

**VIEWPOINT FINANCIAL GROUP (NASDAQ: VPFG) to ACQUIRE HIGHLANDS BANCSHARES (Private; Dallas, TX)**

**Deal Value: Approximately \$71.0 Million**

Sandler O’Neill served as the financial advisor to ViewPoint Financial Group in this transaction. This transaction is Sandler O’Neill’s 54<sup>th</sup> bank or thrift transaction since January 1, 2010. Sandler O’Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.<sup>1</sup>

ViewPoint Financial Group, Inc. (“ViewPoint”) and Highlands Bancshares, Inc. (“Highlands”) announced today that they have entered into a definitive merger agreement whereby ViewPoint will acquire Highlands and its subsidiary bank, the First National Bank of Jacksboro (which operates in the Dallas marketplace as Highlands Bank), in a stock-for-stock transaction. This strategic acquisition increases ViewPoint’s footprint in the Dallas marketplace while maintaining ViewPoint’s strong capital position.

Under the terms of the agreement, each outstanding share of Highlands common stock will be exchanged for 0.6636 shares of ViewPoint stock upon closing. Based upon ViewPoint’s closing common stock price on December 7, 2011 of \$12.88, the transaction has an aggregate implied value of approximately \$71.0 million, in ViewPoint common shares.

In addition, ViewPoint announced that Kevin Hanigan, the President, Chief Executive Officer and Chairman of the Board of Directors of Highlands Bancshares, Inc., will assume the role of President and Chief Executive Officer of ViewPoint Financial Group, Inc. and ViewPoint Bank upon the closing of the acquisition.

Upon completion of the merger, Kevin Hanigan and one Highlands director will join the ViewPoint Board of Directors.

**Financial Highlights**

<i>(Dollars in millions)</i>	<b>VPFG</b>	<b>Highlands<sup>2</sup></b>
Total Assets	\$3,235	\$508
Net Loans	1,150	279
Total Deposits	2,074	381
Total Equity	407	71
Tang. Comm. Equity / Tang. Assets	12.55%	12.28%
NPAs / Assets	0.70%	1.11%

*Financial data as of September 30, 2011*

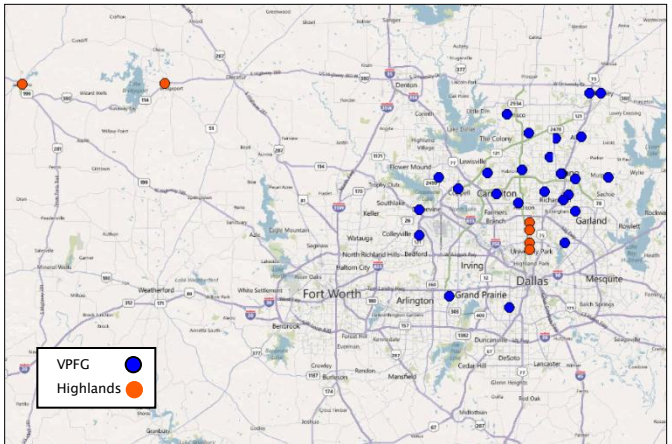
**Transaction Multiples**

Price / Book Value	101%
Price / Tangible Book Value	118%
Core Deposit Premium	3.6%

<sup>1</sup> Includes bank or thrift transactions since 2010; excludes terminated transactions and self-advisory roles; Source: SNL Financial

<sup>2</sup> Financial data is bank - level  
Market data as of December 7, 2011

**Pro Forma Map**



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