



2016 Annual Meeting of Shareholders  
May 23, 2016



# 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 the Company-LegacyTexas Group, Inc. merger (the "Merger") 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 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.

# LegacyTexas

A complete transformation into a commercial bank

	2010Q4	2015Q4
<b>Company name</b>	 <b>ViewPoint</b> Financial Group	 <b>LEGACYTEXAS</b> FINANCIAL GROUP, INC.™
<b>Charter</b>	Savings & Loan Holding Company	Bank Holding Company
<b>Market capitalization (\$mm)</b>	\$407	\$1,192
<b>ROAA</b>	0.87%	0.95%
<b>Net interest margin</b>	2.98%	3.94%
<b>Efficiency ratio</b>	63.49%	51.85%
<b>Total assets (\$bn)</b>	\$2.9	\$7.7
<b>Total loans HFI (\$bn)<sup>1</sup></b>	\$1.1	\$5.1
<b>% C&amp;I</b>	3.5%	31.8%

Source: Company Documents

Note: Market and financial data for 2010 and 2015 are as of December 31, 2010 and 2015, respectively.

<sup>1</sup> Excludes Warehouse Purchase Program loans

# 2015 highlights

Franchise	<p><i>One of the largest independent Texas financial services companies built upon a strong customer focus and a long history of serving Texans</i></p> <ul style="list-style-type: none"> <li>• #1 market share in affluent Collin County among independent banks</li> <li>• #2 overall in Collin County</li> <li>• #3 deposit market share among Dallas-based banks in Dallas-Fort Worth</li> </ul>
Profitability	<p><i>Robust loan and deposit growth with disciplined expense management</i></p> <ul style="list-style-type: none"> <li>• Completed merger with LegacyTexas Group, Inc. in January 2015</li> <li>• Return on average assets of 1.1%, basic EPS of \$1.54 for full year 2015</li> <li>• Exceptional loan growth during 2015 with 92.4% year over year growth<sup>1</sup></li> <li>• Efficiency ratio of 52.4% with further positive operating leverage expected</li> </ul>
Asset quality	<p><i>Growth balanced with disciplined underwriting and risk management resulting in strong asset quality</i></p> <ul style="list-style-type: none"> <li>• NPAs / loans + OREO: 0.89% <sup>1</sup></li> <li>• NCOs / average loans: 0.08% <sup>1</sup></li> </ul>
Capital	<p><i>Profitability levered excess capital while maintaining strong capital levels</i></p> <ul style="list-style-type: none"> <li>• TCE / TA<sup>2</sup>: 8.3%</li> <li>• Tier 1 common risk-based capital<sup>3</sup>: 9.56%</li> </ul>

Source: Company Documents

<sup>1</sup> Loans held for investment, excluding Warehouse Purchase Program loans. Includes loans acquired from LegacyTexas Group, Inc.

<sup>2</sup> See the section labeled "Supplemental Information- Non-GAAP Financial Measures"

<sup>3</sup> Calculated at the Company level, which is subject to the capital adequacy requirements of the Federal Reserve

# A Legacy united

## Leading market position...

# #1

in Collin County among independent banks<sup>1</sup>

# #2

in Collin County among all banks

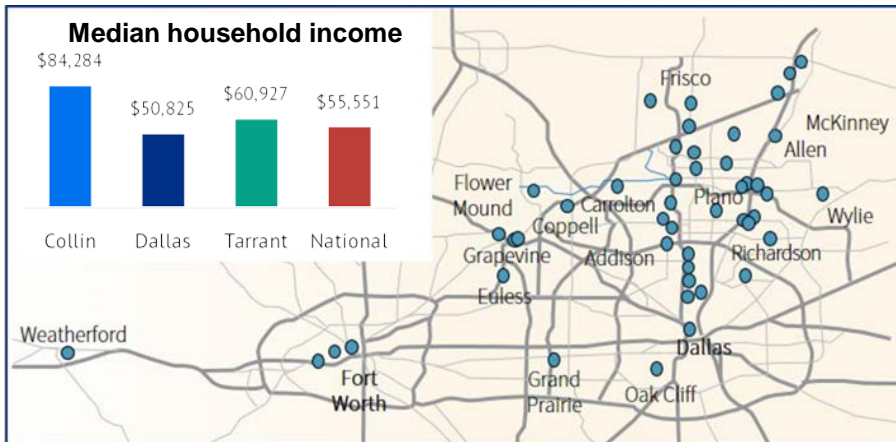
# #3

among Dallas based banks in DFW<sup>2</sup>

## ...in attractive Dallas markets

- #1 Fastest growing metro in the U.S. (Census)
- #1 Best places to live in America (Money Magazine)
- #4 Best places to find a new job (Money Magazine)
- #5 Largest metro for self-employment
- #5 Lowest cost of doing business in the U.S.
- #6 Largest concentration of tech workers in the U.S.

## Dallas – Fort Worth MSA franchise



Source: Company Documents

<sup>1</sup> Based on deposit market share of banks headquartered in Texas

<sup>2</sup> Includes banks headquartered in the Dallas-Fort Worth-Arlington, TX MSA

## 21 DFW companies in Fortune 500



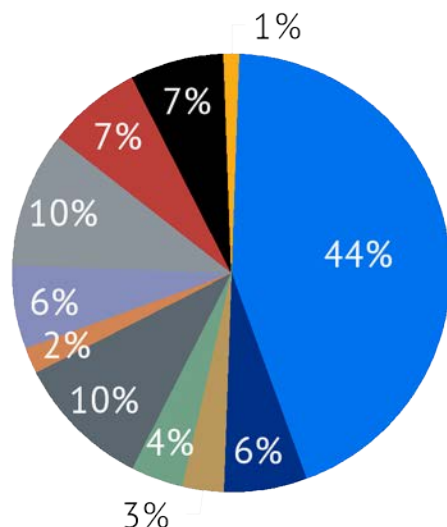
 **LEGACYTEXAS**  
FINANCIAL GROUP, INC.™

# Collin County

The fastest growing county in Texas











## Employment by industry

- Service-providing
- Goods-providing
- Construction
- Manufacturing
- Trade, transportation and utilities
- Information
- Financial activities
- Professional and business services
- Education and health services
- Leisure and hospitality
- Other services



Source: Bureau of Labor Statistics  
 Note: Represents latest available data (i.e., data as of 2015Q2)

## 10 largest employers in Collin Co.

Company	# employees	Industry
 TEXAS INSTRUMENTS	9,100	Technology
 Bank of America	8,000	Financial services
 Plano Independent School District	6,500	Education
 FRISCO ISD	5,000	Education
 Capital One*	4,500	Financial services
 LIFECARE	4,500	Healthcare
 hp*	4,500	Technology
 at&t	4,300	Telecommunications
 NORTEL	4,300	Telecommunications
 TOYOTA**	4,000	Manufacturing

Source: collincountytx.gov; \* Corporate or Regional Headquarters; \*\* April 28, 2014: Toyota announced it will consolidate its U.S. operations to a campus in Plano, with up to 4,000 employees by 2017

# 2015 highlights

(\$ in millions except for per share data)

	Years ended		Change
	December 31, 2014	December 31, 2015	
Selected balance sheet data			
Gross loans held for investment <sup>1</sup>	\$ 2,633.7	\$ 5,066.5	92.4%
Total deposits	2,657.8	5,226.7	96.7%
Selected profitability data			
Net interest income	\$ 133.0	\$ 241.1	81.3%
NIM	3.78%	4.00%	22bps
Non-interest income	\$ 20.7	\$ 44.8	116.0%
Non-interest expense	98.1	151.6	54.5%
Net income	31.3	70.9	126.7%
Core net income <sup>2</sup>	38.9	71.9	84.9%
Basic EPS	0.82	1.54	87.8%
Core EPS <sup>2</sup>	1.03	1.57	52.4%

Source: Company Documents

<sup>1</sup> Excludes Warehouse Purchase Program loans

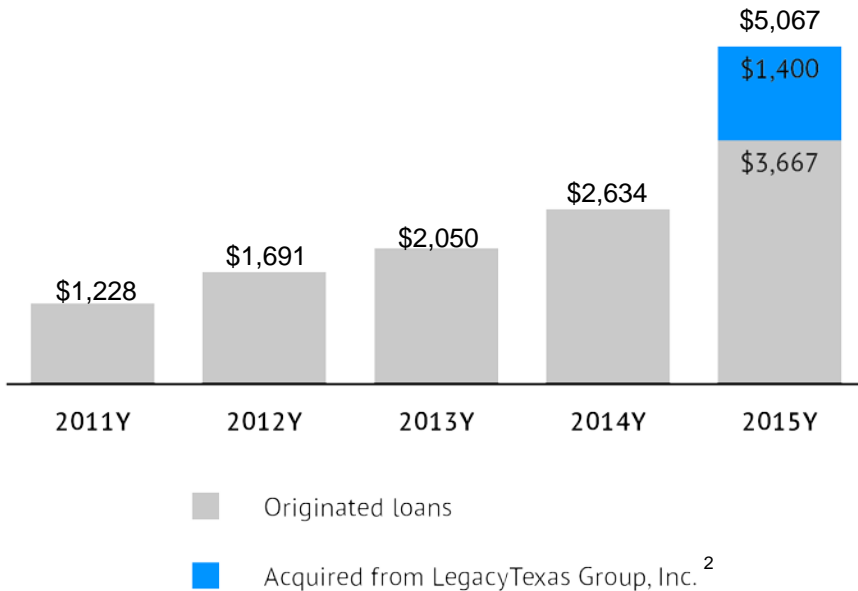
<sup>2</sup> See the section labeled "Supplemental Information- Non-GAAP Financial Measures"

# Robust commercially focused growth

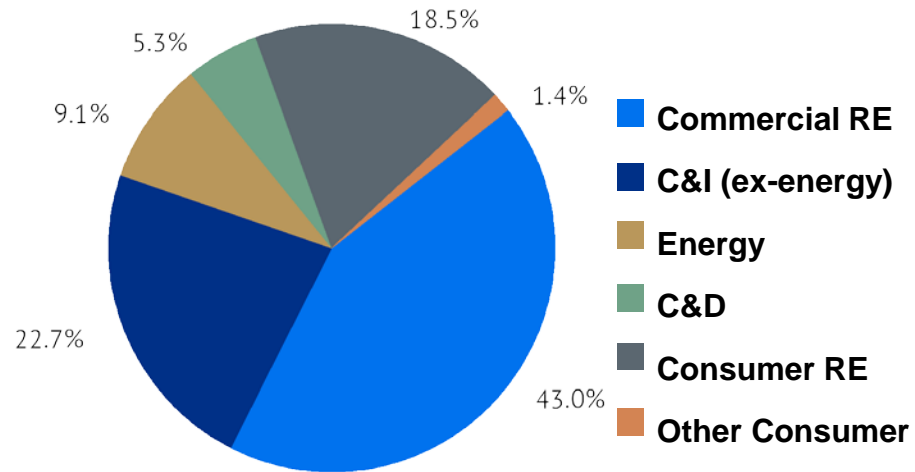
Gross loans held for investment at December 31, 2015, excluding Warehouse Purchase Program loans and loans acquired on January 1, 2015 from LegacyTexas Group, Inc., grew \$1.03 billion, or 39.2%, from December 31, 2014.

(\$ in millions)

## Total Loans HFI<sup>1</sup>



As of December 31, 2015<sup>1</sup>



Quarterly yield on loans: 4.94%

Source: Company Documents

<sup>1</sup> Excludes Warehouse Purchase Program loans

<sup>2</sup> Represents balance acquired on January 1, 2015

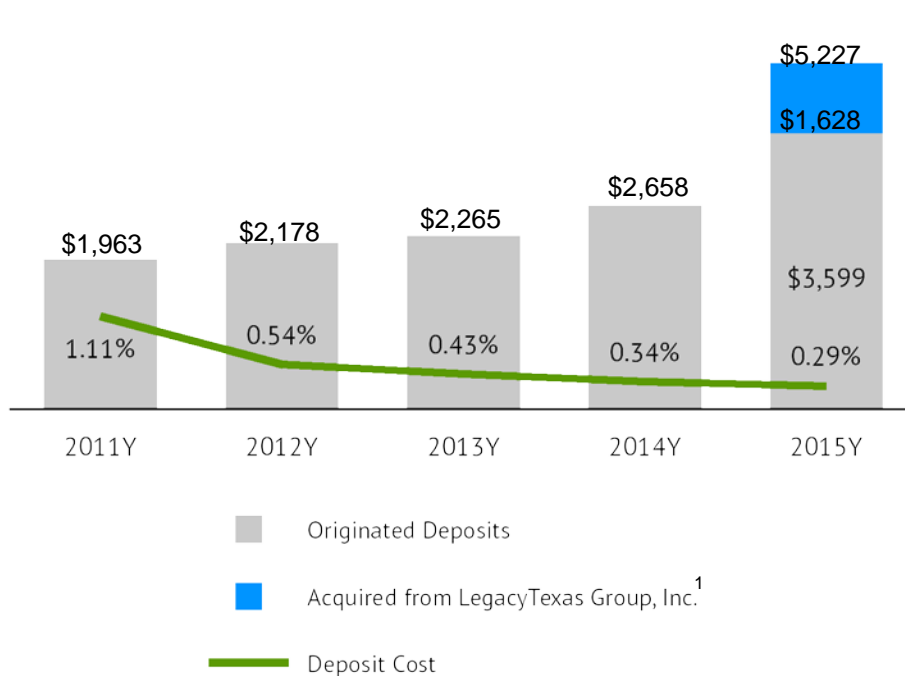


# Core funded, low cost deposit base

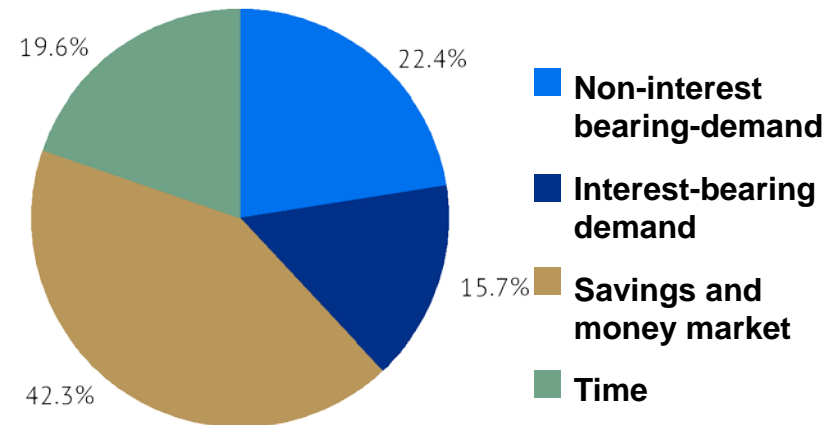
- Deposits at December 31, 2015, excluding deposits acquired on January 1, 2015 from LegacyTexas Group, Inc., grew \$941 million, or 35.4%, from December 31, 2014.
- Deposit cost of 29bps for 2015, down from 1.11% in 2011

(\$ in millions)

## Total Deposits



As of December 31, 2015



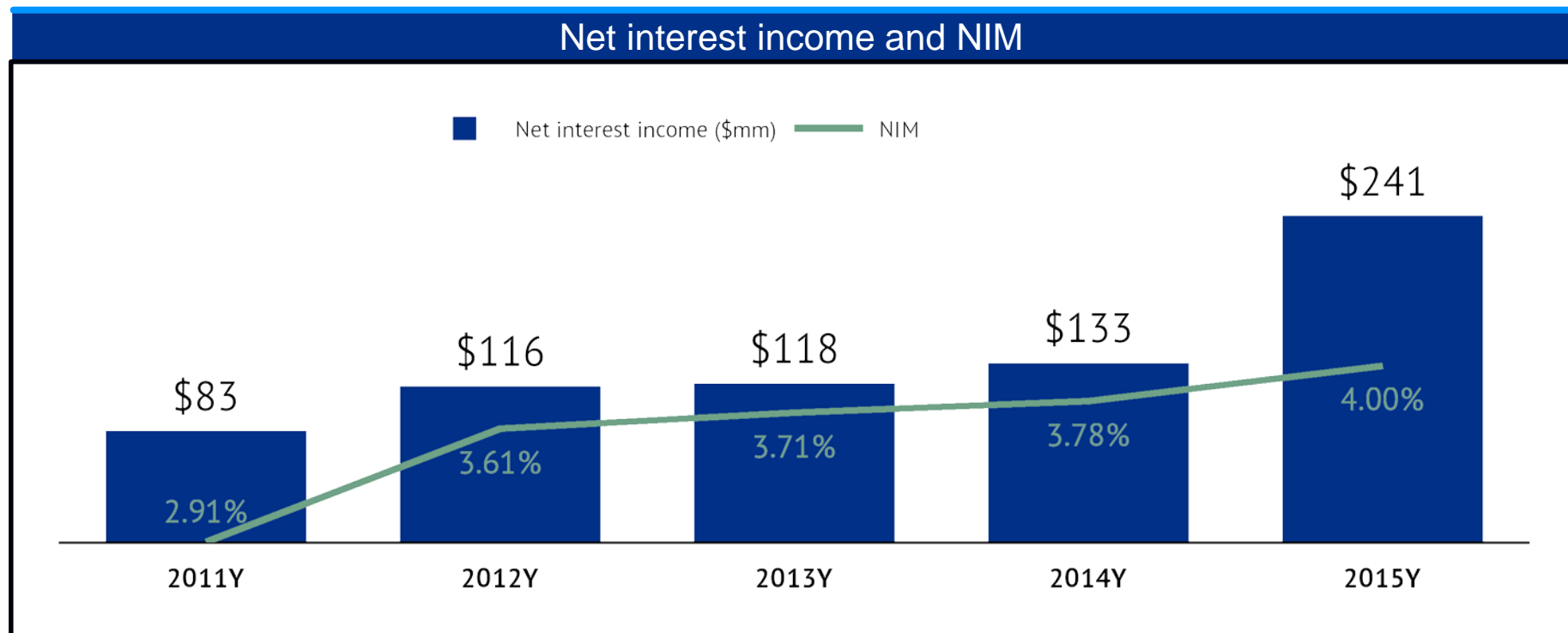
Cost of deposits: 0.29%

Source: Company Documents

<sup>1</sup> Represents balance acquired on January 1, 2015

# Solid net interest income growth

- Net interest income for 2015 totaled \$241.1 million, an increase of \$108.1 million, or 81.3%, from 2014.
- Net interest margin for the year ended December 31, 2015 was 4.00%, a 22 basis point increase from December 31, 2014.

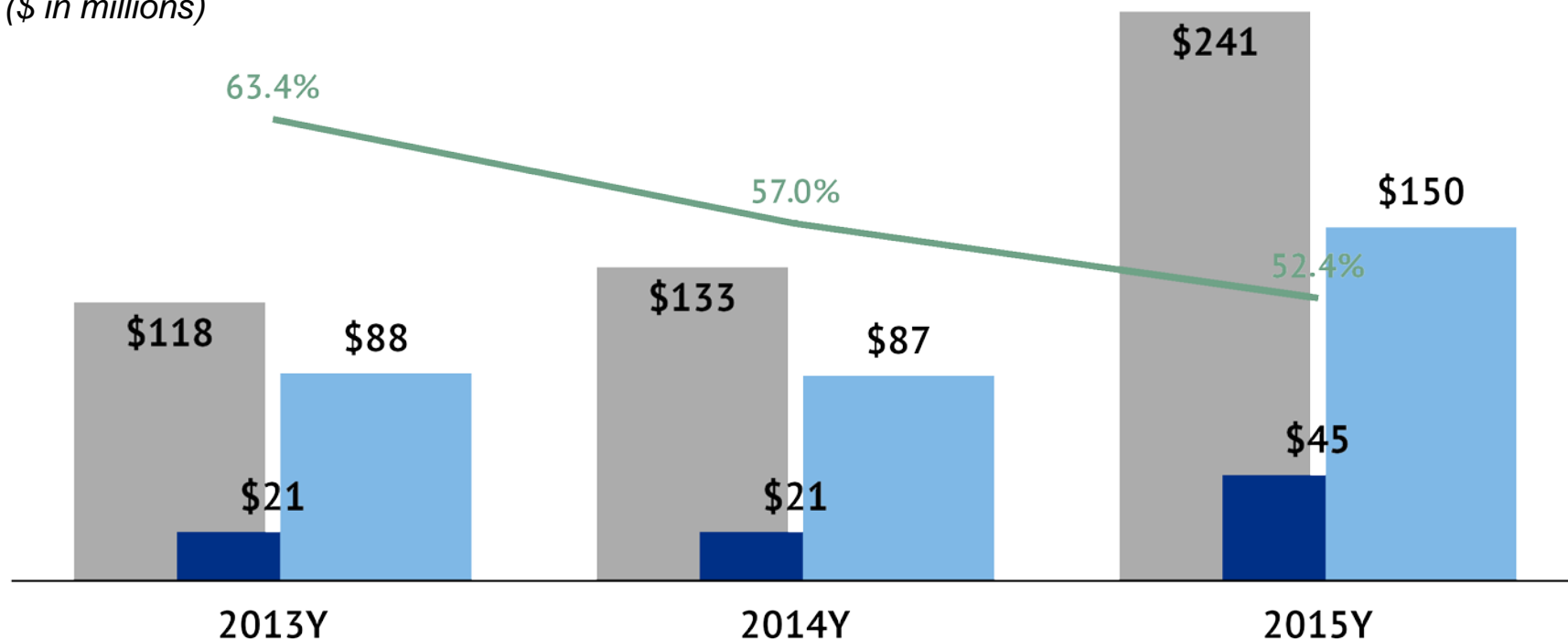


# Disciplined expense management

2015 core non-interest income increased \$24 million from December 31, 2014, while 2015 core non-interest expense increased \$63 million for the same period.

■ Net interest income ■ Core non-interest income ■ Core non-interest expense — Efficiency ratio

(\$ in millions)



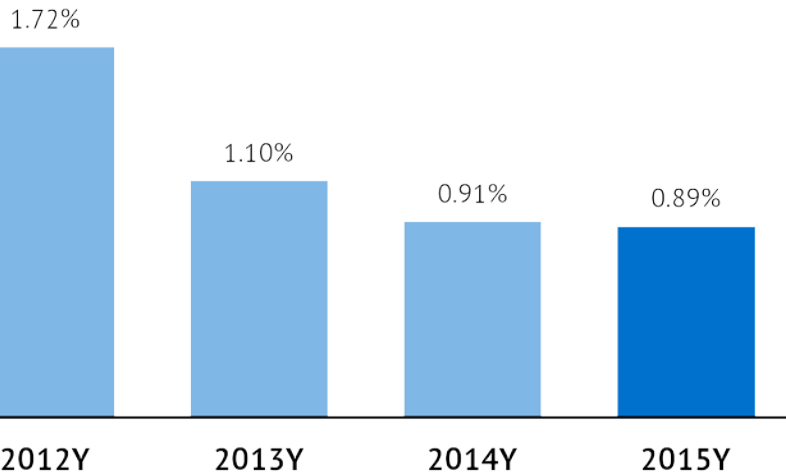
Source: Company Documents

Note: Core non-interest income and core non-interest expense exclude changes in the value of private equity funds, gains (losses) from securities transactions and fixed assets, goodwill impairment, merger and acquisition costs and one-time payroll costs. Efficiency ratio metrics exclude the aforementioned items, as well as gain (loss) on foreclosed assets and amortization of intangible assets.

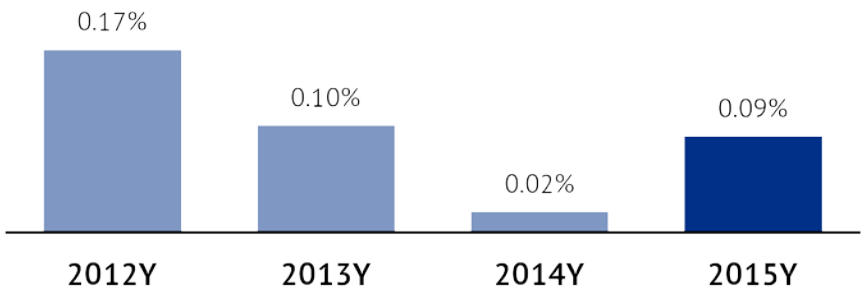
# Strong asset quality

- Growth balanced with disciplined underwriting and risk management resulting in strong asset quality
- All of the key credit quality ratios remained strong, with asset quality metrics continuing to compare favorably to industry

NPAs / loans HFI<sup>1</sup> + OREO



NCOs / average loans HFI<sup>1</sup>

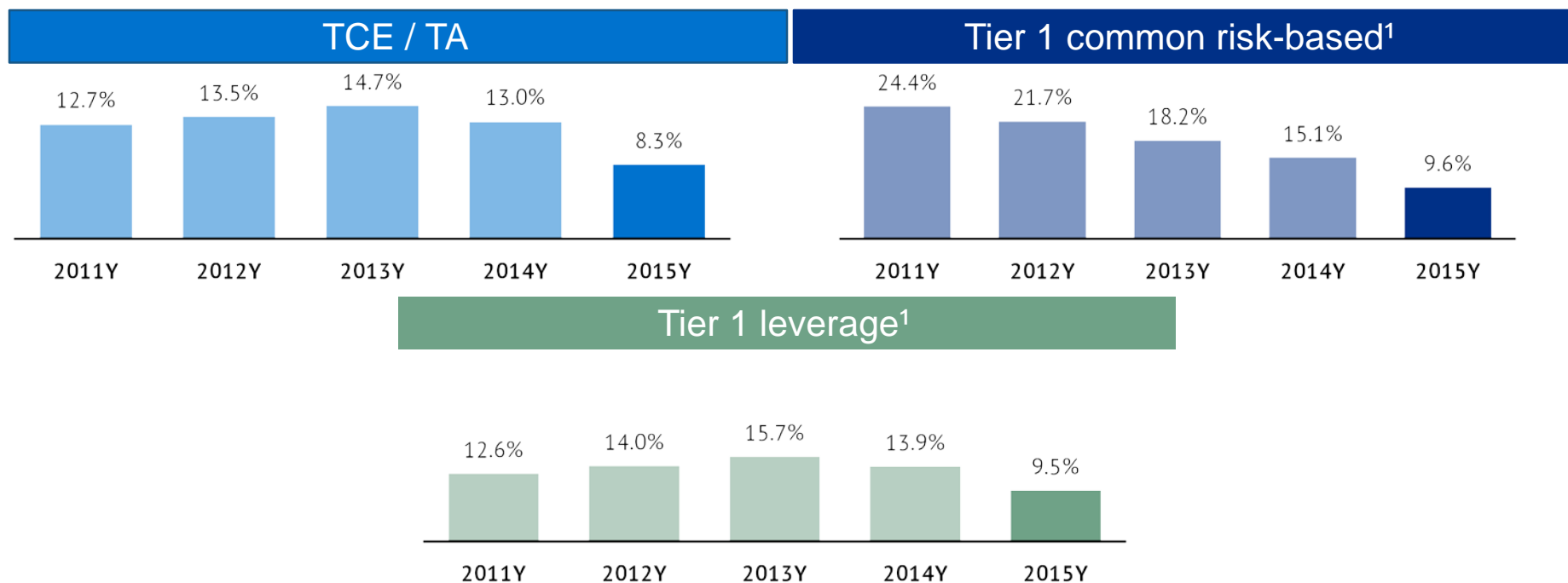


Source: Company documents

<sup>1</sup> Held for investment, excluding Warehouse Purchase Program loans

# Prudent capital management

- Profitability levered excess capital while maintaining strong capital levels
- In November 2015, the Company completed a public offering of \$75.0 million of fixed-to-floating rate subordinated notes due in 2025, the proceeds of which are being used for general corporate purposes, potential strategic acquisitions and investments in the Bank as regulatory capital.



Source: Company documents

<sup>1</sup> Calculated at the Company level, which is subject to the capital adequacy requirements of the Federal Reserve

# Key investment highlights

One of the largest independent Texas financial services companies built upon a strong customer focus and a long history of serving Texans

Robust loan growth and disciplined expense management

Growth balanced with disciplined underwriting and risk management resulting in strong asset quality

Capital ratios remain strong; provides dry powder for robust organic growth

# 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 strong 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 Quarters Ended				
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
	(Dollars in thousands, except per share amounts)				
GAAP net income available to common shareholders <sup>1</sup>	\$16,336	\$17,768	\$20,091	\$16,186	\$5,412
Distributed and undistributed earnings to participating securities <sup>1</sup>	110	127	160	138	54
Merger and acquisition costs	—	—	5	1,004	5,765
One-time (gain) loss on assets	(133)	(130)	(142)	554	(45)
(Gain) loss on sale of available-for-sale securities	(11)	16	—	(137)	—
<b>Core (non-GAAP) net income</b>	<b>\$16,302</b>	<b>\$17,781</b>	<b>\$20,114</b>	<b>\$17,745</b>	<b>\$11,186</b>
Average shares for basic earnings per share	45,939,817	45,862,840	45,760,232	45,824,812	38,051,511
GAAP basic earnings per share	\$0.36	\$0.39	\$0.44	\$0.35	\$0.14
Core (non-GAAP) basic earnings per share	\$0.35	\$0.39	\$0.44	\$0.39	\$0.29
Average shares for diluted earnings per share	46,267,956	46,188,461	46,031,267	46,002,821	38,275,814
GAAP diluted earnings per share	\$0.35	\$0.38	\$0.44	\$0.35	\$0.14
Core (non-GAAP) diluted earnings per share	\$0.35	\$0.38	\$0.44	\$0.39	\$0.29

	At or For the Years Ended				
	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
GAAP net income available to common shareholders <sup>1</sup>	\$70,382	\$30,942	\$31,294	\$35,135	\$26,205
Distributed and undistributed earnings to participating securities <sup>1</sup>	534	336	394	106	123
Merger and acquisition costs	1,009	7,071	431	2,683	306
Costs relating to sale of VPM	—	—	—	84	—
One-time payroll and severance costs	—	234	436	777	—
One-time (gain) loss on assets	149	319	(574)	(1,353)	(497)
Goodwill impairment	—	—	—	532	176
(Gain) loss on sale of available-for-sale securities	(132)	—	115	(659)	(4,074)
<b>Core (non-GAAP) net income</b>	<b>\$71,942</b>	<b>\$38,902</b>	<b>\$32,096</b>	<b>\$37,305</b>	<b>\$22,239</b>
Average shares for basic earnings per share	45,847,284	37,919,065	37,589,548	35,879,704	32,219,841
GAAP basic earnings per share	\$1.54	\$0.82	\$0.83	\$0.98	\$0.81
Core (non-GAAP) basic earnings per share	\$1.57	\$1.03	\$0.85	\$1.04	\$0.69
Average shares for diluted earnings per share	46,125,447	38,162,094	37,744,786	35,998,345	32,283,107
GAAP diluted earnings per share	\$1.53	\$0.81	\$0.83	\$0.98	\$0.81
Core (non-GAAP) diluted earnings per share	\$1.56	\$1.02	\$0.85	\$1.04	\$0.69

<sup>1</sup> 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.

# Supplemental Information – Non-GAAP Financial Measures (unaudited)

## Calculation of Tangible Book Value:

	At or For the Quarters Ended			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
	(Dollars in thousands, except per share amounts)			
Total shareholders' equity	\$804,076	\$792,637	\$776,924	\$761,059
Less: Goodwill	(180,776)	(180,632)	(180,632)	(179,258)
Less: Identifiable intangible assets, net	(1,030)	(1,142)	(1,280)	(1,042)
<b>Total tangible shareholders' equity</b>	<b>\$622,270</b>	<b>\$610,863</b>	<b>\$595,012</b>	<b>\$580,759</b>
Shares outstanding at end of period	47,645,826	47,640,193	47,619,493	47,602,721
Book value per share- GAAP	\$16.88	\$16.64	\$16.32	\$15.99
Tangible book value per share- Non-GAAP	\$13.06	\$12.82	\$12.50	\$12.20
<b>Calculation of Tangible Equity to Tangible Assets:</b>				
Total assets	\$7,691,940	\$6,878,843	\$6,669,624	\$6,510,951
Less: Goodwill	(180,776)	(180,632)	(180,632)	(179,258)
Less: Identifiable intangible assets, net	(1,030)	(1,142)	(1,280)	(1,042)
<b>Total tangible assets</b>	<b>\$7,510,134</b>	<b>\$6,697,069</b>	<b>\$6,487,712</b>	<b>\$6,330,651</b>
Equity to assets- GAAP	10.45%	11.52%	11.65%	11.69%
Tangible equity to tangible assets- Non-GAAP	8.29%	9.12%	9.17%	9.17%

	At or For the Years Ended			
	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Total shareholders' equity	\$568,223	\$544,460	\$520,871	\$406,309
Less: Goodwill	(29,650)	(29,650)	(29,650)	(818)
Less: Identifiable intangible assets, net	(813)	(1,239)	(1,653)	(420)
<b>Total tangible shareholders' equity</b>	<b>\$537,760</b>	<b>\$513,571</b>	<b>\$489,568</b>	<b>\$405,071</b>
Shares outstanding at end of period	40,014,851	39,938,816	39,612,911	33,700,399
Book value per share- GAAP	\$14.20	\$13.63	\$13.15	\$12.06
Tangible book value per share- Non-GAAP	\$13.44	\$12.86	\$12.36	\$12.02
<b>Calculation of Tangible Equity to Tangible Assets:</b>				
Total assets	\$4,164,114	\$3,525,232	\$3,663,058	\$3,180,578
Less: Goodwill	(29,650)	(29,650)	(29,650)	(818)
Less: Identifiable intangible assets, net	(813)	(1,239)	(1,653)	(420)
<b>Total tangible assets</b>	<b>\$4,133,651</b>	<b>\$3,494,343</b>	<b>\$3,631,755</b>	<b>\$3,179,340</b>
Equity to assets- GAAP	13.65%	15.44%	14.22%	12.77%
Tangible equity to tangible assets- Non-GAAP	13.01%	14.70%	13.48%	12.74%