



2018 Annual Meeting of Shareholders
May 21, 2018

Safe harbor statement

When used in filings by LegacyTexas Financial Group, Inc. (the "Company") with the Securities and Exchange Commission (the "SEC"), in the Company's press releases or other public or stockholder 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 that could cause actual results to differ materially from historical earnings and those presently anticipated or projected, including, among other things: the expected cost savings, synergies and other financial benefits from acquisition or disposition transactions might not be realized within the expected time frames or at all and costs or difficulties relating to integration matters might be greater than expected; 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; fluctuations in the price of oil, natural gas and other commodities; competition; changes in management's business strategies; changes in the regulatory and tax environments in which the Company operates, including the impact of the "Tax Cuts and Jobs Act" (the "TCJA") on the Company's deferred tax asset, and the anticipated impact of the TCJA on the Company's future earnings; and other factors set forth in the Company's filings with the SEC.

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.

2017 highlights

North Texas Focused

- #1 deposit market share among all banks in affluent Collin County
- #2 deposit market share among Dallas-based banks¹ in the attractive DFW market, which is home to 22 companies on the 2017 Fortune 500 list
- DFW hosts a diverse business environment across a broad set of industries, with 42% of employment in the service-providing sector and less than 1% in oil and gas²

Full Year 2017 Results

- Net income for full year 2017 of \$89.5 million, core (non-GAAP) net income for full year 2017 of \$101.9 million
- In 2017, loans held for investment³ grew \$513.6 million, and deposits grew \$402.2 million
- GAAP efficiency ratio improved to 45.17%, compared to 46.79% for full year 2016
- Net income for Q4 2017 included a \$13.5 million increase in income tax expense related to the Tax Cuts and Jobs Act
- Estimated effective tax rate for 2018 is 20%
- In Q1 2018, all full-time employees whose salary was under \$100,000 received a \$1,000 bonus. Also we increased our minimum wage to \$15 from \$11 per hour for all non-commission-based employees

Capital

- Profitability levered excess capital while maintaining strong capital levels*
- TCE / TA⁴: 8.8%
 - Tier 1 common risk-based capital⁵: 9.4%

Source: Company Documents

¹ Includes banks headquartered in the Dallas-Fort Worth-Arlington MSA

² Represents data from the Bureau of Labor Statistics for the Dallas-Fort Worth-Arlington, TX MSA (i.e., data as of Q3 2017)

³ Excludes Warehouse Purchase Program loans and loans held for sale, all periods include a reclassification of three Warehouse relationships from the commercial and industrial category to the Warehouse Purchase Program category

⁴ See the section labeled "Supplemental Information- Non-GAAP Financial Measures"

⁵ Calculated at the Company level, which is subject to the capital adequacy requirements of the Federal Reserve

2017 highlights

(\$ in millions except for per share data)	Year ended		YOY Δ
	December 31, 2016	December 31, 2017	
Selected balance sheet data			
Gross loans held for investment¹	\$ 5,969.6	\$ 6,483.2	8.6 %
Total deposits	6,365.5	6,767.7	6.3 %
Non-interest-bearing demand deposits	1,384.0	1,635.6	18.2 %
Selected profitability data			
Net income	\$ 97.8	\$ 89.5	(8.5)%
Core net income²	96.2	101.9	5.9 %
Basic EPS	2.11	1.91	(9.5)%
Core EPS²	2.08	2.19	5.3 %
NIM	3.79%	3.81%	2bps
Core return on average equity²	11.34%	10.96%	(3.4)%
Core return on average assets²	1.22%	1.18%	(3.3)%
Core efficiency ratio²	47.30%	45.38%	(4.1)%

Source: Company Documents

¹ Excludes Warehouse Purchase Program loans and loans held for sale, all periods include a reclassification of three Warehouse relationships from the commercial and industrial category to the Warehouse Purchase Program category

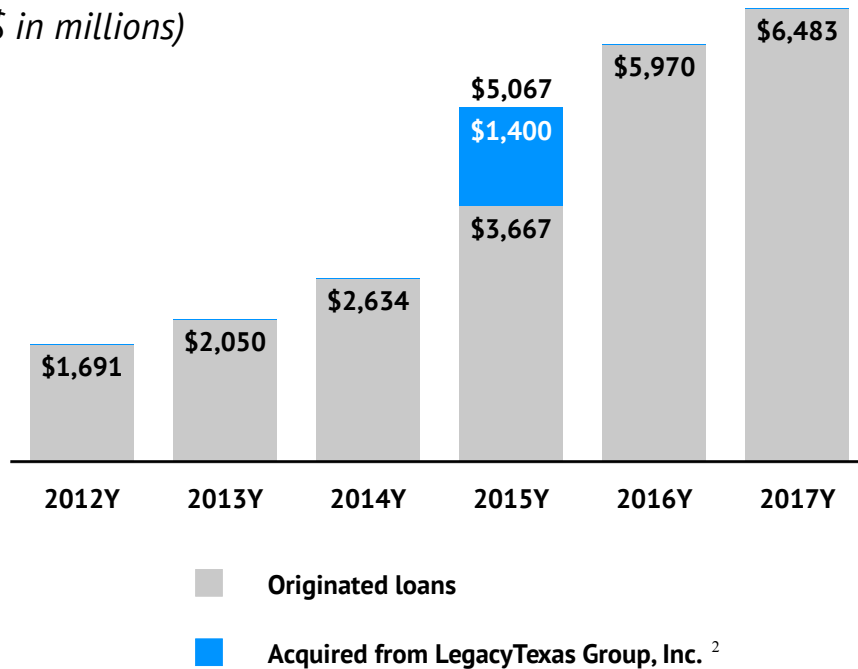
² See the section labeled "Supplemental Information- Non-GAAP Financial Measures"

Commercially focused loan portfolio

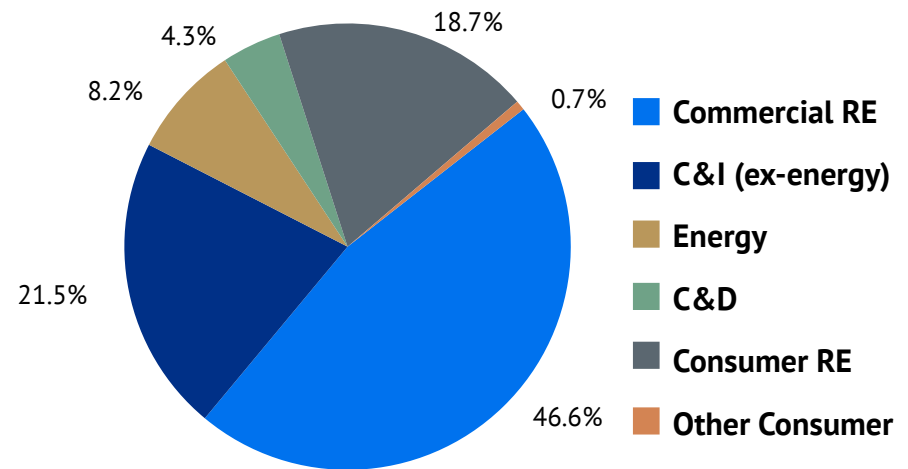
Gross loans held for investment¹ at December 31, 2017 grew \$513.6 million or 8.6% from December 31, 2016, which included growth in commercial real estate, commercial and industrial and consumer real estate loans.

Total Loans HFI¹

(\$ in millions)



As of December 31, 2017¹



Quarterly yield on loans held for investment¹: 4.96%

Source: Company Documents

¹ Excludes Warehouse Purchase Program loans, all periods include a reclassification of three Warehouse relationships from the commercial and industrial category to the Warehouse Purchase Program category

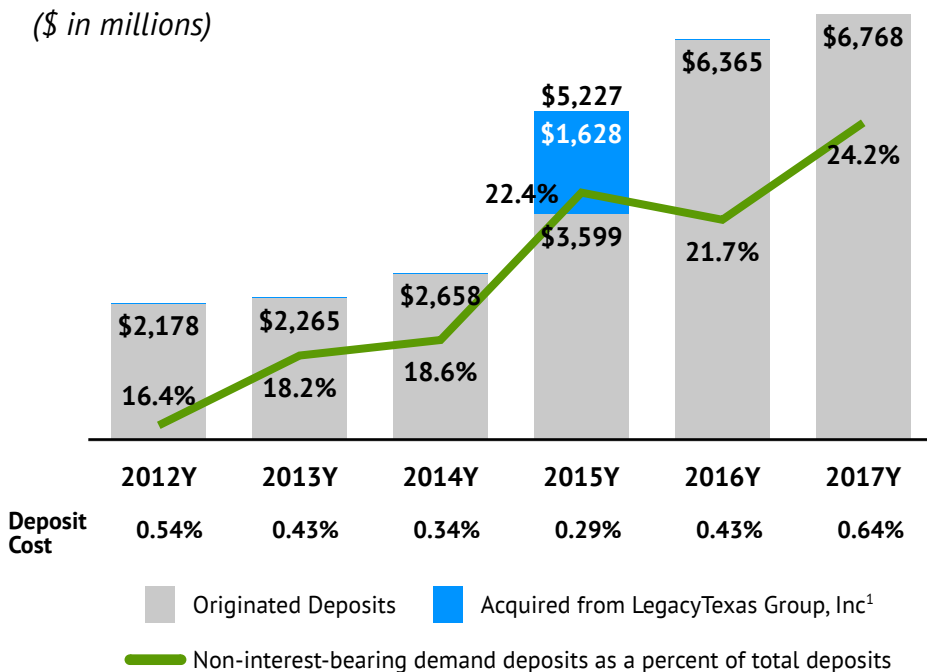
² Represents balance acquired on January 1, 2015

Core funded, low cost deposit base

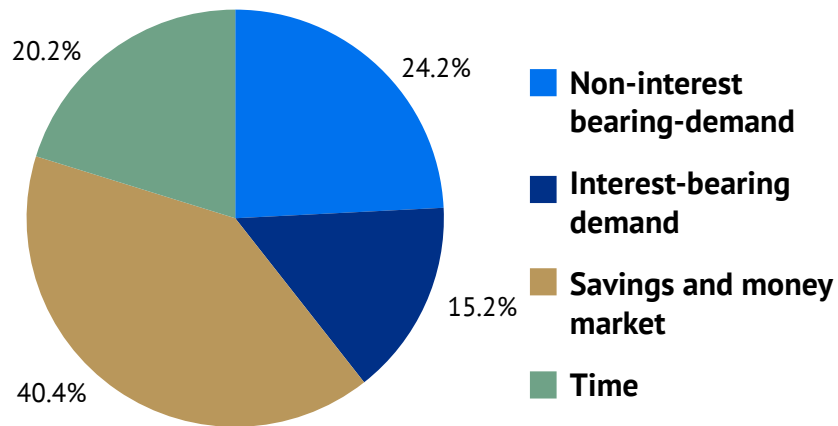
Compared to December 31, 2016, total deposits increased by \$402.2 million, which included growth in all deposit categories with the exception of time deposit balances, which declined by \$514,000. Non-interest-bearing demand and interest-bearing demand deposits increased by \$251.7 million and \$126.1 million, respectively, while savings and money market deposits increased by \$25.0 million from December 31, 2016.

Total Deposits

(\$ in millions)



As of December 31, 2017

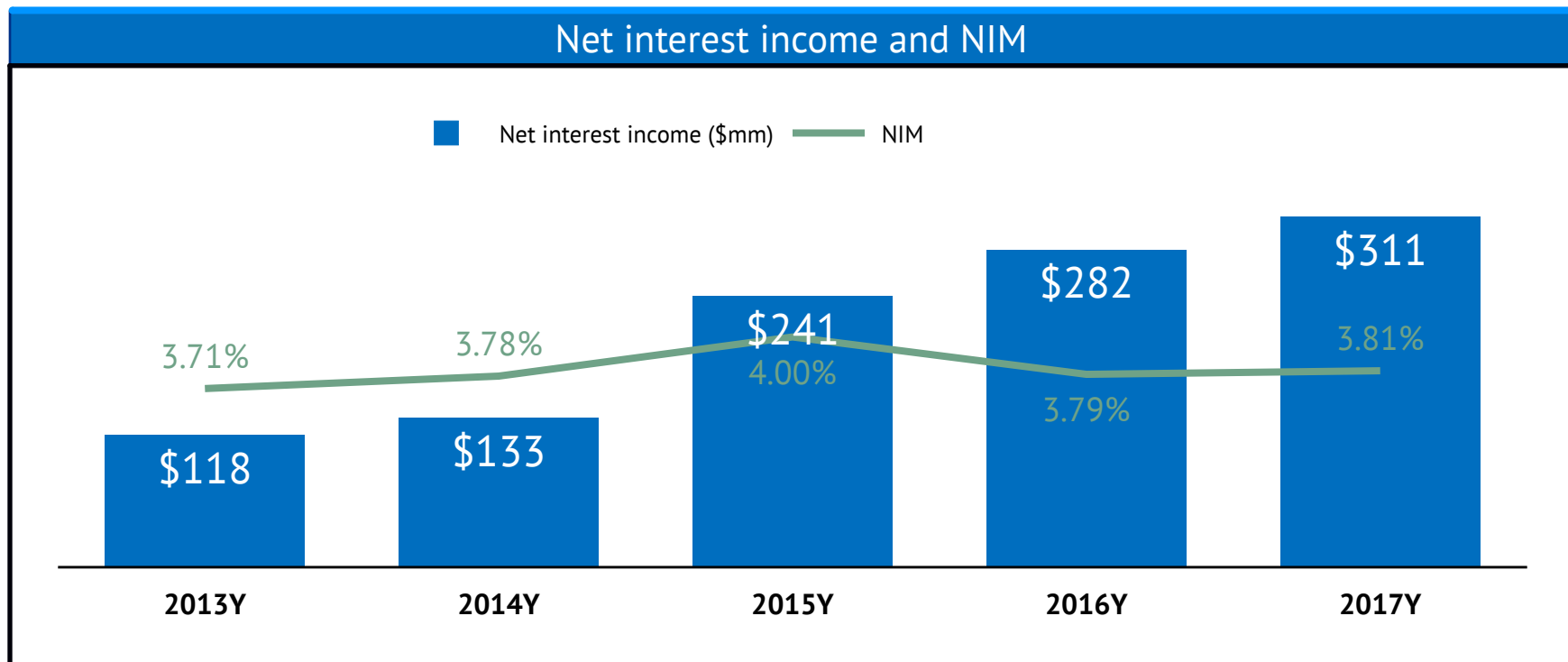


Source: Company Documents

¹ Represents balance acquired on January 1, 2015

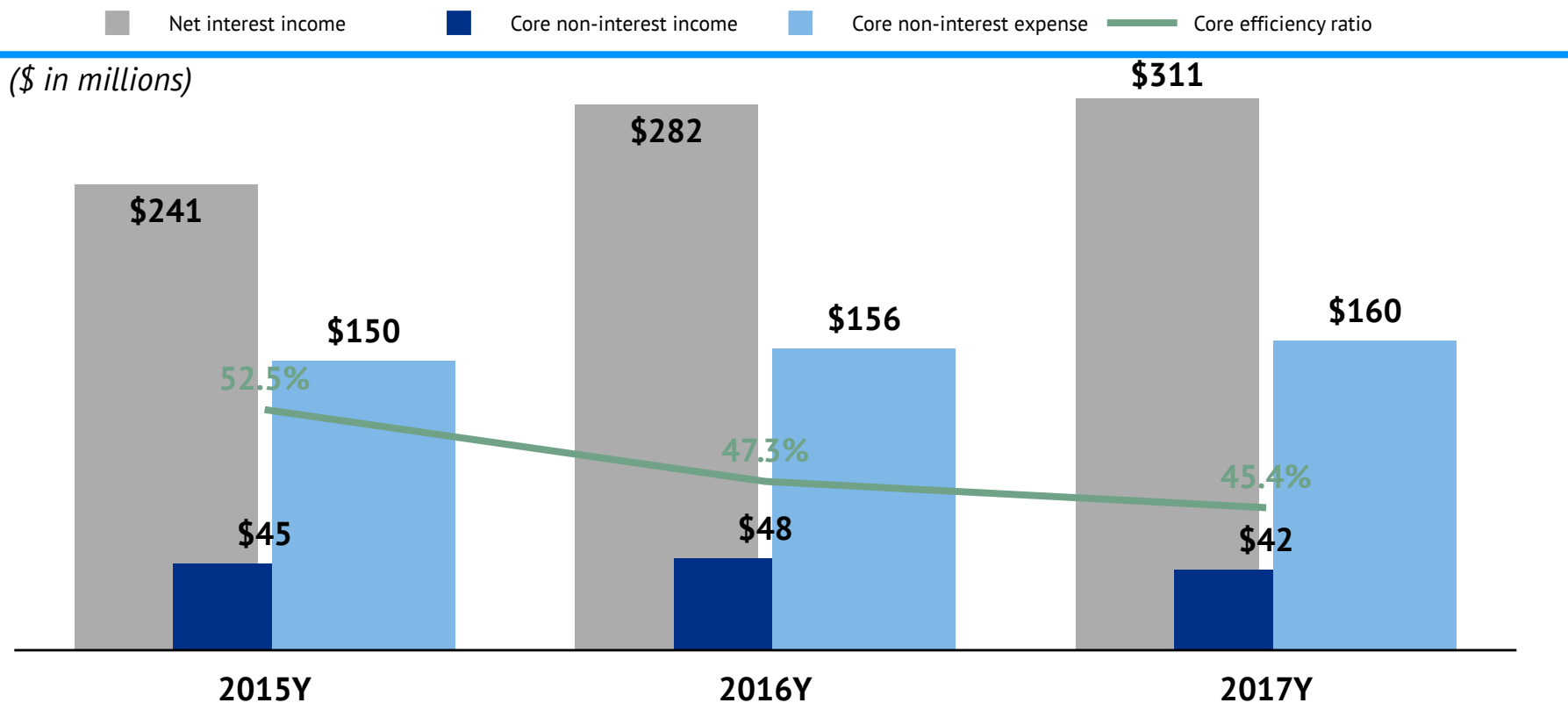
Solid net interest income growth

- Net interest income for 2017 increased \$29.2 million, or 10.3%, from 2016.
- The net interest margin for 2017 was 3.81%, a two basis point increase from 3.79% for 2016.



Disciplined expense management

- 2017 core non-interest income decreased \$6.4 million from 2016.
- 2017 GAAP and core non-interest expense increased by \$4.0 million from 2016.



Note: Core (non-GAAP) non-interest income, non-interest expense and efficiency ratio are adjusted for the impact of infrequent or non-recurring items. The reconciliation of non-GAAP measures, which the Company believes facilitates the assessment of its banking operations and peer comparability, is included in tabular form at the end of this presentation.

Looking ahead

Expand our Texas footprint and solidify our deep-rooted culture

Focus on growth – organically and through selective acquisitions

Diversify income sources

Prudent and focused expense management

Maintain asset quality

Strategic capital deployment

Appendix

Supplemental Information – Non-GAAP Financial Measures (unaudited)

Reconciliation of Core (non-GAAP) to GAAP Net Income and Earnings per Share (net of tax):

	At or For the Quarter Ended				
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	(Dollars in thousands, except per share amounts)				
GAAP net income available to common shareholders ¹	\$ 14,613	\$ 28,617	\$ 27,837	\$ 18,111	\$ 25,174
Distributed and undistributed earnings to participating securities ¹	47	92	98	79	131
(Gain) loss on one-time tax adjustments ²	13,493	–	–	–	–
(Gain) loss on sale of branch locations and land	–	(237)	–	(847)	–
Core (non-GAAP) net income	<u>\$ 28,153</u>	<u>\$ 28,472</u>	<u>\$ 27,935</u>	<u>\$ 17,343</u>	<u>\$ 25,305</u>
Average shares for basic earnings per share	46,729,160	46,664,233	46,596,467	46,453,658	46,346,053
GAAP basic earnings per share	\$ 0.31	\$ 0.61	\$ 0.60	\$ 0.39	\$ 0.54
Core (non-GAAP) basic earnings per share	0.60	0.61	0.60	0.37	0.55
Average shares for diluted earnings per share	47,290,308	47,158,729	47,005,554	47,060,306	46,873,215
GAAP diluted earnings per share	\$ 0.31	\$ 0.61	\$ 0.59	\$ 0.38	\$ 0.54
Core (non-GAAP) diluted earnings per share	0.60	0.60	0.59	0.37	0.54

	At or For the Year Ended December 31,				
	2017	2016	2015	2014	2013
GAAP net income available to common shareholders ¹	\$ 89,176	\$ 97,324	\$ 70,382	\$ 30,942	\$ 31,294
Distributed and undistributed earnings to participating securities ¹	318	497	534	336	394
(Gain) loss on one-time tax adjustments ²	13,493	–	–	–	–
Merger and acquisition costs	–	–	1,009	7,071	431
Net (gain) on sale of insurance subsidiary operations	–	(39)	–	–	–
(Gain) loss on sale of branch locations and land	(1,084)	(2,529)	(190)	–	–
Loss on sale of FHA loan portfolio	–	969	–	–	–
Valuation adjustment on mortgage servicing rights	–	–	121	–	–
One-time payroll and severance costs	–	–	–	234	436
Core (non-GAAP) net income	<u>\$ 101,903</u>	<u>\$ 96,222</u>	<u>\$ 71,856</u>	<u>\$ 38,583</u>	<u>\$ 32,555</u>
Average shares for basic earnings per share	46,611,780	46,184,074	45,847,284	37,919,065	37,589,548
GAAP basic earnings per share	\$ 1.91	\$ 2.11	\$ 1.54	\$ 0.82	\$ 0.83
Core (non-GAAP) basic earnings per share	2.19	2.08	1.57	1.02	0.87
Average shares for diluted earnings per share	47,138,518	46,484,967	46,125,447	38,162,094	37,744,786
GAAP diluted earnings per share	\$ 1.89	\$ 2.09	\$ 1.53	\$ 0.81	\$ 0.83
Core (non-GAAP) diluted earnings per share	2.16	2.07	1.56	1.01	0.86

¹ Unvested share-based awards that contain nonforfeitable rights to dividends (whether paid or unpaid) are participating securities and are included in the computation of GAAP earnings per share pursuant to the two-class method described in ASC 260-10-45-60B.

² This one-time income tax expense adjustment consists of an adjustment to the Company's deferred tax asset related to the December 22, 2017 enactment of the Tax Cuts and Jobs Act.

Supplemental Information – Non-GAAP Financial Measures (unaudited)

	At or For the Quarter Ended				
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
(Dollars in thousands, except per share amounts)					
Reconciliation of Core (non-GAAP) to GAAP Non-Interest Income (gross of tax):					
GAAP non-interest income	\$ 6,901	\$ 12,226	\$ 12,325	\$ 12,130	\$ 12,277
(Gain) loss on sale of branch locations and land	–	(365)	–	(1,304)	–
Core (non-GAAP) non-interest income	<u>\$ 6,901</u>	<u>\$ 11,861</u>	<u>\$ 12,325</u>	<u>\$ 10,826</u>	<u>\$ 12,277</u>
Reconciliation of Core (non-GAAP) to GAAP Efficiency Ratio (gross of tax):					
GAAP efficiency ratio:					
Non-interest expense	\$ 40,708	\$ 40,295	\$ 39,589	\$ 39,752	\$ 39,548
Net interest income plus non-interest income	87,100	91,190	88,045	88,678	86,361
Efficiency ratio- GAAP basis	46.74%	44.19%	44.96%	44.83%	45.79%
Core (non-GAAP) efficiency ratio:					
GAAP non-interest expense	\$ 40,708	\$ 40,295	\$ 39,589	\$ 39,752	\$ 39,548
Net interest income plus core (non-GAAP) non-interest income	87,100	90,825	88,045	87,374	86,361
Efficiency ratio- core (non-GAAP) basis	46.74%	44.37%	44.96%	45.50%	45.79%

Supplemental Information – Non-GAAP Financial Measures (unaudited)

	At or For the Year Ended December 31,		
	2017	2016	2015
Reconciliation of Core (non-GAAP) to GAAP Non-Interest Income and Expense (gross of tax):			
GAAP non-interest income	\$ 43,582	\$ 51,931	\$ 44,815
Net (gain) on sale of insurance subsidiary operations	–	(1,181)	–
(Gain) loss on sale of branch locations and land	(1,669)	(3,891)	(293)
Loss on sale of FHA loan portfolio	–	1,491	–
Valuation adjustment on mortgage servicing rights	–	–	186
Core (non-GAAP) non-interest income	<u>\$ 41,913</u>	<u>\$ 48,350</u>	<u>\$ 44,708</u>
GAAP non-interest expense	\$ 160,344	\$ 156,377	\$ 151,555
Merger and acquisition costs	–	–	(1,553)
Core (non-GAAP) non-interest expense	<u>\$ 160,344</u>	<u>\$ 156,377</u>	<u>\$ 150,002</u>
Reconciliation of Core (non-GAAP) to GAAP Efficiency Ratio (gross of tax):			
Net interest income	\$ 311,431	\$ 282,269	\$ 241,077
GAAP efficiency ratio:			
Non-interest expense	\$ 160,344	\$ 156,377	\$ 151,555
Net interest income plus non-interest income	355,013	334,200	285,892
Efficiency ratio- GAAP basis	45.17%	46.79%	53.01%
Core (non-GAAP) efficiency ratio:			
Core (non-GAAP) non-interest expense	\$ 160,344	\$ 156,377	\$ 150,002
Net interest income plus core (non-GAAP) non-interest income	353,344	330,619	285,785
Efficiency ratio- core (non-GAAP) basis	45.38%	47.30%	52.49%

Supplemental Information – Non-GAAP Financial Measures (unaudited)

Calculation of Tangible Book Value and Tangible Equity to Tangible Assets:

	At or For the Quarter Ended			
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Calculation of Tangible Book Value per share:	(Dollars in thousands, except per share amounts)			
Total shareholders' equity	\$ 959,874	\$ 950,092	\$ 925,283	\$ 899,917
Less: Goodwill	(178,559)	(178,559)	(178,559)	(178,559)
Less: Identifiable intangible assets, net	(402)	(463)	(524)	(585)
Total tangible shareholders' equity	<u>\$ 780,913</u>	<u>\$ 771,070</u>	<u>\$ 746,200</u>	<u>\$ 720,773</u>
Shares outstanding at end of period	48,117,390	48,040,059	48,009,379	47,940,133
Book value per share- GAAP	\$ 19.95	\$ 19.78	\$ 19.27	\$ 18.77
Tangible book value per share- Non-GAAP	16.23	16.05	15.54	15.03
Calculation of Tangible Equity to Tangible Assets:				
Total assets	\$ 9,086,196	\$ 9,068,612	\$ 8,970,375	\$ 8,436,542
Less: Goodwill	(178,559)	(178,559)	(178,559)	(178,559)
Less: Identifiable intangible assets, net	(402)	(463)	(524)	(585)
Total tangible assets	<u>\$ 8,907,235</u>	<u>\$ 8,889,590</u>	<u>\$ 8,791,292</u>	<u>\$ 8,257,398</u>
Equity to assets- GAAP	10.56%	10.48%	10.31%	10.67%
Tangible equity to tangible assets- Non-GAAP	8.77%	8.67%	8.49%	8.73%

	At or For the Year Ended December 31,			
	2016	2015	2014	2013
Calculation of Tangible Book Value per share:				
Total shareholders' equity	\$ 885,365	\$ 804,076	\$ 568,223	\$ 544,460
Less: Goodwill	(178,559)	(180,776)	(29,650)	(29,650)
Less: Identifiable intangible assets, net	(665)	(1,030)	(813)	(1,239)
Total tangible shareholders' equity	<u>\$ 706,141</u>	<u>\$ 622,270</u>	<u>\$ 537,760</u>	<u>\$ 513,571</u>
Shares outstanding at end of period	47,876,198	47,645,826	40,014,851	39,938,816
Book value per share- GAAP	\$ 18.49	\$ 16.88	\$ 14.20	\$ 13.63
Tangible book value per share- Non-GAAP	14.75	13.06	13.44	12.86
Calculation of Tangible Equity to Tangible Assets:				
Total assets	\$ 8,362,255	\$ 7,691,940	\$ 4,164,114	\$ 3,525,232
Less: Goodwill	(178,559)	(180,776)	(29,650)	(29,650)
Less: Identifiable intangible assets, net	(665)	(1,030)	(813)	(1,239)
Total tangible assets	<u>\$ 8,183,031</u>	<u>\$ 7,510,134</u>	<u>\$ 4,133,651</u>	<u>\$ 3,494,343</u>
Equity to assets- GAAP	10.59%	10.45%	13.65%	15.44%
Tangible equity to tangible assets- Non-GAAP	8.63%	8.29%	13.01%	14.70%

Supplemental Information – Non-GAAP Financial Measures (unaudited)

	At or For the Quarter Ended				
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016

(Dollars in thousands, except per share amounts)

Calculation of Return on Average Assets and Return on Average Equity Ratios (GAAP and core)

Net income	\$ 14,660	\$ 28,709	\$ 27,935	\$ 18,190	\$ 25,305
Core (non-GAAP) net income	28,153	28,472	27,935	17,343	25,305
Average total equity	963,512	940,606	914,564	900,118	880,250
Average total assets	8,865,517	8,889,914	8,491,696	8,172,072	8,445,209
Return on average common shareholders' equity	6.09%	12.21%	12.22%	8.08%	11.50%
Core (non-GAAP) return on average common shareholders' equity	11.69	12.11	12.22	7.71	11.50
Return on average assets	0.66	1.29	1.32	0.89	1.20
Core (non-GAAP) return on average assets	1.27	1.28	1.32	0.85	1.20

	At or For the Year Ended	
	December 31, 2017	December 31, 2016
Net income	\$ 89,494	\$ 97,821
Core (non-GAAP) net income	101,903	96,222
Average total equity	929,903	848,788
Average total assets	8,607,481	7,881,881
Return on average common shareholders' equity	9.62%	11.52%
Core (non-GAAP) return on average common shareholders' equity	10.96	11.34
Return on average assets	1.04	1.24
Core (non-GAAP) return on average assets	1.18	1.22