TCBI Q2 2017
Earnings

July 19, 2017

Texas Capital Bancshares, Inc.®

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Opening Remarks & Financial Highlights

Strong Balanced Growth	• Record traditional LHI growth in Q2-2017 • Mortgage finance balances rebounded after Q1-2017 seasonal impact and higher rates • Improvement in deposits since Q1-2017 decline; current level indicates more efficient use of earning assets with lower level of excess liquidity
Core Earnings Power	• Significant growth in net revenue – 12% from Q1-2017 and 18% from Q2-2016 • Operating leverage improved with more progress expected in the 2nd half of 2017 • Benefit of increase in rates as expected with exceptional growth in traditional LHI • Before \$5.3 million technology charge, Efficiency Ratio of 52.8%, ROA of 1.03% and ROE of 10.79%
Credit Quality	• NCOs for Q2-2017 \$12.4 million, or 36 bps with half of total related to energy • Credit metrics improving and exceptional in non-energy with Q2-2017 provision of \$13 million, higher than Q1-2017 level as a result of strong growth in traditional LHI growth • Meaningful decline in NPA levels since Q1-2017

Operating Results	*Net Income*	*EPS*	*ROE*	*Total LHI*	*Total Deposits*
	\$51.1 million	**\$0.97**	**10.08%**	**\$19.5 billion**	**\$17.3 billion**

Energy and Retail Update

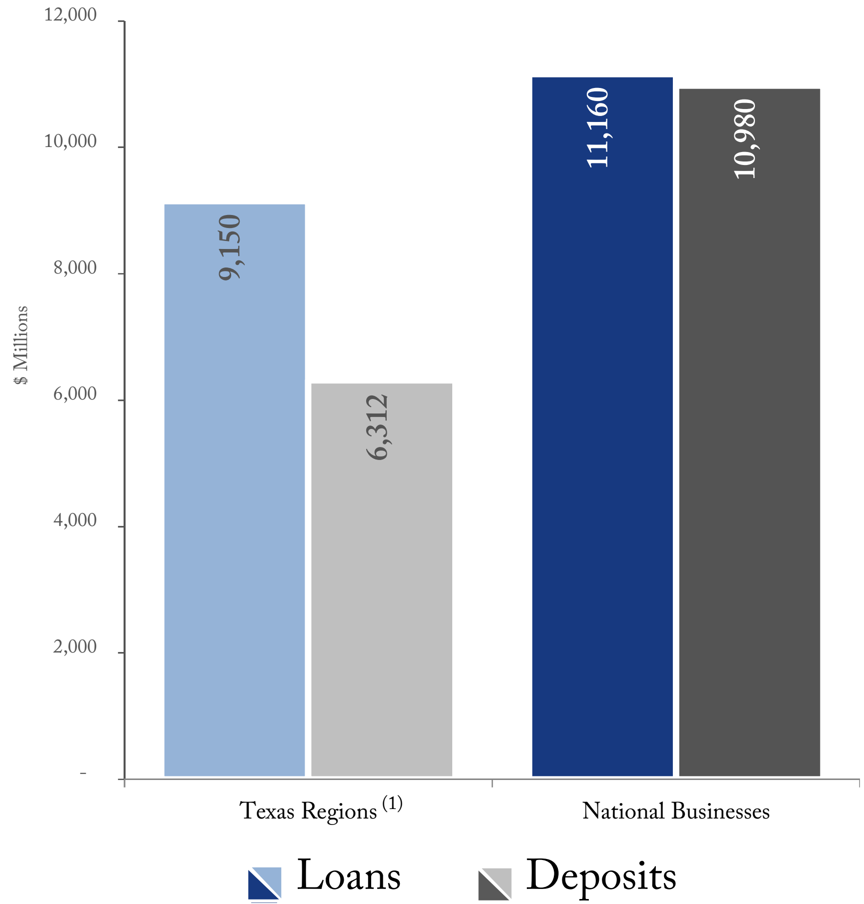
Energy Exposure

- Outstanding energy loans represented 5% of total loans, or $1.1 billion, at Q2-2017 compared to $968.5 million at Q1-2017
- Addition of new loans improves composition and quality of total portfolio as problem assets are resolved
- Strong reserve position relative to criticized assets and total energy portfolio
  - Allocated reserve of $55.4 million represents 5% of energy loans
  - $6.4 million of energy net charge-offs in Q2-2017 previously reserved
- Decrease in energy non-accruals
  - Non-accruals $82.6 million at Q2-2017 compared to $100.9 million at Q1-2017
  - Criticized energy loans decreased to 12% of energy loans at Q2-2017 from 16% at Q1-2017 and 22% at Q2-2016
  - Total criticized energy loans at Q2-2017 $128.3 million, down from a high of $259.7 million in Q3-2016

Retail CRE and commercial exposure

- No significant changes in direct exposure levels since year-end (down $50 million to $716 million, split between C&I and CRE)
- Retail C&I have never been a significant focus, with no exposure to large malls
- Focus is concentrated in strip centers and personal services in strong markets and sub-markets
- Loans are generally smaller transactions with modest advance rates (60s%) extended to wealthy investors exhibiting alternative sources of repayment
- Total criticized of $2.8 million, including $1.0 million in non-accrual loans

Update on Geographic Diversification



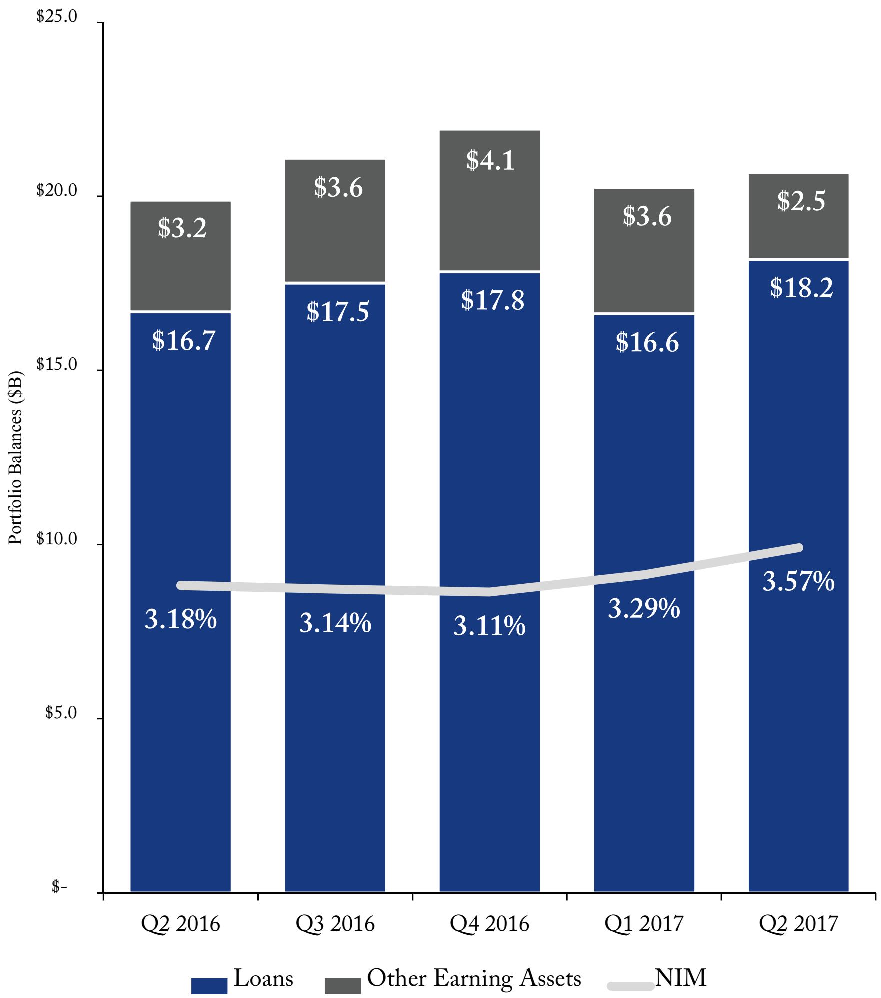
Major Texas Metro Areas	Unemployment Rate[2]
Austin-Round Rock	3.2%
DFW-Arlington	3.8%
Houston metro	5.1%
San Antonio	3.6%

- While cities directly involved in the oil/gas industry are more exposed to the energy downturn, Texas as a whole and TCBI markets are more resilient, due to improvement in its economic diversification, corporate relocations and strong population growth
- Many of our national lines of business have been operating for many years, increasing our geographic diversification as each gained additional market share
- National Business balances include Mortgage Finance, Builder Finance, Lender Finance, Public Finance, ABL, Franchise Finance, BDCF and national depository businesses
- Our national LOBs include Texas clients, but Texas clients represent less than 20% of their total business

Note: (1) Texas Regions loan balances include balances from the Energy business (2) Unemployment data through May 31, 2017

Net Interest Income & Margin

Earning Asset & Margin Trends



Quarterly Change

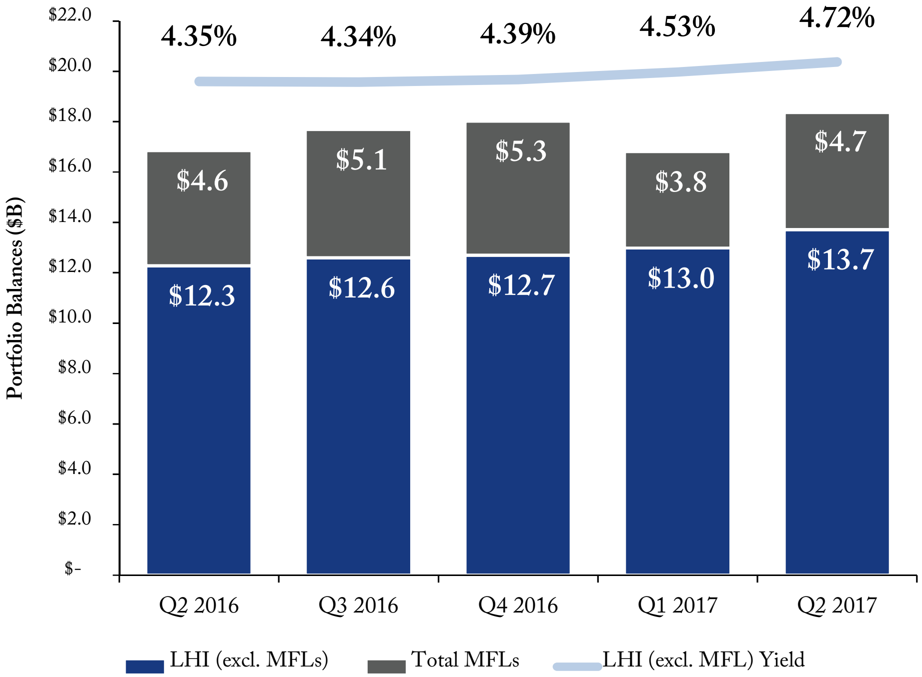
NII ($MM)		NIM (%)
$163.4	Q1 2017	3.29%
16.0	Increase in loan balances	-
7.6	Increase in loan yields (including impact of loan fees)	.15
1.8	Increase in day count	-
-	Increase in contribution from free funds	.05
(1.6)	Mix shift in earning assets	.16
(4.2)	Increase in funding costs	(.08)
$183.0	Q2 2017	3.57%

NIM Highlights

- Net interest income increase of 12% from Q1-2017 with record total loan growth
- Increase in traditional LHI yield of 19 bps, despite impact of significant growth
- Growth in MFLs decreased NIM with an increase in NII
- Slightly less than $1.0 billion in loans subject to floors, down over $400 million compared to Q1-2017
- Average Liquidity Assets 12% of average earning assets at Q2-2017 compared to 18% at Q1-2017 – benefit to NIM as balances deployed into higher yielding loans

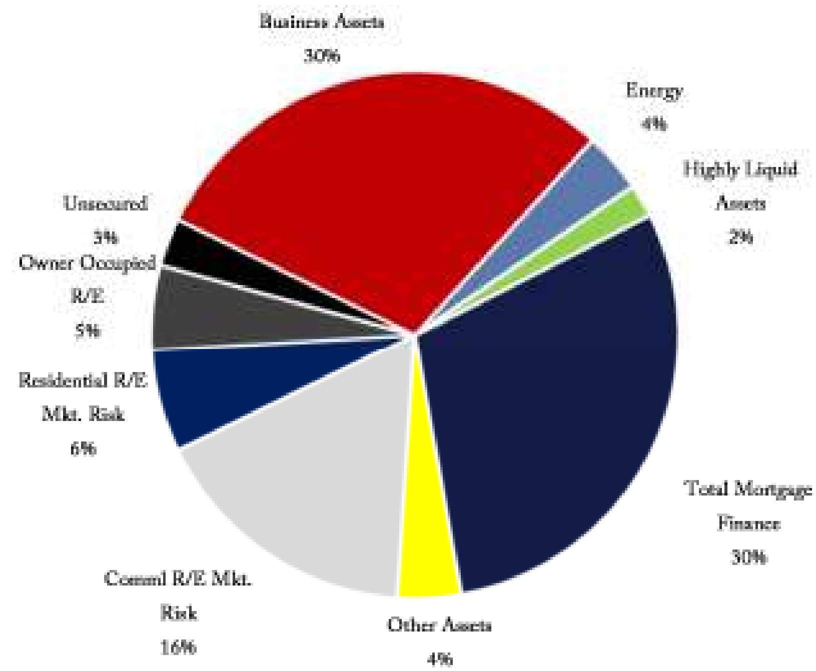
Loan Growth

Average Balance Trends ($B)



Total Loan Composition

($20.3Billion at 6/30/17)

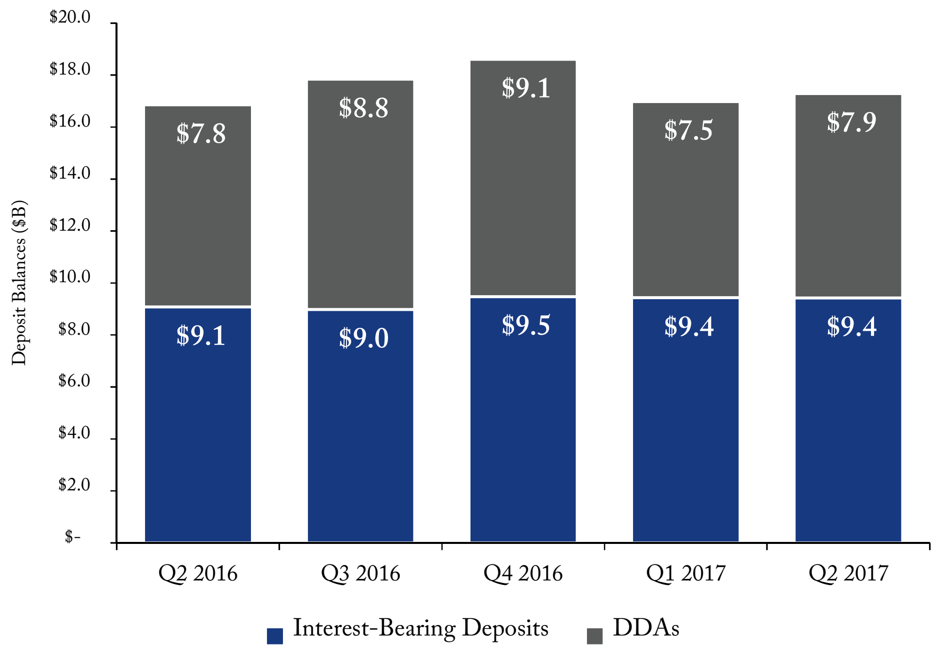


Growth Highlights

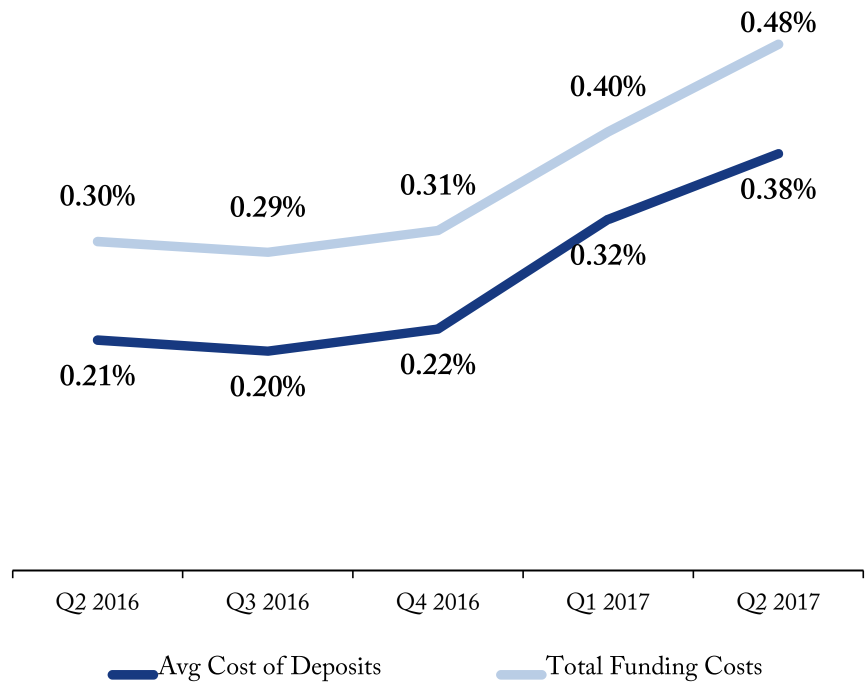
- Broad-based growth in average traditional LHI – Growth of $738.2 million (6%) from Q1-2017 and $1.4 billion (12%) from Q2-2016
- Strong growth at end of the quarter; period-end balance $561.6 million higher than Q2-2017 average balance
- Increase in average MFL balances of $829.6 million from Q1-2017, rebounding with seasonal strong quarter; benefit of change in participations program with higher retained balances
- Average total MFLs represent 25% of average total loans at Q2-2017 compared to 23% in Q1-2017 and 30% at period end

Deposit Growth

Average Balance Trends ($B)



Funding Costs



Growth Highlights

- Core funding costs – deposit costs increased 6 bps from .32% at Q1-2017 to .38% at Q2-2017 compared to 36 bps increase in average earning assets yield; borrowing costs increased in line with short-term rates and dedicated to funding of MFLs
- Deposit focus on cost-effective growth and better utilization of liquidity build
  - Increase in linked quarter deposits after Q1-2017 seasonal impact, with liquidity at high level with much improved earning asset composition
  - Lower liquidity favorable to NIM in Q2-2017, where reduction funded over 70% of total loan growth; expect fluctuations from quarter to quarter based on timing of deposit growth relative to total loan growth
  - Significant asset sensitivity with composition and duration of low-cost funding

Non-interest Expense

Quarterly Change

Non-interest expense ($MM)	Increase/ (Decrease)
Q1 2017	**$106.1**
Salaries and employee benefits – FAS 123R (includes stock price changes)	(.2)
Salaries and employee benefits – non-LTI incentives and annual incentive pool	1.5
Salaries and employee benefits – FICA and seasonal payroll related items	(2.5)
Salaries and employee benefits – continued build out	1.4
FDIC assessment	(1.4)
Communications and technology – technology write-off	5.3
Legal and professional – can vary from quarter to quarter	(.3)
All other – includes occupancy, technology, marketing, MSR amortization	1.9
Q2 2017	$111.8

NIE - Efficiency

- Only significant fluctuation from Q1-2017 was $5.3 million technology write-off
- Before technology write-off, flat from Q1-2017 and growth of 13% from Q2-2016
- Net Changes in Salaries & Benefits expense were insignificant in total
- Reduction in 123R expense – less than $1 million
    - Expected expense for 2017 approximately $19 million; no change in outlook from Q1-2017
    - Q2-2017 expense of $4.4 million compared to $4.6 million in Q1-2017
- Annual incentive accrual ramps in line with plan progress and Q2 generally higher than Q1
- Improvement in Efficiency Ratio to 55.4% driven by improvement in Net Revenue
    - Growth in traditional LHI and MF
    - Improvement in core expense growth and ratio compared to 12% growth in net revenue
    - Excluding the $5.3 million technology write-off, efficiency would have been 52.8% with much-improved operating leverage

Performance Summary - Quarterly

(in thousands)	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net interest income	$ 182,959	$ 163,359	$ 171,223	$ 166,739	$ 157,069
Non-interest income	18,769	17,110	18,835	16,716	13,932
Net revenue	201,728	180,469	190,058	183,455	171,001
Provision for credit losses	13,000	9,000	9,000	22,000	16,000
Non-interest expense	111,814	106,094	106,523	94,799	94,255
Income before income taxes	76,914	65,375	74,535	66,656	60,746
Income tax expense	25,819	22,833	26,149	23,931	21,866
Net income	51,095	42,542	48,386	42,725	38,880
Preferred stock dividends	2,437	2,438	2,437	2,438	2,437
Net income available to common shareholders	$ 48,658	$ 40,104	$ 45,949	$ 40,287	$ 36,443
Diluted EPS	$ .97	$ .80	$ .96	$ .87	$ .78
Net interest margin	3.57%	3.29%	3.11%	3.14%	3.18%
ROA	.96%	.83%	.85%	.78%	.77%
ROE	10.08%	8.60%	10.82%	10.20%	9.65%
Efficiency	55.4%	58.8%	56.0%	51.7%	55.1%

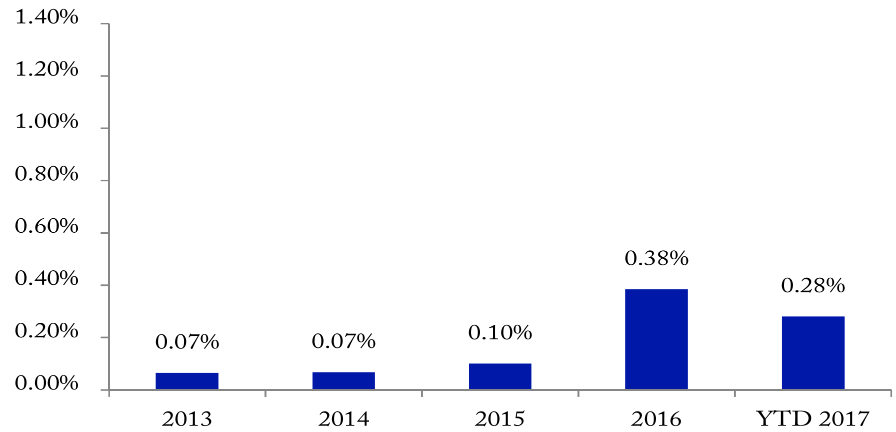
2017 Outlook

Business Driver	2017 Outlook v. 2016 Results	Comments & Changes since April 19, 2017
Average LHI	Low double-digit percent growth	Increased from high single to low double-digit percent growth
Average LHI – Mortgage Finance	$3.6 to $3.8 billion average for final 6 months of 2017	Increased from $3.2-3.5 billion average for final 9 months of 2017
Loans held for sale (MCA)	$900 million average (shorter hold times)	Decreased from $1.2 billion average outstandings due to shorter hold periods with no impact on earnings
Average Deposits	Mid-single digit growth	Decreased from low teens percent growth
Net Revenue	Mid-teens percent growth	Increased from low to mid-teens percent growth
Net Interest Margin	3.35% to 3.45%	Increased from 3.25% to 3.35%
Provision Expense	Low- to mid-$50 million level	Decreased from low-$50 to low-$60 million level
NIE	Low-teens percent growth	–
Efficiency Ratio	Low- to mid-50s	Decreased from mid-50s

Asset Quality

Non-accrual loans	Q2 2017
Commercial	$ 119,568
Construction	–
Real estate	4,162
Consumer	–
Equipment leases	–
Total non-accrual loans	123,730
Non-accrual loans as % of LHI excluding MF	.87%
Non-accrual loans as % of total LHI	.64%
OREO	18,689
Total Non-accruals + OREO	$ 142,419
Non-accrual loans + OREO as % of loans excluding MF + OREO	1.00%
Reserve to non-accrual total LHI	1.4x

NCO / Average Traditional LHI



	2013	2014	2015	2016	YTD 2017
Combined Reserves/ Trad'l LHI	1.09%	1.06%	1.28%	1.38%	1.28%

Asset Quality Highlights

- Total credit cost of $13.0 million for Q2-2017, compared to $9.0 million in Q1-2017 and $16.0 million in Q2-2016
- NCOs $12.4 million, or 36 bps, in Q2-2017 compared to $5.7 million, or 18 bps, in Q1-2017 and 39 bps in Q2-2016
- NPL ratio reduced to .64% of total LHI
- $6.4 million in charge-offs related to energy; energy NPAs at $82.6 million for Q2-2017 compared to $ 100.9 million in Q1-2017 and $127.0 million in Q2-2016

Closing Comments

- Exceptional earnings and improved profitability metrics
- Positive start for Q3-2017 loan growth, but not expected at pace experienced in Q2-2017
- Deposit growth improving and more balanced with loan growth; more effective utilization of liquidity and capital
- Strong asset sensitivity even with prospect of shift in composition with rising rates
- Credit metrics improving and especially good on non-energy portfolio; we remain comfortable with energy portfolio and reserve position
- Provision guidance based on pace of growth and no adverse change in economic outlook
- Focus on ROE
  - Increase in contribution from new/expanded businesses
  - Leveling in pace of NIE growth
  - Increase in operating leverage with reduction in Efficiency Ratio
  - Emphasis on growing LOBs with top quartile, risk-adjusted returns

Q&A

Appendix

Average Balances, Yields & Rates - Quarterly

(in thousands)	Q2 2017		Q1 2017		Q2 2016	
	Avg. Bal.	Yield Rate	Avg. Bal.	Yield Rate	Avg. Bal.	Yield Rate
Assets						
Securities	$ 65,049	1.77%	$ 32,129	2.86%	$ 27,661	3.61%
Liquidity assets	2,424,594	1.04%	3,589,166	.80%	3,184,127	.52%
Loans held for sale	845,623	3.91%	1,064,322	3.63%	157,898	3.44%
LHI, mortgage finance	3,805,831	3.52%	2,757,566	3.40%	4,412,091	3.10%
LHI	13,718,739	4.72%	12,980,544	4.53%	12,276,272	4.35%
Total LHI, net of reserve	17,353,613	4.50%	15,568,792	4.38%	16,524,047	4.06%
Total earning assets	20,688,879	4.06%	20,254,409	3.70%	19,893,733	3.49%
Total assets	$21,320,976		$20,861,171		$20,438,470	
Liabilities and Stockholders' Equity						
Total interest bearing deposits	$ 9,416,731	.70%	$ 9,425,919	.57%	$ 9,082,469	.40%
Other borrowings	1,456,737	1.00%	1,333,685	.69%	1,411,387	.42%
Total long-term debt	394,573	5.16%	394,482	5.16%	394,211	5.03%
Total interest bearing liabilities	11,268,041	.90%	11,154,086	.75%	10,888,067	.57%
Demand deposits	7,863,402		7,547,338		7,767,693	
Total deposits	17,280,133	.38%	16,973,257	.32%	16,850,162	.21%
Stockholders' equity	2,086,880		2,041,870		1,668,783	
Total liabilities and stockholders' equity	$21,320,976	.48%	$20,861,171	.40%	$20,438,470	.30%
Net interest margin		**3.57%**		**3.29%**		**3.18%**
Total deposits and borrowed funds	**$18,736,870**	**.43%**	**$18,306,942**	**.34%**	**$18,261,549**	**.23%**

Average Balance Sheet - Quarterly

(in thousands)	QTD Average			Q2/Q1 % Change	YOY % Change
	Q2 2017	Q1 2017	Q2 2016		
Total assets	$21,320,976	$20,861,171	$20,438,470	2%	4%
Loans held for sale	845,623	1,064,322	157,898	(21)%	436%
Loans held for investment	13,718,739	12,980,544	12,276,272	6%	12%
Loans held for investment, mortgage finance	3,805,831	2,757,566	4,412,091	38%	(14)%
Total loans held for investment	17,524,570	15,738,110	16,688,363	11%	5%
Total loans	18,370,193	16,802,432	16,846,261	9%	9%
Liquidity assets	2,424,594	3,589,166	3,184,127	(32)%	(24)%
Demand deposits	7,863,402	7,547,338	7,767,693	4%	1%
Total deposits	17,280,133	16,973,257	16,850,162	2%	3%
Stockholders' equity	2,086,880	2,041,870	1,668,783	2%	25%

Period End Balance Sheet

(in thousands)	Period End			Q2/Q1 % Change	YOY % Change
	Q2 2017	Q1 2017	Q2 2016		
Total assets	$23,119,713	$20,864,874	$21,080,994	11%	10%
Loans held for sale	846,017	884,647	221,347	(4)%	282%
Loans held for investment	14,280,353	13,298,918	12,502,513	7%	14%
Loans held for investment, mortgage finance	5,183,600	3,371,598	5,260,027	54%	(1)%
Total loans held for investment	19,463,953	16,670,516	17,762,540	17%	10%
Total loans	20,309,970	17,555,163	17,983,887	16%	13%
Liquidity assets	2,142,658	2,804,921	2,624,170	(24)%	(18)%
Demand deposits	8,174,830	7,094,696	7,984,208	15%	2%
Total deposits	17,292,223	16,605,380	16,703,565	4%	4%
Stockholders' equity	2,100,553	2,050,442	1,684,735	2%	25%