



ViewPoint Financial Group, Inc.

NASDAQ: VPFG

First Quarter 2012 Earnings

Kevin Hanigan – 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

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, 2011, and in other filings made by ViewPoint Financial Group, Inc. with the Securities and Exchange Commission.

Q1 2012 Highlights

Strong Earnings

- Net Income totaled \$7.1 million, up 8% vs. Q1 2011
- Core EPS totaled \$0.23, up 64% vs. Q1 2011
- Q/Q EPS down \$0.09, core EPS down \$0.03 Q/Q

Continued Loan Growth & Stable Credit Quality

- Loans HFI up 14% vs. Q1 2011
- Driven by CRE growth of \$139 million
- Asset quality remained pristine with NPLs decreasing by \$671k to 1.79% of total loans

Significant Increase in Net Interest Margin

- NIM of 3.30%, up 50 bps vs. Q1 2011
- Driven by reduced deposit cost and improvement in earning asset mix

Maintained Strong Capitalization

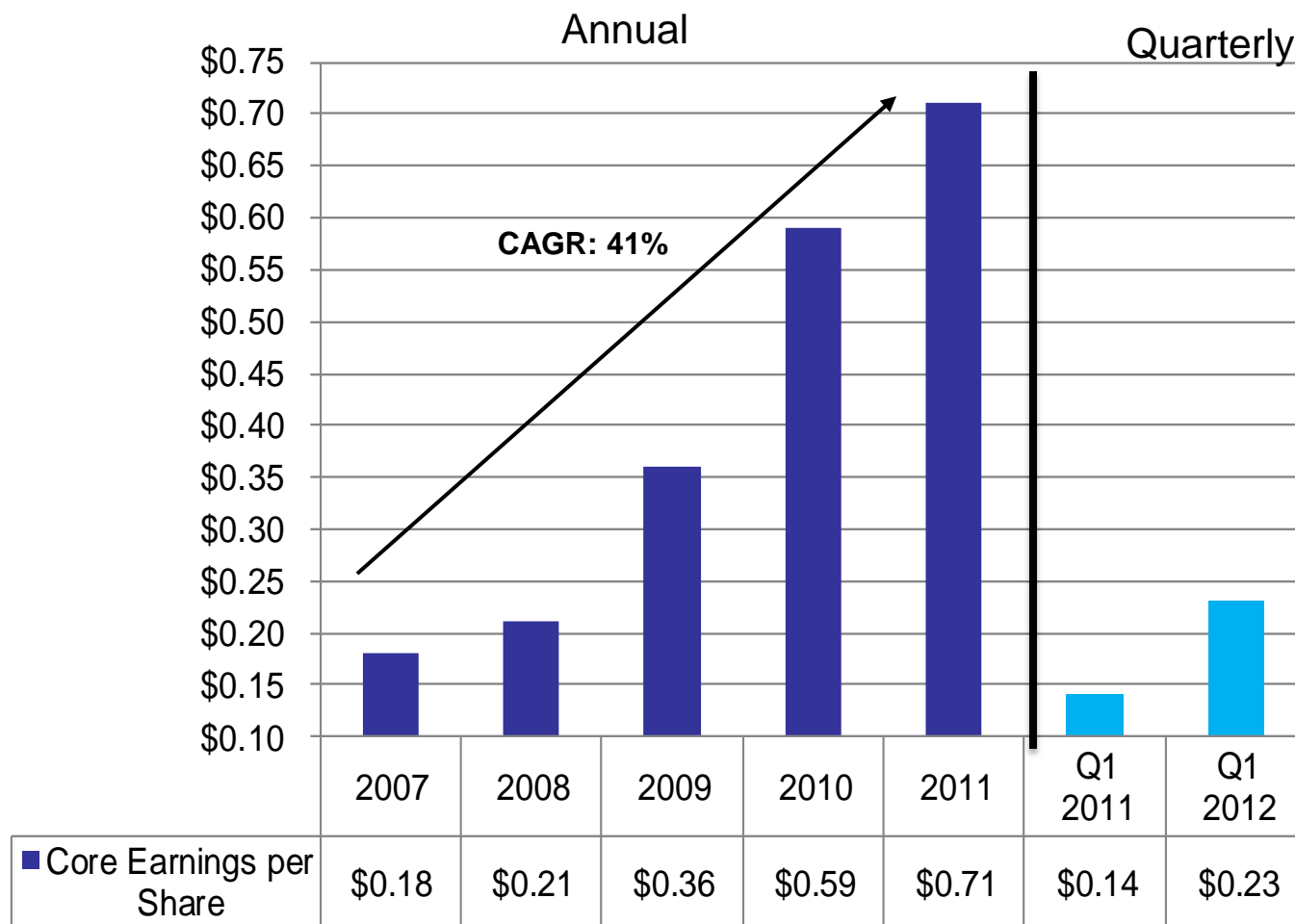
- Tangible Common Equity ratio of 13.5%
- Tier 1 Capital ratio of 25.2%

Closed Highlands Merger

- Enhances ViewPoint's C&I program; excellent geographic fit
- Highlands Chairman / CEO Kevin Hanigan became ViewPoint President / CEO upon closing

See Appendix (slide 16) for reconciliation of core (non-GAAP) to GAAP net income
Source: VPFG 10-Q for Q1 2012; Company Documents

Core Earnings Per Share Growth



Core Net Income (\$ in millions): \$5.2 \$5.8 \$10.0 \$17.8 \$22.9 \$4.4 \$7.2

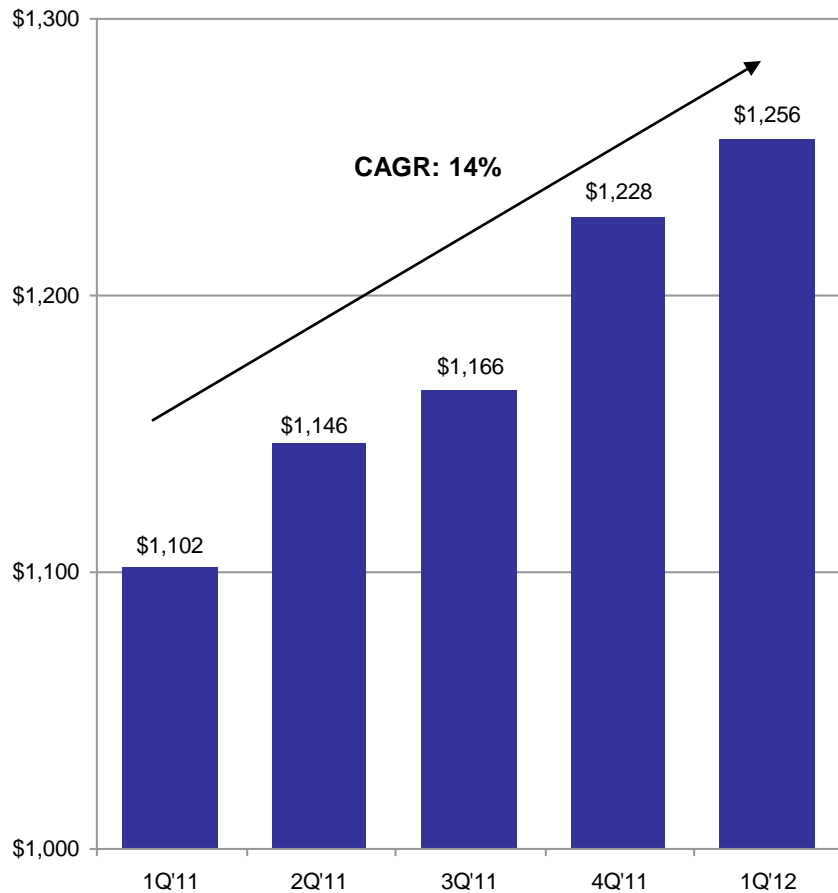
See Appendix (slide 16) for reconciliation of core (non-GAAP) to GAAP net income

Source: VPGF 10-Q for Q1 2012; 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

Continued Strong Loan Growth

**Gross Loans Held For Investment
(\$ in millions)**

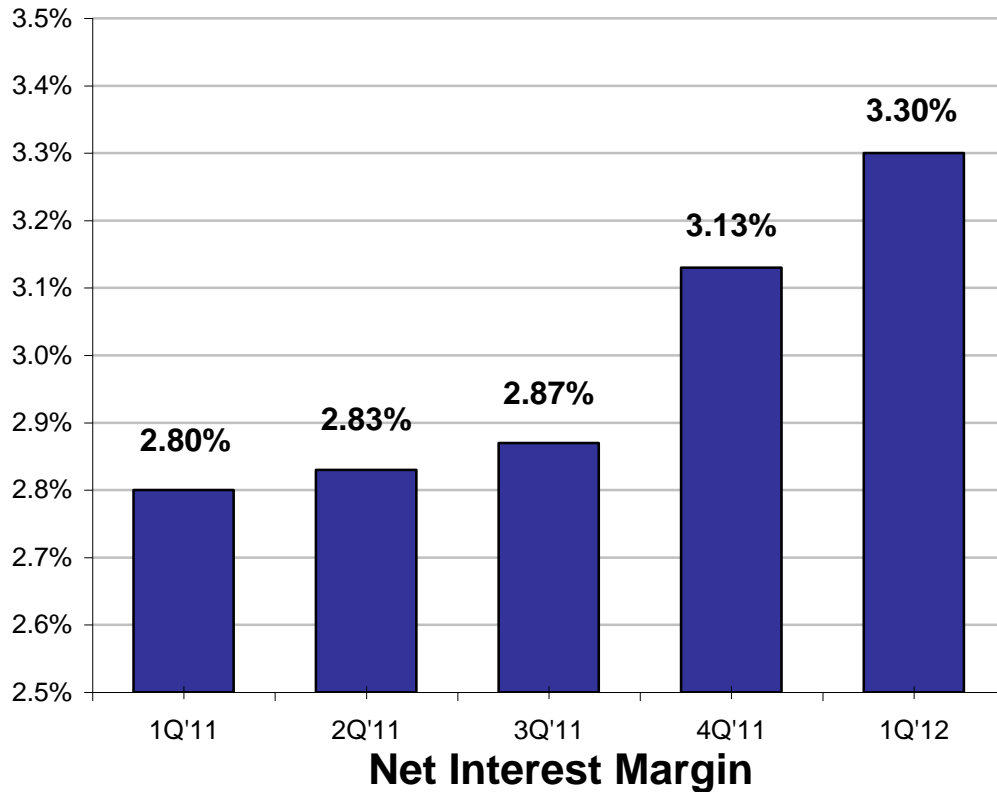


☆ Increase in loans held for investment

- 14% cumulative annual growth rate, since Q1 2011
- \$28.1 million increase during Q1 2012, or 2.3%
- Driven primarily by a \$38.7 million, or 6.6%, increase in commercial real estate loans during the quarter
- C&I remained relatively flat

Source: VPFG 10-Q for Q1 2012; Company Documents

Improving Net Interest Margin



☆ Net interest margin increased 50 basis points from Q1 2011

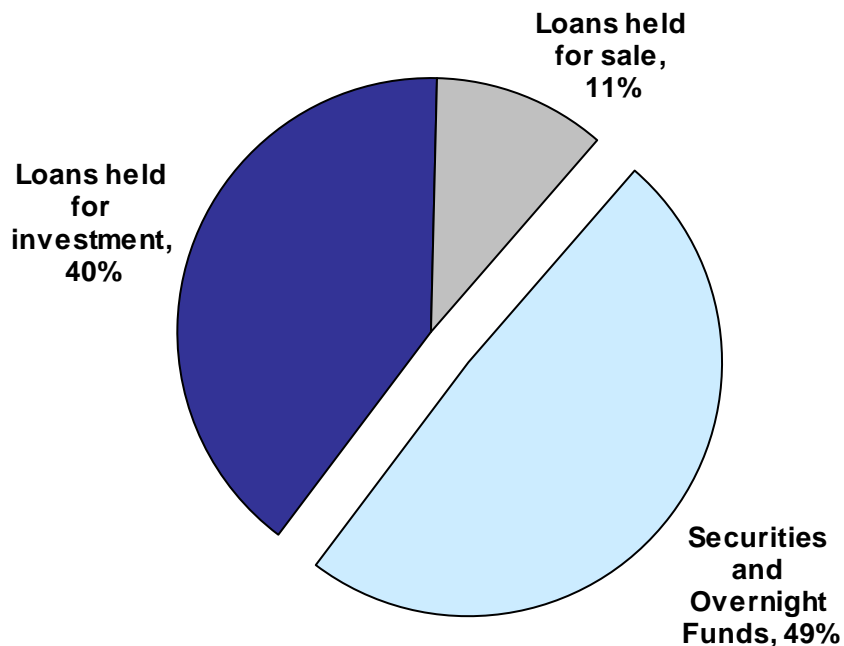
- Deposit costs lower by 21 bps
- Improved mix of earning assets
- Average loans held for investment up \$38 million and average securities down \$196 million

Source: VPFG 10-Q for Q1 2012; Company Documents

Improved Earning Asset Mix

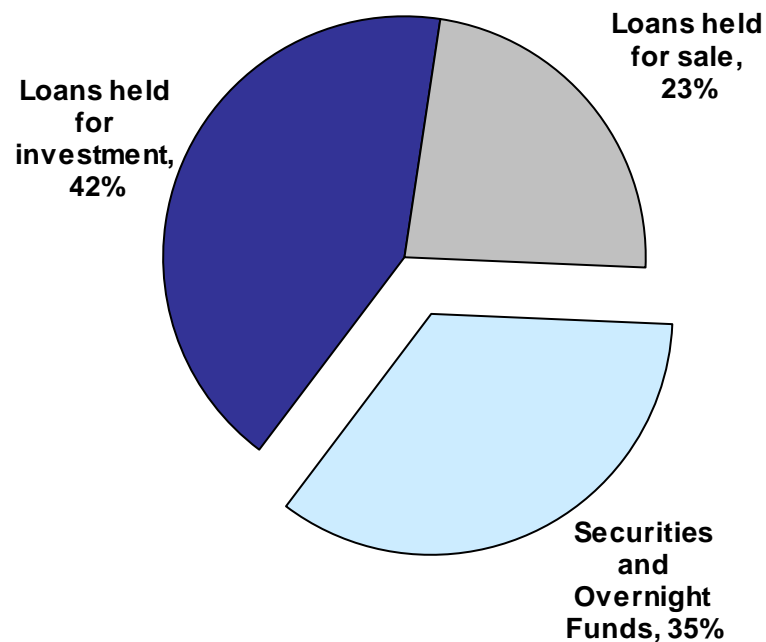
Average Earning Assets and Related Yields

March 31, 2011



Yield on Earning Assets: 4.12%

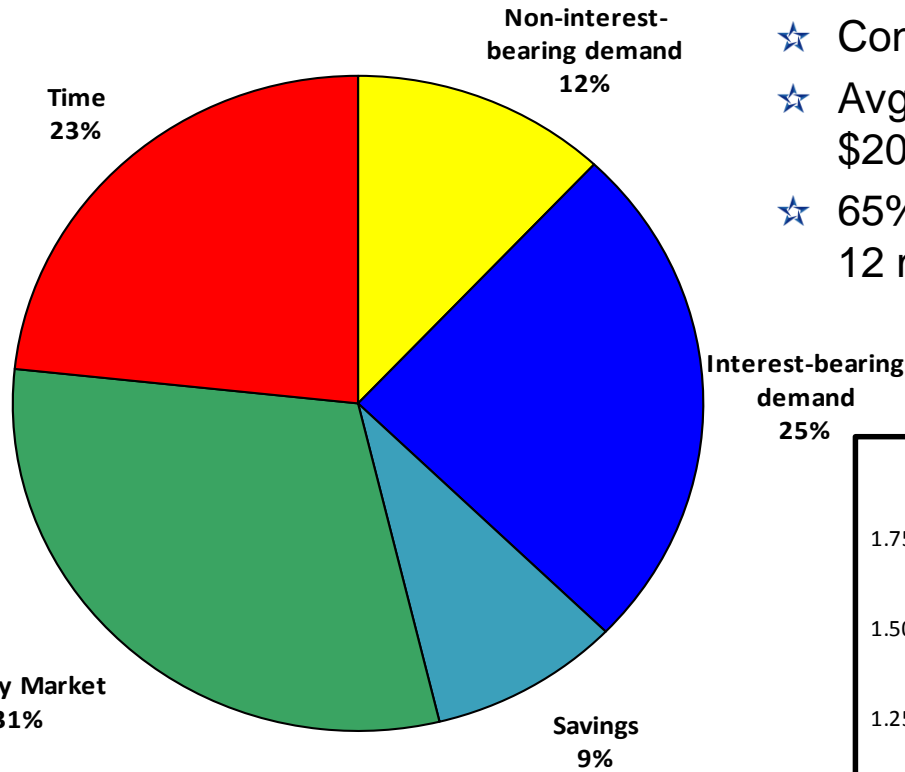
March 31, 2012



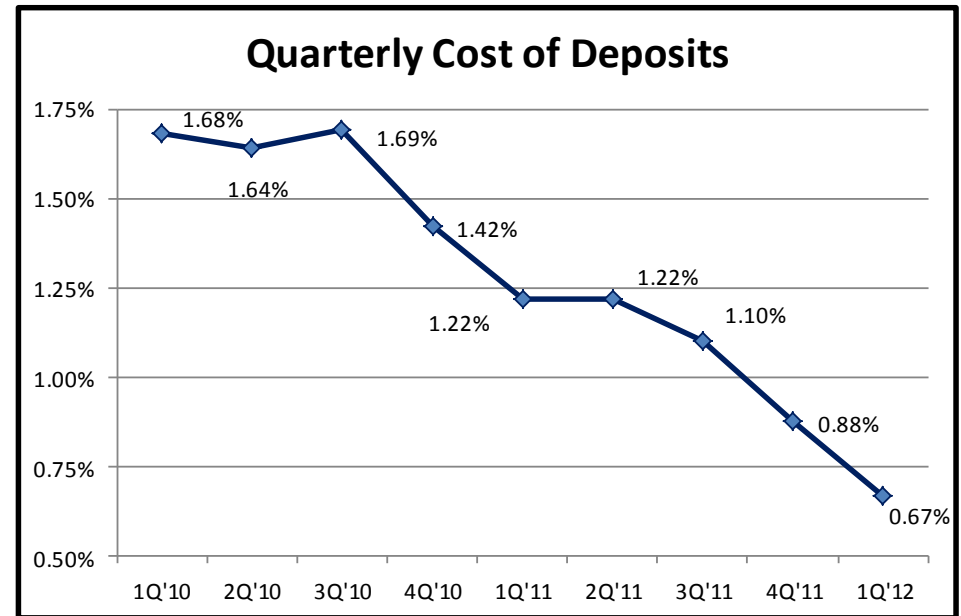
Yield on Earning Assets: 4.13%

Source: Company Documents

Significant Improvement in Deposit Costs



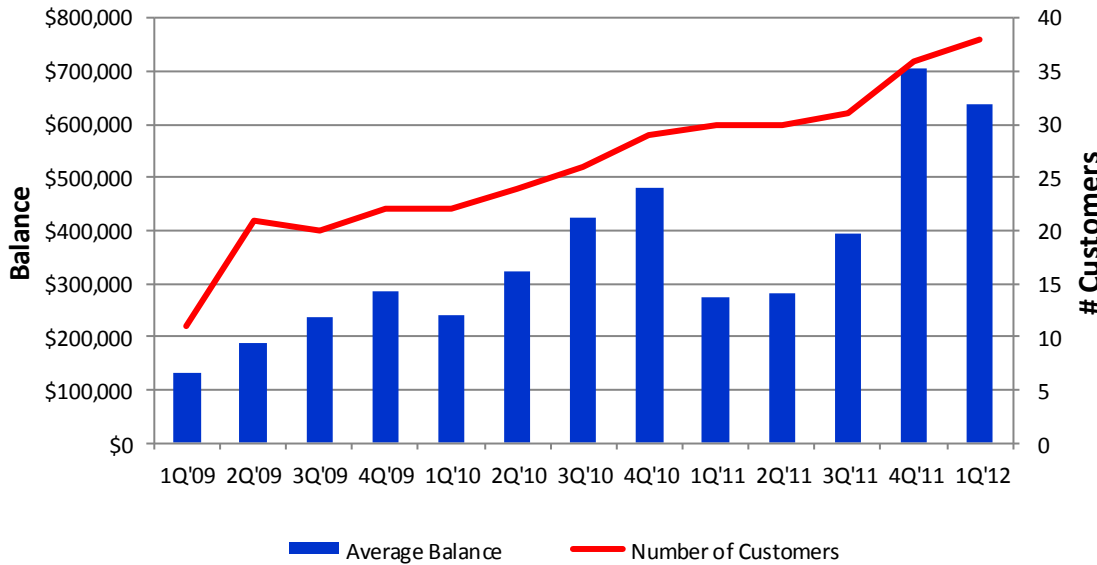
- ☆ Continued improvement in deposit cost
- ☆ Avg. non-interest bearing deposits increased from \$204M to \$213M linked quarter
- ☆ 65%, or \$292M, of time deposits to mature within 12 months with WAR of 0.89%



Source: VPFG 10-Q for Q1 2012

Successful Mortgage Warehouse Purchase Program

Warehouse Purchase Program - Average Portfolio Balances in Thousands and Number of Customers

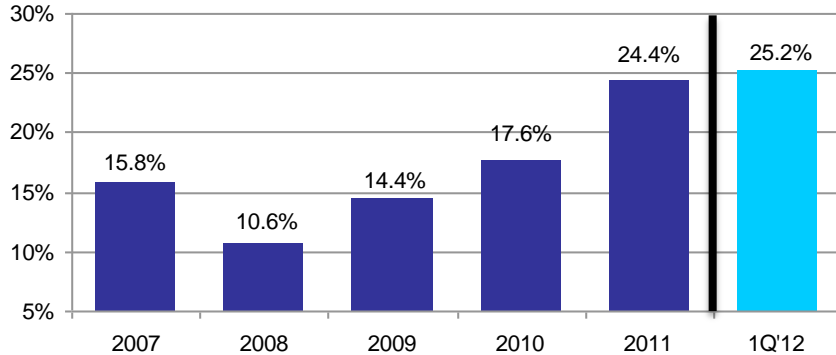


- ☆ Year/year increase of 133%
- ☆ 10% quarter / quarter decline related to seasonality
- ☆ Gross Average Yield of 4.16% for Q1 2012
- ☆ 38 clients as of March 31, 2012, two more than prior quarter
- ☆ Nationwide portfolio production covering 49 states
- ☆ 99% conforming and government loans
- ☆ Approved maximum facility amounts ranging from \$10.0 million to \$38.5 million

Source: Company Documents at March 31, 2012

Robust Capital

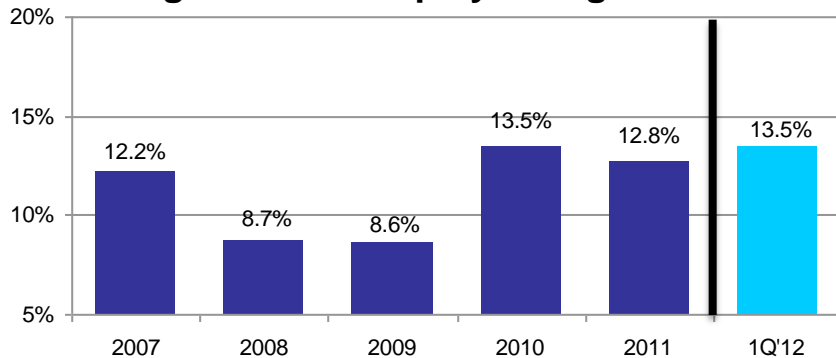
Tier 1 Capital



☆ ViewPoint remains among the strongest capitalized institutions in the industry

- 25.2% Tier 1 Capital at 3/31/2012
- 13.5% Tangible Common Equity

Tang. Common Equity / Tang. Assets



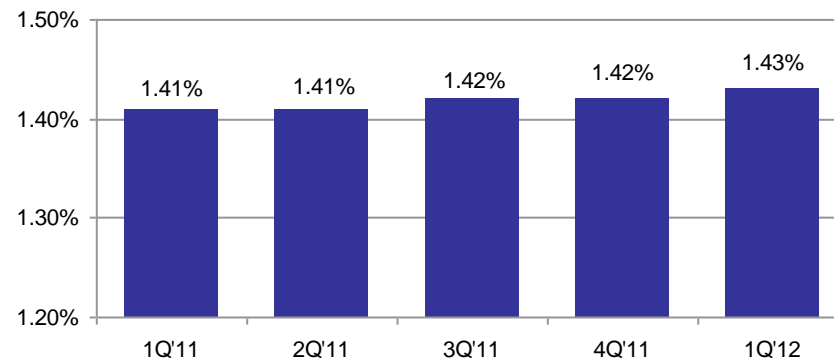
Source: Company Documents at March 31, 2012

Strong Credit Quality

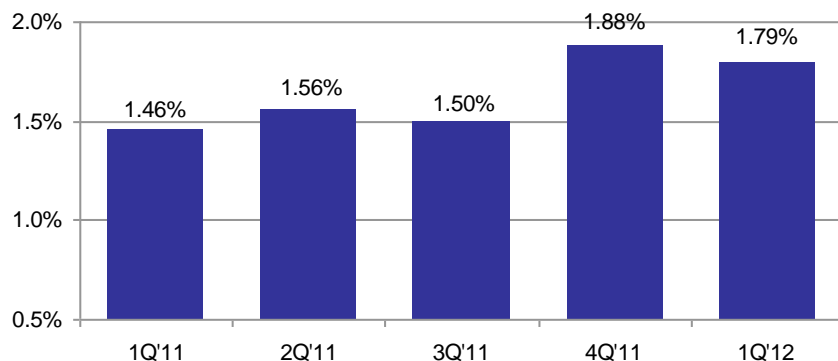
**Total Non-Performing Loans
(\$ in millions)**



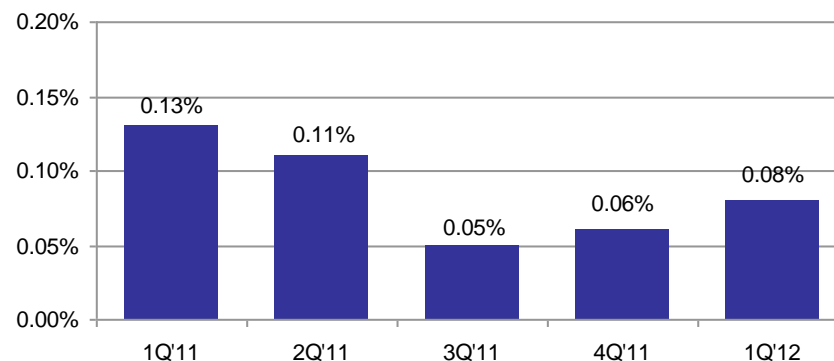
Allowance / Total Loans ⁽¹⁾



Total NPLs as a % of Total Loans ⁽¹⁾



Net Charge-offs / Avg. Loans



Source: Company Documents

(1) Total loans does not include loans held for sale

Current Initiatives

- ☆ Integration of Highlands
 - Systems integration targeted for late July
 - Costs savings in line with expectations

- ☆ Continued improvements in funding mix

- ☆ Build out of C&I lending business

Questions?

Appendix

- ☆ 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
 - Core (non-GAAP) net income and earnings per share

TCE to TA, TCE per Share and Price to TBV at March 31, 2012 (Dollar amounts in thousands)

Total GAAP equity	\$412,605
Less: goodwill	(818)
Less: mortgage servicing rights	(371)
Total tangible equity	<hr/> \$411,416
Total GAAP assets	\$3,041,112
Less: goodwill	(818)
Less: mortgage servicing rights	(371)
Total tangible assets	<hr/> \$3,039,923
GAAP Equity to Total Assets	13.57%
TCE to TA	13.53%
Shares outstanding at March 31, 2012	33,703,080
TCE per Share	\$12.21
Average VPFG stock price for March 2012	\$15.28
Price to TBV	125.14%

Reconciliation of Core (non-GAAP) to GAAP Net Income and EPS (Dollar amounts in thousands except per share data)

	Three Months Ended			Year Ended				
	March 31, 2012	December 31, 2011	December 31, 2011	2011	2010	December 31, 2009	2008	2007
GAAP net income (loss)	\$ 7,072	\$ 6,554	\$ 9,774	\$ 26,328	\$ 17,799	\$ 2,670	\$ (3,315)	\$ 5,067
Highlands acquisition costs	93	-	306	306	-	-	-	-
Loss on sale of student loans	-	95	-	95	-	-	-	-
(Gain) loss on assets	10	-	20	20	44	805	(11)	108
Goodwill impairment	-	-	-	176	-	-	-	-
Gain on sale of AFS securities, net of tax	-	(2,220)	(1,854)	(4,074)	-	(1,569)	-	-
Impairment of collateralized debt obligations (all credit), net of tax	-	-	-	-	-	8,082	9,114	-
Core (non-GAAP) income	\$ 7,175	\$ 4,429	\$ 8,246	\$ 22,851	\$ 17,843	\$ 9,988	\$ 5,788	\$ 5,175
Core (non-GAAP) basic and diluted EPS	\$ 0.23	\$ 0.14	\$ 0.26	\$ 0.71	\$ 0.59	\$ 0.36	\$ 0.21	\$ 0.18