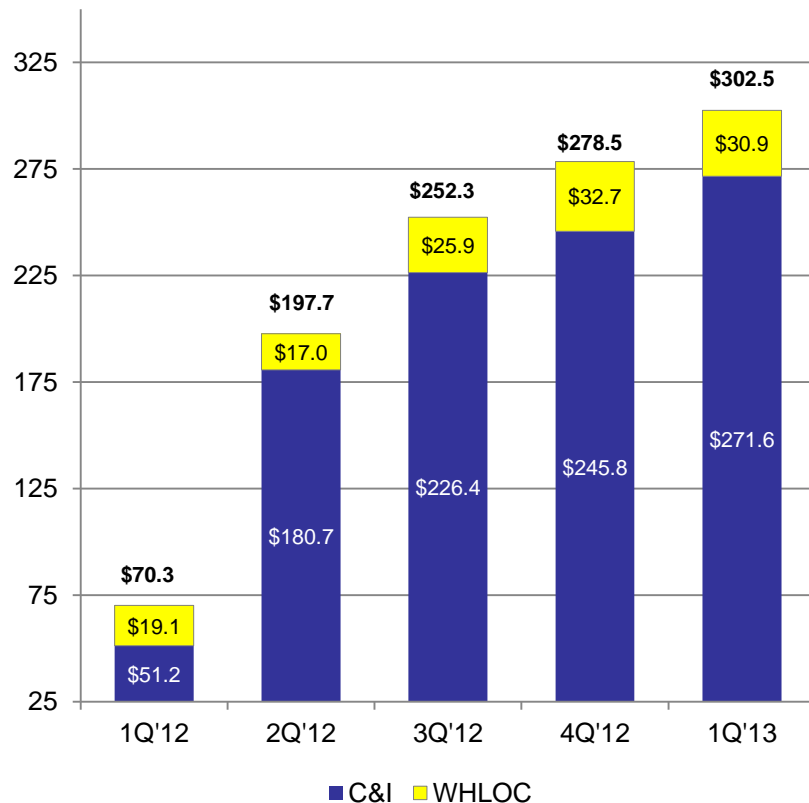


Yield on earning assets: 4.27%

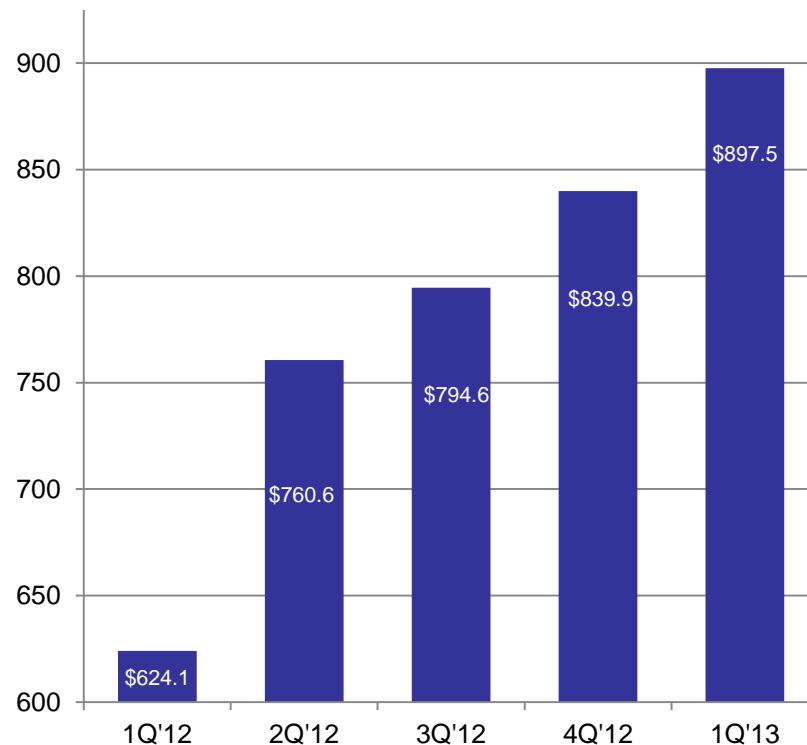
Source: VPFG 10-Q for Q1 2013, Company Documents

Strong Loan Growth

C&I Lending Growth (1)
(\$ in millions)



CRE Lending Growth (2)
(\$ in millions)



★ C&I and CRE increased a combined 7.3% (linked quarter)

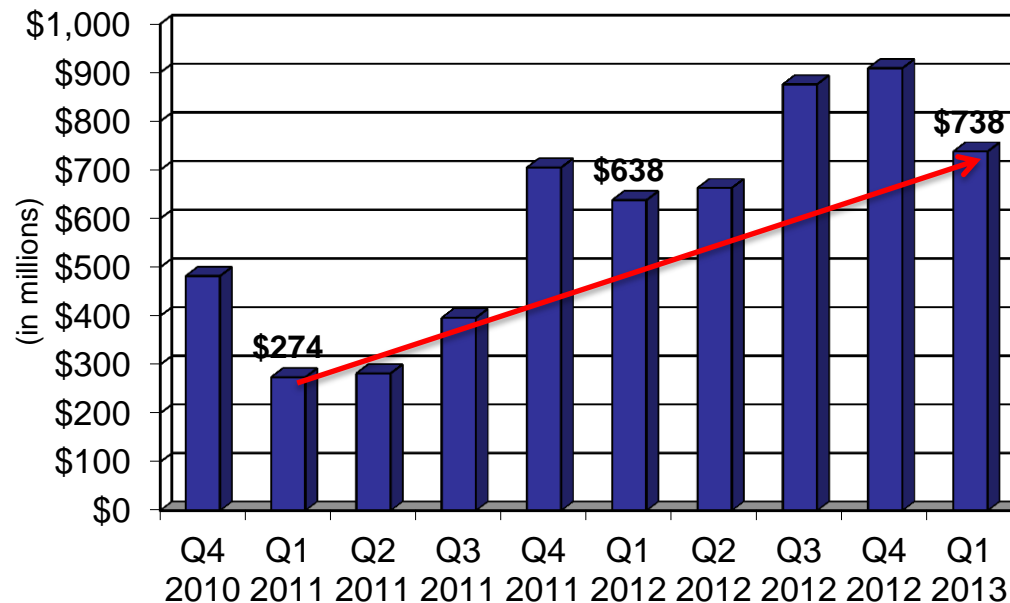
(1) The 2Q'12 balance includes \$117 million in purchased C&I loans related to the Highlands acquisition
 (2) The 2Q'12 balance includes \$83 million in purchased CRE loans related to the Highlands acquisition

Source: VPFG 10-Q for Q1 2013; Company Documents

Warehouse Purchase Program

- ❑ Average balances increased \$100 million, or 15.8%, from Q1 2012 to Q1 2013
- ❑ Increased from 38 clients to 47 clients from Q1 2012 to Q1 2013

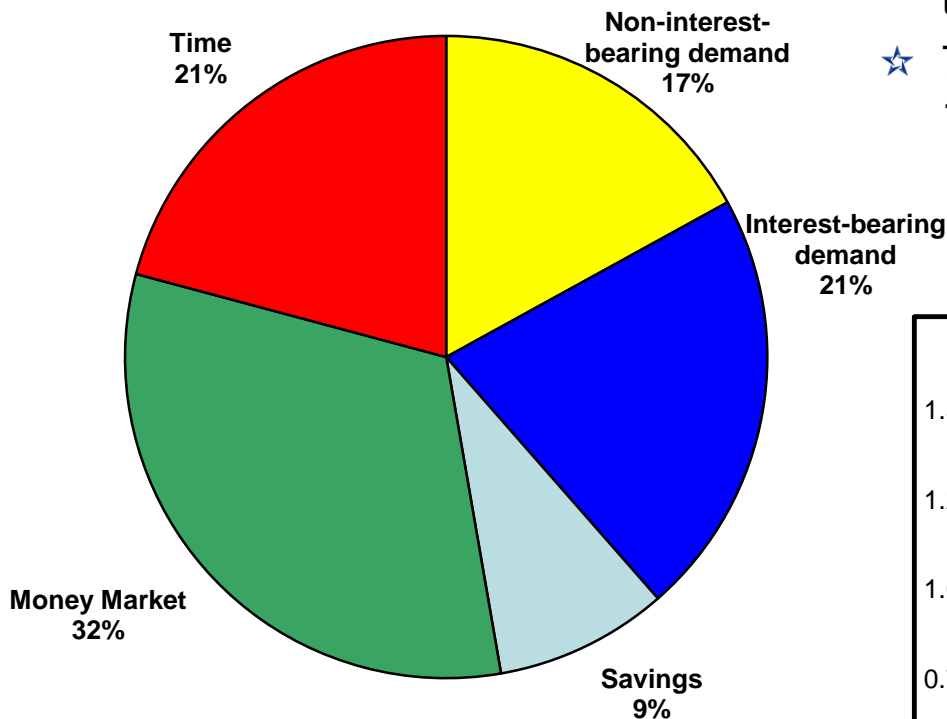
Average Warehouse Purchase Program Balances



Source: VPFQ 10-Q for Q1 2013; Company Documents

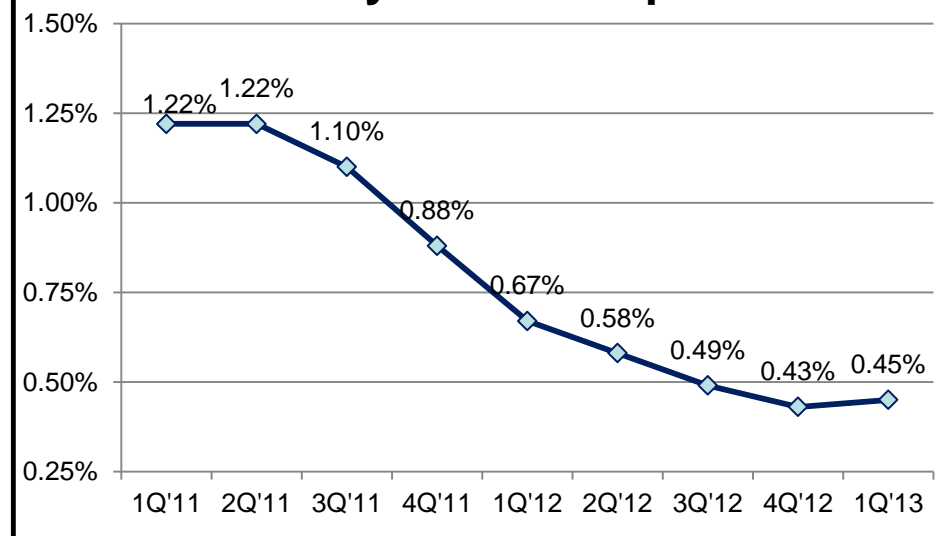
Significant Improvement in Deposit Cost

Quarterly Avg. Deposits



- ☆ Continued strong performance in deposit costs
- ☆ Average non-interest-bearing deposits increased to \$367M from \$359M linked quarter
- ☆ 70%, or \$316M, of time deposits to mature within 12 months with WAR of 1.22%

Quarterly Cost of Deposits



Source: VPFG 10-Q for Q1 2013 and Company Documents

Financial Comparisons

	Quarterly Average Balances						Q1/Q4% CHANGE	YOY % CHANGE
	Q1 2013	Yield	Q4 2012	Yield	Q1 2012	Yield		
Loans held for sale	\$ 738,234	3.92%	\$ 908,603	4.05%	\$ 661,688	4.18%	-19%	12%
Loans held for investment	<u>1,667,591</u>	5.55	<u>1,648,203</u>	5.84	<u>1,198,063</u>	5.81	1	39
Total net loans	<u>2,405,825</u>	5.05	<u>2,556,806</u>	5.20	<u>1,859,751</u>	5.23	-6	29
Securities	674,109	1.79	734,598	1.74	950,906	2.12	-8	-29
Non-interest-bearing demand	367,217	-	358,707	-	213,220	-	2	72
Interest-bearing demand	465,385	0.40	463,465	0.43	473,687	0.94	0	-2
Savings and money market	877,690	0.27	888,410	0.27	759,590	0.26	-1	16
Time	<u>450,071</u>	1.22	<u>469,772</u>	1.03	<u>472,097</u>	1.39	-4	-5
Total deposits	<u>2,160,363</u>	0.45	<u>2,180,354</u>	0.43	<u>1,918,594</u>	0.67	-1	13
Borrowings	590,238	1.67	770,627	1.37	610,255	1.74	-23	-3

Source: Company Documents

Financial Review

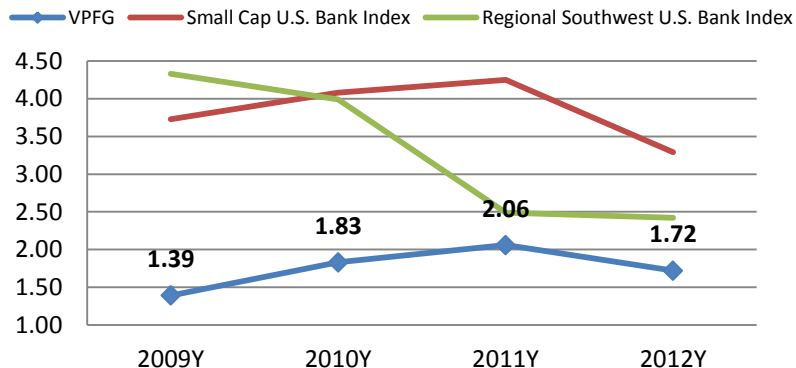
☆ Performance metrics have improved year over year

Q1	2013	2012
TCE/ Assets	14.95%	13.53%
Net Interest Margin	3.64%	3.30%
Yield on Earning Assets	4.27%	4.13%
Cost of Funding	0.82%	1.02%
Return on Assets	0.97%	0.95%
NPAs/ Loans HFI + OREO	1.67%	1.94%

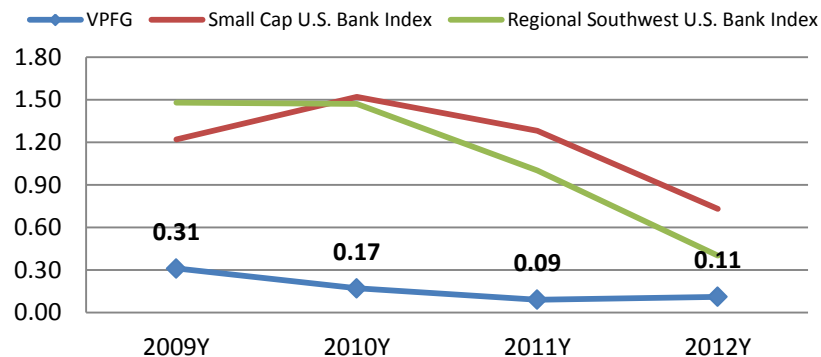
Source: VPFG 10-Q for Q1 2013; Company Documents

Strong Credit Quality

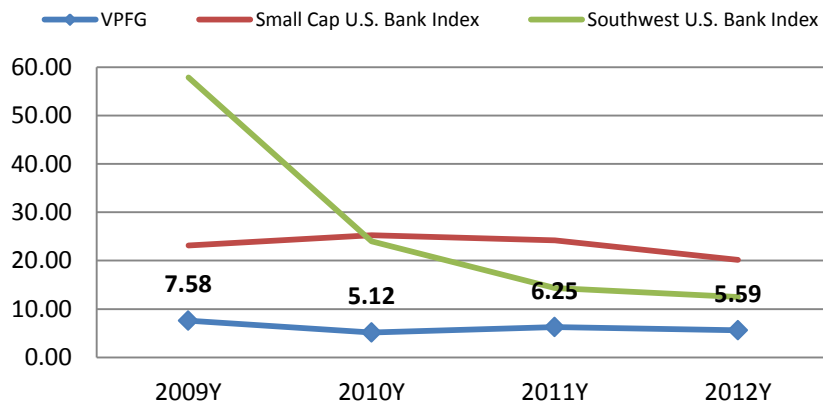
NPAs / Loans + OREO (1)



Net Charge Offs/ Average Loans



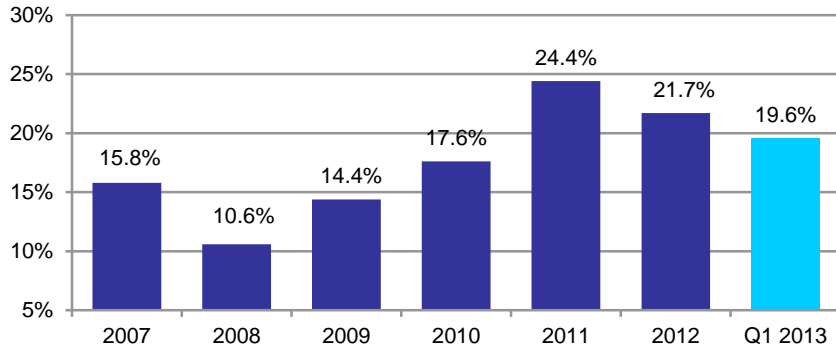
NPA/ Equity



(1) Loans represent VPFG loans held for investment
Source: Company documents; SNL Financial

Robust Capital

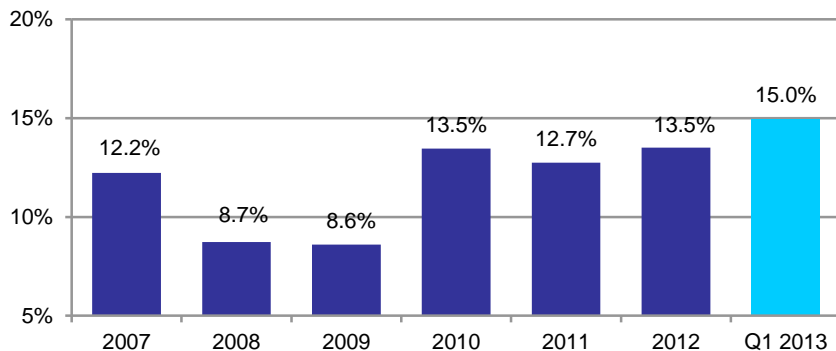
Tier 1 Capital



☆ ViewPoint remains among the strongest capitalized institutions in the industry

- 19.6% Tier 1 Capital at Q1 2013*
- 15.0% Tangible Common Equity to Tangible Assets

Tang. Common Equity / Tang. Assets



☆ Deploying capital

- Organic Growth
- Dividends
- Share Repurchase Authorized
- Disciplined M&A

* Reflects change in regulatory risk weighting for Warehouse Purchase Program loans from 50% to 100%
Source: Company Documents at March 31, 2013

Closing Comments

- ☆ Strong core loan growth
- ☆ Credit quality continues to outpace our peers
- ☆ Capital position provides us with good options
- ☆ We are executing our plan to be a premier Texas community bank

Questions?

Appendix

- ☆ The subsequent table presents non-GAAP reconciliations of the following calculations:
 - TCE (Tangible Common Equity) to TCA (Tangible Common Assets) ratio
 - TCE per share

TCE to TA, TCE per Share and Price to TBV at March 31, 2013 (Dollar amounts in thousands)

Total GAAP equity	\$530,967
Less: goodwill	(29,650)
Less: identifiable intangible assets, net	(1,541)
Total tangible equity	<u>\$499,776</u>
Total GAAP assets	\$3,373,636
Less: goodwill	(29,650)
Less: identifiable intangible assets, net	(1,541)
Total tangible assets	<u>\$3,342,445</u>
GAAP Equity to Total Assets	15.74%
TCE to TA	14.95%
Shares outstanding at March 31, 2013	39,948,031
TCE per Share	\$12.51