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MEDIA & INVESTOR CONTACT

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TEXAS CAPITAL BANCSHARES, INC. ANNOUNCES OPERATING RESULTS FOR 2015

DALLAS - January 20, 2016 - Texas Capital Bancshares, Inc. (NASDAQ: TCBI), the parent company of Texas Capital Bank, announced earnings and operating results for the fourth quarter and full year of 2015.

“We are pleased to finish 2015 with solid earnings and continued growth in loans and deposits. The earnings results were achieved despite significant additional provisions from the adverse credit migration primarily in the energy portfolio. In addition, we incurred start-up costs associated with the launch of our new mortgage correspondent aggregation ("MCA") business,” said Keith Cargill, CEO. “We experienced another year of industry-leading growth in core loans held for investment as well as in mortgage finance loans. While we have encountered challenges related to the energy industry, we believe we are appropriately reserved for losses.”

- Loans held for investment ("LHI"), excluding mortgage finance, increased 2% and total LHI increased 5% on a linked quarter basis, growing 16% and 17%, respectively, from the fourth quarter of 2014.
- Mortgage finance loans increased 15% on a linked quarter basis and increased 21% from the fourth quarter of 2014.
- Demand deposits decreased 2% and total deposits decreased 1% on a linked quarter basis, growing 27% and 19%, respectively, from the fourth quarter of 2014.
- Net income decreased 6% on a linked quarter basis and decreased 8% from the fourth quarter of 2014.
- EPS decreased 7% on a linked quarter basis, and decreased 10% from the fourth quarter of 2014.

FINANCIAL SUMMARY

(dollars and shares in thousands)

| | 2015 | 2014 | % Change |
|---|-------------|-------------|-----------------|
| ANNUAL OPERATING RESULTS | | | |
| Net income | \$ 144,854 | \$ 136,352 | 6 % |
| Net income available to common stockholders | \$ 135,104 | \$ 126,602 | 7 % |
| Diluted EPS | \$ 2.91 | \$ 2.88 | 1 % |
| Diluted shares | 46,438 | 44,003 | 6 % |
| ROA | 0.79% | 1.05% | |
| ROE | 9.65% | 11.31% | |
| QUARTERLY OPERATING RESULTS | | | |
| Net income | \$ 34,753 | \$ 37,834 | (8)% |
| Net income available to common stockholders | \$ 32,316 | \$ 35,397 | (9)% |
| Diluted EPS | \$ 0.70 | \$ 0.78 | (10)% |
| Diluted shares | 46,480 | 45,093 | 3 % |
| ROA | 0.72% | 1.03% | |
| ROE | 8.82% | 11.41% | |
| BALANCE SHEET | | | |
| Loans held for sale | \$ 86,075 | \$ — | 100 % |
| LHI, mortgage finance | 4,966,276 | 4,102,125 | 21 % |
| LHI | 11,745,674 | 10,154,887 | 16 % |
| Total LHI | 16,711,950 | 14,257,012 | 17 % |
| Total assets | 18,909,139 | 15,905,713 | 19 % |
| Demand deposits | 6,386,911 | 5,011,619 | 27 % |
| Total deposits | 15,084,619 | 12,673,300 | 19 % |
| Stockholders' equity | 1,623,533 | 1,484,190 | 9 % |
| Tangible book value per share | \$ 31.69 | \$ 28.72 | 10 % |

DETAILED FINANCIALS

Texas Capital Bancshares, Inc. reported net income of \$144.9 million and net income available to common stockholders of \$135.1 million for the year ended December 31, 2015 compared to net income of \$136.4 million and net income available to common stockholders of \$126.6 million for the year ended December 31, 2014. For the fourth quarter of 2015, net income was \$34.8 million and net income available to common stockholders was \$32.3 million, compared to net income of \$37.8 million and net income available to common stockholders of \$35.4 million for the same period in 2014. On a fully diluted basis, earnings per common share were \$2.91 for the year ended December 31, 2015 compared to \$2.88 for the same period in 2014. Diluted earnings per common share were \$0.70 for the quarter ended December 31, 2015 compared to \$0.78 for the same period of 2014. The decrease reflects the dilutive effect of the fourth quarter 2014 offering of 2.5 million common shares for net proceeds of \$149.6 million and a \$3.1 million decrease in net income.

Return on average common equity ("ROE") was 9.65 percent and return on average assets ("ROA") was 0.79 percent for the year ended December 31, 2015, compared to 11.31 percent and 1.05 percent, respectively, for the year ended December 31, 2014. ROE was 8.82 percent and ROA was 0.72 percent for the fourth quarter of 2015, compared to 11.41 percent and 1.03 percent, respectively, for the fourth quarter of 2014. The ROE decrease resulted from the 9 percent year-over-year increase in average common equity, reflecting the impact of the common stock offering completed in the fourth quarter of 2014, as well as a decrease in net income driven largely by increased provisioning for loan losses. The decrease in ROA from the fourth quarter of 2014 to the fourth quarter of 2015 resulted from the increased provisioning as well as a combination of reduced yields on loans and a \$2.5 billion increase in the average balance of liquidity assets, which include Federal funds sold and deposits in other banks. The \$3.5 billion of liquidity assets included \$3.1 billion in deposits at the Federal Reserve Bank of Dallas, which had an average yield of 0.27 percent for the fourth quarter of 2015, compared to 0.25 percent for the same period of 2014.

Net interest income was \$142.2 million for the fourth quarter of 2015, compared to \$127.6 million for the fourth quarter of 2014 and \$142.0 million for the third quarter of 2015. The net interest margin for the fourth quarter of 2015 was 3.01 percent, a 55 basis point decrease from the fourth quarter of 2014 and an 11 basis point decrease from the third quarter of 2015. The year-over-year decrease in net interest margin is due primarily to a substantial increase in liquidity assets, as well as the growth in loans with lower average yields. The cost of total deposits and borrowed funds was 18 basis points for the fourth quarter of 2015, compared to 17 basis points for the fourth quarter of 2014 and third quarter of 2015.

Average LHI, excluding mortgage finance loans, for the year ended December 31, 2015 were \$11.7 billion, an increase of \$1.8 billion, or 20 percent, from 2014. Average LHI, excluding mortgage finance loans, for the fourth quarter of 2015 were \$11.7 billion, an increase of \$1.8 billion, or 18 percent, from the fourth quarter of 2014, and an increase of \$391.2 million, or 3 percent, from the third quarter of 2015. Average mortgage finance loans for the year ended December 31, 2015 were \$4.0 billion, an increase of \$1.0 billion, or 35 percent, from 2014. Average mortgage finance loans for the fourth quarter of 2015 were \$3.7 billion, an increase of \$197.3 million, or 6 percent, from the fourth quarter of 2014 and a decrease of \$312.7 million, or 8 percent, from the third quarter of 2015.

As previously announced, we successfully launched our MCA business late in the third quarter after completing the pilot phase. Due to the delayed launch, the ramp up of production has been slower than expected, but we did experience improved volumes in the fourth quarter of 2015. As expected, the acquired mortgage assets are providing increases in yields and we anticipate that the MCA business will provide more efficient use of regulatory capital over time as it grows. Continued competition among non-banks attempting to build servicing portfolios has driven fees to exceptionally low levels. While we expect the MCA business to have a favorable impact on net interest income, the economics are not as strong as originally projected. Average loans held for sale for the quarter ended December 31, 2015 were \$24.7 million. During 2015, we incurred pre-tax operating losses of \$7.4 million (\$0.10 per share) to develop and launch this business.

Average total deposits for the year ended December 31, 2015 were \$14.7 billion, an increase of \$3.9 billion, or 36 percent, from 2014. Average total deposits for the fourth quarter of 2015 increased \$3.3 billion from the fourth quarter of 2014 and increased \$811.2 million from the third quarter of 2015. Average demand deposits for the year ended December 31, 2015 were \$6.4 billion, an increase of \$2.3 billion, or 54 percent, from 2014. Average demand deposits for the fourth quarter of 2015 increased \$1.7 billion, or 34 percent, to \$6.8 billion from \$5.0 billion during the fourth quarter of 2014 and increased \$134.5 million, or 2 percent, from the third quarter of 2015.

We recorded a \$14.0 million provision for credit losses in the fourth quarter of 2015 compared to \$6.5 million in the fourth quarter of 2014 and \$13.8 million in the third quarter of 2015. The provision for the fourth quarter of 2015 was driven by the application of our methodology. The year-over-year increase was primarily related to the growth in traditional LHI, excluding mortgage finance loans, as well as a change in applied risk weights which are based in part on historical loss experience as well as changes in the composition of our pass-rated loan portfolio. The combined reserve at December 31, 2015 increased to 1.28 percent of LHI excluding mortgage finance loans due to increases in the provision in 2015, as compared to 1.06 percent at December 31, 2014 and 1.19 percent at September 30, 2015. In management's opinion, the reserve is appropriate and is derived from consistent application of the methodology for establishing reserves for Texas Capital Bank's loan portfolio.

We experienced an increase in non-performing asset totals in the fourth quarter of 2015 on a linked quarter basis, bringing the ratio of total non-performing assets to total LHI plus other real estate owned ("OREO") to 1.08 percent compared to 0.31 percent in the fourth quarter of 2014 and 0.69 percent in the third quarter of 2015. The increase is primarily related to energy loans. Net charge-offs for the

fourth quarter of 2015 were \$2.0 million compared to net charge-offs of \$1.1 million in the fourth quarter of 2014 and net charge-offs of \$2.3 million in the third quarter of 2015. None of the charge-offs were related to energy loans. For the fourth quarter of 2015, net charge-offs were 0.05 percent of total LHI, compared to 0.03 percent for the same period in 2014 and 0.06 percent for the third quarter of 2015.

Non-interest income increased \$94,000, or 1 percent, during the fourth quarter of 2015 compared to the same period of 2014. Brokered loan fees and swap fees increased \$288,000 and \$106,000, respectively, during the fourth quarter of 2015 compared to the same period of 2014. The increase in brokered loan fees was a result of an increase in mortgage finance volumes. Swap fees fluctuate from quarter to quarter based on the number and volume of transactions closed during the quarter. Offsetting these increases was a \$445,000 decrease in other non-interest income during the fourth quarter of 2015 compared to the same period of 2014.

Non-interest expense for the fourth quarter of 2015 increased \$12.9 million, or 17 percent, compared to the fourth quarter of 2014. The increase is primarily related to a \$6.1 million increase in salaries and employee benefits expense, a \$3.2 million increase in legal and professional expense and a \$1.7 million increase in other non-interest expense, all of which were due to general business growth. FDIC insurance assessment expense for the fourth quarter of 2015 increased \$1.9 million compared to the same quarter in 2014 as a result of the increase in total assets from December 31, 2014 to December 31, 2015.

Stockholders' equity increased by 9 percent from \$1.5 billion at December 31, 2014 to \$1.6 billion at December 31, 2015, primarily due to retention of net income. Texas Capital Bank is well capitalized under regulatory guidelines and at December 31, 2015, our ratio of tangible common equity to total tangible assets was 7.7 percent.

ABOUT TEXAS CAPITAL BANCSHARES, INC.

Texas Capital Bancshares, Inc. (NASDAQ®: TCBI), a member of the Russell 2000® Index and the S&P SmallCap 600®, is the parent company of Texas Capital Bank, a commercial bank that delivers highly personalized financial services to businesses and entrepreneurs. Headquartered in Dallas, the bank has full-service locations in Austin, Dallas, Fort Worth, Houston and San Antonio.

This news release may be deemed to include forward-looking statements which are based on management's current estimates or expectations of future events or future results. These statements are not historical in nature and can generally be identified by such words as "believe," "expect," "estimate," "anticipate," "plan," "may," "will," "intend" and similar expressions. A number of factors, many of which are beyond our control, could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, deterioration of the credit quality of our loan portfolio, the effects of continued low oil and gas prices on our customers, increased defaults and loan losses, the risk of adverse impacts from general economic conditions, volatility in the mortgage industry, 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, as well as a discussion of the risks and uncertainties that may affect business, can be found in our Annual Report on Form 10-K and in other filings we make with the Securities and Exchange Commission. The information contained in this release speaks only as of its date. We are under no obligation, and expressly disclaim such obligation, to update, alter or revise our forward-looking statements, whether as a result of new information, future events or otherwise.

TEXAS CAPITAL BANCSHARES, INC.
SELECTED FINANCIAL HIGHLIGHTS (UNAUDITED)

(Dollars in thousands except per share data)

| | 4th Quarter 2015 | 3rd Quarter 2015 | 2nd Quarter 2015 | 1st Quarter 2015 | 4th Quarter 2014 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| CONSOLIDATED STATEMENTS OF INCOME | | | | | |
| Interest income | \$ 154,820 | \$ 153,856 | \$ 153,374 | \$ 140,908 | \$ 137,833 |
| Interest expense | 12,632 | 11,808 | 11,089 | 10,899 | 10,251 |
| Net interest income | 142,188 | 142,048 | 142,285 | 130,009 | 127,582 |
| Provision for credit losses | 14,000 | 13,750 | 14,500 | 11,000 | 6,500 |
| Net interest income after provision for credit losses | 128,188 | 128,298 | 127,785 | 119,009 | 121,082 |
| Non-interest income | 11,320 | 11,380 | 12,771 | 12,267 | 11,226 |
| Non-interest expense | 87,042 | 81,688 | 81,276 | 76,517 | 74,117 |
| Income before income taxes | 52,466 | 57,990 | 59,280 | 54,759 | 58,191 |
| Income tax expense | 17,713 | 20,876 | 21,343 | 19,709 | 20,357 |
| Net income | 34,753 | 37,114 | 37,937 | 35,050 | 37,834 |
| Preferred stock dividends | 2,437 | 2,438 | 2,437 | 2,438 | 2,437 |
| Net income available to common stockholders | \$ 32,316 | \$ 34,676 | \$ 35,500 | \$ 32,612 | \$ 35,397 |
| Diluted EPS | \$.70 | \$.75 | \$.76 | \$.70 | \$.78 |
| Diluted shares | 46,479,845 | 46,471,390 | 46,443,413 | 46,367,870 | 45,092,511 |
| CONSOLIDATED BALANCE SHEET DATA | | | | | |
| Total assets | \$ 18,909,139 | \$ 18,672,117 | \$ 17,823,528 | \$ 17,331,849 | \$ 15,905,713 |
| LHI | 11,745,674 | 11,562,828 | 11,123,325 | 10,760,978 | 10,154,887 |
| LHI, mortgage finance | 4,966,276 | 4,312,790 | 4,906,415 | 5,408,750 | 4,102,125 |
| Loans held for sale, at fair value | 86,075 | 1,062 | — | — | — |
| Liquidity assets | 1,681,374 | 2,345,192 | 1,337,364 | 734,945 | 1,233,990 |
| Securities | 29,992 | 31,998 | 35,361 | 37,649 | 41,719 |
| Demand deposits | 6,386,911 | 6,545,273 | 6,479,073 | 6,050,817 | 5,011,619 |
| Total deposits | 15,084,619 | 15,165,345 | 14,188,276 | 14,122,306 | 12,673,300 |
| Other borrowings | 1,643,051 | 1,353,834 | 1,509,007 | 1,125,458 | 1,192,681 |
| Subordinated notes | 286,000 | 286,000 | 286,000 | 286,000 | 286,000 |
| Long-term debt | 113,406 | 113,406 | 113,406 | 113,406 | 113,406 |
| Stockholders' equity | 1,623,533 | 1,590,051 | 1,554,529 | 1,517,958 | 1,484,190 |
| End of period shares outstanding | 45,873,807 | 45,839,364 | 45,812,971 | 45,772,245 | 45,735,007 |
| Book value | \$ 32.12 | \$ 31.42 | \$ 30.66 | \$ 29.89 | \$ 29.17 |
| Tangible book value ⁽¹⁾ | \$ 31.69 | \$ 30.98 | \$ 30.22 | \$ 29.44 | \$ 28.72 |
| SELECTED FINANCIAL RATIOS | | | | | |
| Net interest margin | 3.01% | 3.12% | 3.22% | 3.22% | 3.56% |
| Return on average assets | 0.72% | 0.79% | 0.83% | 0.84% | 1.03% |
| Return on average common equity | 8.82% | 9.69% | 10.32% | 9.82% | 11.41% |
| Non-interest income to earning assets | 0.24% | 0.25% | 0.29% | 0.30% | 0.31% |
| Efficiency ratio ⁽²⁾ | 56.7% | 53.2% | 52.4% | 53.8% | 53.4% |
| Non-interest expense to earning assets | 1.84% | 1.80% | 1.84% | 1.89% | 2.07% |
| Tangible common equity to total tangible assets ⁽³⁾ | 7.7% | 7.6% | 7.8% | 7.8% | 8.3% |
| Common Equity Tier 1 | 7.5% | 7.7% | 7.4% | 7.2% | 7.9% |
| Tier 1 capital | 8.8% | 9.1% | 8.8% | 8.6% | 9.5% |
| Total capital | 11.1% | 11.4% | 11.0% | 10.7% | 11.8% |
| Leverage | 8.9% | 9.1% | 9.0% | 9.5% | 10.8% |

(1) Stockholders' equity excluding preferred stock, less goodwill and intangibles, divided by shares outstanding at period end.

(2) Non-interest expense divided by the sum of net interest income and non-interest income.

(3) Stockholders' equity excluding preferred stock and accumulated other comprehensive income less goodwill and intangibles divided by total assets less accumulated other comprehensive income and goodwill and intangibles.

TEXAS CAPITAL BANCSHARES, INC.
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Dollars in thousands)

| | December 31, 2015 | December 31, 2014 | % Change |
|---|----------------------|----------------------|-------------|
| Assets | | | |
| Cash and due from banks | \$ 109,496 | \$ 96,524 | 13 % |
| Interest-bearing deposits | 1,626,374 | 1,233,990 | 32 % |
| Federal funds sold and securities purchased under resale agreements | 55,000 | — | 100 % |
| Securities, available-for-sale | 29,992 | 41,719 | (28)% |
| Loans held for sale, at fair value | 86,075 | — | 100 % |
| LHI, mortgage finance | 4,966,276 | 4,102,125 | 21 % |
| LHI (net of unearned income) | 11,745,674 | 10,154,887 | 16 % |
| Less: Allowance for loan losses | 141,111 | 100,954 | 40 % |
| LHI, net | 16,570,839 | 14,156,058 | 17 % |
| Mortgage servicing rights, net | 423 | — | 100 % |
| Premises and equipment, net | 23,561 | 23,135 | 2 % |
| Accrued interest receivable and other assets | 387,419 | 333,699 | 16 % |
| Goodwill and intangibles, net | 19,960 | 20,588 | (3)% |
| Total assets | <u>\$ 18,909,139</u> | <u>\$ 15,905,713</u> | <u>19 %</u> |
| Liabilities and Stockholders' Equity | | | |
| Liabilities: | | | |
| Deposits: | | | |
| Non-interest bearing | \$ 6,386,911 | \$ 5,011,619 | 27 % |
| Interest bearing | 8,697,708 | 7,348,972 | 18 % |
| Interest bearing in foreign branches | — | 312,709 | (100)% |
| Total deposits | 15,084,619 | 12,673,300 | 19 % |
| Accrued interest payable | 5,097 | 4,747 | 7 % |
| Other liabilities | 153,433 | 151,389 | 1 % |
| Federal funds purchased and repurchase agreements | 143,051 | 92,676 | 54 % |
| Other borrowings | 1,500,000 | 1,100,005 | 36 % |
| Subordinated notes | 286,000 | 286,000 | — |
| Trust preferred subordinated debentures | 113,406 | 113,406 | — |
| Total liabilities | 17,285,606 | 14,421,523 | 20 % |
| Stockholders' equity: | | | |
| Preferred stock, \$.01 par value, \$1,000 liquidation value: | | | |
| Authorized shares - 10,000,000 | | | |
| Issued shares - 6,000,000 shares issued at December 31, 2015 and 2014 | 150,000 | 150,000 | — |
| Common stock, \$.01 par value: | | | |
| Authorized shares - 100,000,000 | | | |
| Issued shares - 45,874,224 and 45,735,424 at December 31, 2015 and 2014, respectively | 459 | 457 | — % |
| Additional paid-in capital | 714,546 | 709,738 | 1 % |
| Retained earnings | 757,818 | 622,714 | 22 % |
| Treasury stock (shares at cost: 417 at December 31, 2015 and 2014) | (8) | (8) | — |
| Accumulated other comprehensive income, net of taxes | 718 | 1,289 | (44)% |
| Total stockholders' equity | 1,623,533 | 1,484,190 | 9 % |
| Total liabilities and stockholders' equity | <u>\$ 18,909,139</u> | <u>\$ 15,905,713</u> | <u>19 %</u> |

TEXAS CAPITAL BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(Dollars in thousands except per share data)

| | Three Months Ended | | Year Ended | |
|--|--------------------|------------|-------------|------------|
| | December 31 | | December 31 | |
| | 2015 | 2014 | 2015 | 2014 |
| Interest income | | | | |
| Interest and fees on loans | \$ 152,200 | \$ 136,882 | \$ 594,729 | \$ 511,606 |
| Securities | 275 | 389 | 1,254 | 1,828 |
| Federal funds sold | 255 | 91 | 682 | 207 |
| Deposits in other banks | 2,090 | 471 | 6,293 | 906 |
| Total interest income | 154,820 | 137,833 | 602,958 | 514,547 |
| Interest expense | | | | |
| Deposits | 7,068 | 5,263 | 24,578 | 18,145 |
| Federal funds purchased | 67 | 81 | 284 | 373 |
| Repurchase agreements | 5 | 4 | 19 | 17 |
| Other borrowings | 642 | 35 | 2,232 | 356 |
| Subordinated notes | 4,191 | 4,241 | 16,764 | 16,202 |
| Trust preferred subordinated debentures | 659 | 627 | 2,551 | 2,489 |
| Total interest expense | 12,632 | 10,251 | 46,428 | 37,582 |
| Net interest income | 142,188 | 127,582 | 556,530 | 476,965 |
| Provision for credit losses | 14,000 | 6,500 | 53,250 | 22,000 |
| Net interest income after provision for credit losses | 128,188 | 121,082 | 503,280 | 454,965 |
| Non-interest income | | | | |
| Service charges on deposit accounts | 1,984 | 1,976 | 8,323 | 7,253 |
| Trust fee income | 1,313 | 1,223 | 5,022 | 4,937 |
| Bank owned life insurance (BOLI) income | 567 | 520 | 2,011 | 2,067 |
| Brokered loan fees | 4,267 | 3,979 | 18,661 | 13,981 |
| Swap fees | 1,000 | 894 | 4,275 | 2,992 |
| Other | 2,189 | 2,634 | 9,446 | 11,281 |
| Total non-interest income | 11,320 | 11,226 | 47,738 | 42,511 |
| Non-interest expense | | | | |
| Salaries and employee benefits | 49,999 | 43,910 | 192,610 | 169,051 |
| Net occupancy expense | 5,809 | 5,746 | 23,182 | 20,866 |
| Marketing | 4,349 | 4,411 | 16,491 | 15,989 |
| Legal and professional | 6,974 | 3,725 | 22,150 | 21,182 |
| Communications and technology | 5,520 | 5,454 | 21,425 | 18,667 |
| FDIC insurance assessment | 4,741 | 2,875 | 17,231 | 10,919 |
| Allowance and other carrying costs for OREO | 6 | 24 | 22 | 85 |
| Other | 9,644 | 7,972 | 33,412 | 28,355 |
| Total non-interest expense | 87,042 | 74,117 | 326,523 | 285,114 |
| Income before income taxes | 52,466 | 58,191 | 224,495 | 212,362 |
| Income tax expense | 17,713 | 20,357 | 79,641 | 76,010 |
| Net income | 34,753 | 37,834 | 144,854 | 136,352 |
| Preferred stock dividends | 2,437 | 2,437 | 9,750 | 9,750 |
| Net income available to common stockholders | \$ 32,316 | \$ 35,397 | \$ 135,104 | \$ 126,602 |
| Basic earnings per common share | \$ 0.70 | \$ 0.80 | \$ 2.95 | \$ 2.93 |
| Diluted earnings per common share | \$ 0.70 | \$ 0.78 | \$ 2.91 | \$ 2.88 |

TEXAS CAPITAL BANCSHARES, INC.
SUMMARY OF LOAN LOSS EXPERIENCE

(Dollars in thousands)

| | 4th Quarter 2015 | 3rd Quarter 2015 | 2nd Quarter 2015 | 1st Quarter 2015 | 4th Quarter 2014 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Reserve for loan losses: | | | | | |
| Beginning balance | \$ 130,540 | \$ 118,770 | \$ 108,078 | \$ 100,954 | \$ 96,322 |
| Loans charged-off: | | | | | |
| Commercial | 4,976 | 2,758 | 5,418 | 3,102 | 1,285 |
| Real estate | 43 | — | — | 346 | — |
| Consumer | — | — | — | 62 | 165 |
| Leases | — | 25 | — | — | — |
| Total charge-offs | 5,019 | 2,783 | 5,418 | 3,510 | 1,450 |
| Recoveries: | | | | | |
| Commercial | 2,846 | 388 | 1,424 | 286 | 190 |
| Real estate | 5 | 8 | 12 | 8 | 34 |
| Construction | 3 | 42 | 272 | 83 | — |
| Consumer | 154 | 9 | 6 | 4 | 96 |
| Leases | 11 | 4 | 15 | 8 | 2 |
| Total recoveries | 3,019 | 451 | 1,729 | 389 | 322 |
| Net charge-offs | 2,000 | 2,332 | 3,689 | 3,121 | 1,128 |
| Provision for loan losses | 12,571 | 14,102 | 14,381 | 10,245 | 5,760 |
| Ending balance | \$ 141,111 | \$ 130,540 | \$ 118,770 | \$ 108,078 | \$ 100,954 |
| Reserve for off-balance sheet credit losses: | | | | | |
| Beginning balance | \$ 7,582 | \$ 7,934 | \$ 7,815 | \$ 7,060 | \$ 6,320 |
| Provision for off-balance sheet credit losses | 1,429 | (352) | 119 | 755 | 740 |
| Ending balance | \$ 9,011 | \$ 7,582 | \$ 7,934 | \$ 7,815 | \$ 7,060 |
| Total allowance for credit losses | \$ 150,122 | \$ 138,122 | \$ 126,704 | \$ 115,893 | \$ 108,014 |
| Total provision for credit losses | \$ 14,000 | \$ 13,750 | \$ 14,500 | \$ 11,000 | \$ 6,500 |
| Allowance to LHI | 0.84% | 0.82% | 0.74% | 0.67% | 0.71% |
| Allowance to LHI excluding mortgage finance loans ⁽²⁾ | 1.20% | 1.13% | 1.07% | 1.00% | 0.99% |
| Allowance to average LHI | 0.92% | 0.85% | 0.77% | 0.76% | 0.75% |
| Allowance to average LHI excluding mortgage finance loans ⁽²⁾ | 1.21% | 1.15% | 1.09% | 1.03% | 1.02% |
| Net charge-offs to average LHI ⁽¹⁾ | 0.05% | 0.06% | 0.10% | 0.09% | 0.03% |
| Net charge-offs to average LHI excluding mortgage finance loans ⁽¹⁾⁽²⁾ | 0.07% | 0.08% | 0.14% | 0.12% | 0.05% |
| Net charge-offs to average LHI for last twelve months ⁽¹⁾ | 0.07% | 0.07% | 0.06% | 0.06% | 0.05% |
| Net charge-offs to average LHI, excluding mortgage finance loans, for last twelve months ⁽¹⁾⁽²⁾ | 0.10% | 0.10% | 0.08% | 0.08% | 0.07% |
| Total provision for credit losses to average LHI ⁽¹⁾ | 0.36% | 0.36% | 0.37% | 0.31% | 0.19% |
| Total provision for credit losses to average LHI excluding mortgage finance loans ⁽¹⁾⁽²⁾ | 0.47% | 0.48% | 0.53% | 0.42% | 0.26% |
| Combined allowance for credit losses to LHI | 0.90% | 0.87% | 0.79% | 0.72% | 0.76% |
| Combined allowance for credit losses to LHI, excluding mortgage finance loans ⁽²⁾ | 1.28% | 1.19% | 1.14% | 1.08% | 1.06% |
| Non-performing assets (NPAs): | | | | | |
| Non-accrual loans | \$ 179,788 | \$ 109,674 | \$ 122,920 | \$ 68,307 | \$ 43,304 |
| Other real estate owned (OREO) | 278 | 187 | 609 | 605 | 568 |
| Total | \$ 180,066 | \$ 109,861 | \$ 123,529 | \$ 68,912 | \$ 43,872 |

| | 4th Quarter 2015 | 3rd Quarter 2015 | 2nd Quarter 2015 | 1st Quarter 2015 | 4th Quarter 2014 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Non-accrual loans to LHI | 1.08% | 0.69% | 0.77% | 0.42% | 0.30% |
| Non-accrual loans to LHI excluding mortgage finance loans ⁽²⁾ | 1.53% | 0.95% | 1.11% | 0.63% | 0.43% |
| Total NPAs to LHI plus OREO | 1.08% | 0.69% | 0.77% | 0.43% | 0.31% |
| Total NPAs to LHI excluding mortgage finance loans plus OREO ⁽²⁾ | 1.53% | 0.95% | 1.11% | 0.64% | 0.43% |
| Total NPAs to earning assets | 0.99% | 0.61% | 0.72% | 0.41% | 0.28% |
| Allowance for loan losses to non-accrual loans | 0.8x | 1.2x | 1.0x | 1.6x | 2.3x |
| Restructured loans | \$ 249 | \$ 249 | \$ 249 | \$ 319 | \$ 1,806 |
| Loans past due 90 days and still accruing ⁽³⁾ | \$ 7,013 | \$ 7,558 | \$ 5,482 | \$ 2,971 | \$ 5,274 |
| Loans past due 90 days to LHI | 0.04% | 0.05% | 0.03% | 0.02% | 0.04% |
| Loans past due 90 days to LHI excluding mortgage finance loans ⁽²⁾ | 0.06% | 0.07% | 0.05% | 0.03% | 0.05% |

(1) Interim period ratios are annualized.

(2) The indicated ratios are presented with and excluding the mortgage finance loans because the risk profile of our mortgage finance loans is different than our other loans held for investment. No provision for credit losses is allocated to these loans based on the internal risk grade assigned.

(3) At December 31, 2015, loans past due 90 days and still accruing includes premium finance loans of \$6.6 million. These loans are primarily secured by obligations of insurance carriers to refund premiums on cancelled insurance policies. The refund of premiums from the insurance carriers can take 180 days or longer from the cancellation date.

TEXAS CAPITAL BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Dollars in thousands)

| | 4th Quarter 2015 | 3rd Quarter 2015 | 2nd Quarter 2015 | 1st Quarter 2015 | 4th Quarter 2014 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Interest income | | | | | |
| Interest and fees on loans | \$ 152,200 | \$ 151,749 | \$ 151,606 | \$ 139,174 | \$ 136,882 |
| Securities | 275 | 298 | 323 | 358 | 389 |
| Federal funds sold | 255 | 193 | 118 | 116 | 91 |
| Deposits in other banks | 2,090 | 1,616 | 1,327 | 1,260 | 471 |
| Total interest income | 154,820 | 153,856 | 153,374 | 140,908 | 137,833 |
| Interest expense | | | | | |
| Deposits | 7,068 | 6,240 | 5,642 | 5,628 | 5,263 |
| Federal funds purchased | 67 | 56 | 93 | 68 | 81 |
| Repurchase agreements | 5 | 6 | 4 | 4 | 4 |
| Other borrowings | 642 | 672 | 528 | 390 | 35 |
| Subordinated notes | 4,191 | 4,191 | 4,191 | 4,191 | 4,241 |
| Trust preferred subordinated debentures | 659 | 643 | 631 | 618 | 627 |
| Total interest expense | 12,632 | 11,808 | 11,089 | 10,899 | 10,251 |
| Net interest income | 142,188 | 142,048 | 142,285 | 130,009 | 127,582 |
| Provision for credit losses | 14,000 | 13,750 | 14,500 | 11,000 | 6,500 |
| Net interest income after provision for credit losses | 128,188 | 128,298 | 127,785 | 119,009 | 121,082 |
| Non-interest income | | | | | |
| Service charges on deposit accounts | 1,984 | 2,096 | 2,149 | 2,094 | 1,976 |
| Trust fee income | 1,313 | 1,222 | 1,287 | 1,200 | 1,223 |
| Bank owned life insurance (BOLI) income | 567 | 484 | 476 | 484 | 520 |
| Brokered loan fees | 4,267 | 4,885 | 5,277 | 4,232 | 3,979 |
| Swap fees | 1,000 | 254 | 1,035 | 1,986 | 894 |
| Other | 2,189 | 2,439 | 2,547 | 2,271 | 2,634 |
| Total non-interest income | 11,320 | 11,380 | 12,771 | 12,267 | 11,226 |
| Non-interest expense | | | | | |
| Salaries and employee benefits | 49,999 | 48,583 | 48,200 | 45,828 | 43,910 |
| Net occupancy expense | 5,809 | 5,874 | 5,808 | 5,691 | 5,746 |
| Marketing | 4,349 | 3,999 | 3,925 | 4,218 | 4,411 |
| Legal and professional | 6,974 | 5,510 | 5,618 | 4,048 | 3,725 |
| Communications and technology | 5,520 | 5,180 | 5,647 | 5,078 | 5,454 |
| FDIC insurance assessment | 4,741 | 4,489 | 4,211 | 3,790 | 2,875 |
| Allowance and other carrying costs for OREO | 6 | 1 | 6 | 9 | 24 |
| Other | 9,644 | 8,052 | 7,861 | 7,855 | 7,972 |
| Total non-interest expense | 87,042 | 81,688 | 81,276 | 76,517 | 74,117 |
| Income before income taxes | 52,466 | 57,990 | 59,280 | 54,759 | 58,191 |
| Income tax expense | 17,713 | 20,876 | 21,343 | 19,709 | 20,357 |
| Net income | 34,753 | 37,114 | 37,937 | 35,050 | 37,834 |
| Preferred stock dividends | 2,437 | 2,438 | 2,437 | 2,438 | 2,437 |
| Net income available to common shareholders | \$ 32,316 | \$ 34,676 | \$ 35,500 | \$ 32,612 | \$ 35,397 |

TEXAS CAPITAL BANCSHARES, INC.
QUARTERLY FINANCIAL SUMMARY - UNAUDITED

Consolidated Daily Average Balances, Average Yields and Rates

(Dollars in thousands)

| | 4th Quarter 2015 | | | 3rd Quarter 2015 | | | 2nd Quarter 2015 | | | 1st Quarter 2015 | | | 4th Quarter 2014 | | |
|---|----------------------|--------------------------------|------------|----------------------|--------------------------------|------------|----------------------|--------------------------------|------------|----------------------|--------------------------------|------------|----------------------|--------------------------------|------------|
| | Average Balance | Revenue/Expense ⁽¹⁾ | Yield/Rate | Average Balance | Revenue/Expense ⁽¹⁾ | Yield/Rate | Average Balance | Revenue/Expense ⁽¹⁾ | Yield/Rate | Average Balance | Revenue/Expense ⁽¹⁾ | Yield/Rate | Average Balance | Revenue/Expense ⁽¹⁾ | Yield/Rate |
| Assets | | | | | | | | | | | | | | | |
| Securities - Taxable | \$ 29,973 | \$ 267 | 3.53% | \$ 32,358 | \$ 287 | 3.52% | \$ 35,081 | \$ 311 | 3.56% | \$ 37,145 | \$ 332 | 3.62% | \$ 39,258 | \$ 355 | 3.59% |
| Securities - Non-taxable ⁽²⁾ | 829 | 12 | 5.74% | 1,162 | 17 | 5.80% | 1,427 | 18 | 5.06% | 2,785 | 40 | 5.82% | 3,257 | 52 | 6.33% |
| Federal funds sold and securities purchased under resale agreements | 375,181 | 255 | 0.27% | 308,822 | 193 | 0.25% | 200,690 | 118 | 0.24% | 191,297 | 116 | 0.25% | 139,761 | 91 | 0.26% |
| Deposits in other banks | 3,081,882 | 2,090 | 0.27% | 2,537,033 | 1,616 | 0.25% | 2,103,732 | 1,327 | 0.25% | 2,019,567 | 1,260 | 0.25% | 742,240 | 471 | 0.25% |
| Loans held for sale, at fair value | 24,658 | 237 | 3.81% | 570 | 6 | 4.18% | — | — | — | — | — | — | — | — | — |
| LHI, mortgage finance loans | 3,669,022 | 27,846 | 3.01% | 3,981,731 | 30,427 | 3.03% | 4,573,478 | 33,773 | 2.96% | 3,746,938 | 27,631 | 2.99% | 3,471,737 | 26,773 | 3.06% |
| LHI | 11,693,464 | 124,117 | 4.21% | 11,302,248 | 121,316 | 4.26% | 10,941,029 | 117,833 | 4.32% | 10,502,172 | 111,543 | 4.31% | 9,921,611 | 110,109 | 4.40% |
| Less reserve for loan losses | 130,822 | — | — | 118,543 | — | — | 109,086 | — | — | 101,042 | — | — | 96,139 | — | — |
| LHI, net of reserve | 15,231,664 | 151,963 | 3.96% | 15,165,436 | 151,743 | 3.97% | 15,405,421 | 151,606 | 3.95% | 14,148,068 | 139,174 | 3.99% | 13,297,209 | 136,882 | 4.08% |
| Total earning assets | 18,744,187 | 154,824 | 3.28% | 18,045,381 | 153,862 | 3.38% | 17,746,351 | 153,380 | 3.47% | 16,398,862 | 140,922 | 3.49% | 14,221,725 | 137,851 | 3.85% |
| Cash and other assets | 505,090 | | | 486,846 | | | 493,034 | | | 459,030 | | | 409,635 | | |
| Total assets | <u>\$ 19,249,277</u> | | | <u>\$ 18,532,227</u> | | | <u>\$ 18,239,385</u> | | | <u>\$ 16,857,892</u> | | | <u>\$ 14,631,360</u> | | |
| Liabilities and Stockholders' Equity | | | | | | | | | | | | | | | |
| Transaction deposits | \$ 2,150,740 | \$ 950 | 0.18% | \$ 1,754,940 | \$ 763 | 0.17% | \$ 1,404,521 | \$ 458 | 0.13% | \$ 1,401,626 | \$ 444 | 0.13% | \$ 1,150,530 | \$ 401 | 0.14% |
| Savings deposits | 6,316,191 | 5,370 | 0.34% | 5,858,381 | 4,616 | 0.31% | 5,610,277 | 4,332 | 0.31% | 5,891,344 | 4,420 | 0.30% | 5,479,395 | 4,121 | 0.30% |
| Time deposits | 539,421 | 748 | 0.55% | 536,531 | 723 | 0.53% | 516,582 | 657 | 0.51% | 447,681 | 506 | 0.46% | 406,040 | 413 | 0.40% |
| Deposits in foreign branches | — | — | —% | 179,731 | 138 | 0.30% | 246,035 | 195 | 0.32% | 304,225 | 258 | 0.34% | 369,471 | 328 | 0.35% |
| Total interest bearing deposits | 9,006,352 | 7,068 | 0.31% | 8,329,583 | 6,240 | 0.30% | 7,777,415 | 5,642 | 0.29% | 8,044,876 | 5,628 | 0.28% | 7,405,436 | 5,263 | 0.28% |
| Other borrowings | 1,327,087 | 714 | 0.21% | 1,459,864 | 734 | 0.20% | 1,565,874 | 625 | 0.16% | 1,172,675 | 462 | 0.16% | 251,737 | 120 | 0.19% |
| Subordinated notes | 286,000 | 4,191 | 5.81% | 286,000 | 4,191 | 5.81% | 286,000 | 4,191 | 5.88% | 286,000 | 4,191 | 5.94% | 286,000 | 4,241 | 5.88% |
| Trust preferred subordinated debentures | 113,406 | 659 | 2.31% | 113,406 | 643 | 2.25% | 113,406 | 631 | 2.23% | 113,406 | 618 | 2.21% | 113,406 | 627 | 2.19% |
| Total interest bearing liabilities | 10,732,845 | 12,632 | 0.47% | 10,188,853 | 11,808 | 0.46% | 9,742,695 | 11,089 | 0.46% | 9,616,957 | 10,899 | 0.46% | 8,056,579 | 10,251 | 0.50% |
| Demand deposits | 6,755,615 | | | 6,621,159 | | | 6,804,994 | | | 5,592,124 | | | 5,047,876 | | |
| Other liabilities | 157,425 | | | 152,154 | | | 161,614 | | | 152,639 | | | 146,259 | | |
| Stockholders' equity | 1,603,392 | | | 1,570,061 | | | 1,530,082 | | | 1,496,172 | | | 1,380,646 | | |
| Total liabilities and stockholders' equity | <u>\$ 19,249,277</u> | | | <u>\$ 18,532,227</u> | | | <u>\$ 18,239,385</u> | | | <u>\$ 16,857,892</u> | | | <u>\$ 14,631,360</u> | | |
| Net interest income ⁽²⁾ | | <u>\$ 142,192</u> | | | <u>\$ 142,054</u> | | | <u>\$ 142,291</u> | | | <u>\$ 130,023</u> | | | <u>\$ 127,600</u> | |
| Net interest margin | | | 3.01% | | | 3.12% | | | 3.22% | | | 3.22% | | | 3.56% |

(1) The loan averages include loans on which the accrual of interest has been discontinued and are stated net of unearned income.

(2) Taxable equivalent rates used where applicable.