TCBI Q1 2018 Earnings

April 18, 2018

TEXAS CAPITAL BANCSHARES, INC.

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Opening Remarks & Financial Highlights

Balanced Growth

- Solid traditional LHI growth in Q1-2018
- Expected seasonal contraction in Mortgage Finance balances
- Seasonal impact on deposits, driving lower liquidity levels in Q1-2018

Core Earnings Power

- Benefit from improving yields on strong base of traditional LHI
- Net revenue consistent with Q4-2017 despite impact of seasonality and grew 28% from Q1-2017
- Operating leverage improvement evidenced in YOY comparison
- ROE of 13.39% for Q1-2018

Credit Quality

- NCOs for Q1-2018 $5.2 million, or 14 bps of LHI excluding MF loans, with $5.1 million related to energy
- Credit metrics remain good
- Q1-2018 total credit costs $14.0 million ($12.0 provision and $2.0 million OREO valuation allowance) compared to $8.1 million ($2.0 million provision and $6.1 million OREO permanent write-down) in Q4-2017

Operating Results

Net Income	*EPS*	*ROE*	*Total LHI*	*Total Deposits*
$71.9 million	**$1.38**	**13.39%**	**$20.4 billion**	**$18.8 billion**

Energy and Retail Update

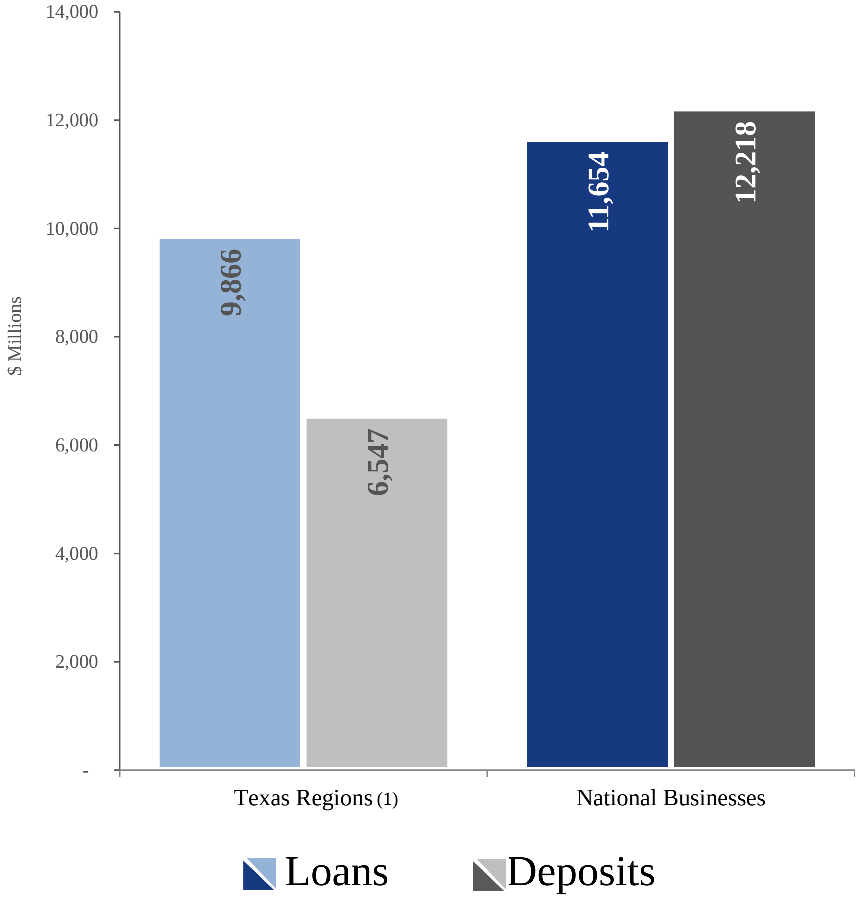
Energy Exposure

- Outstanding energy loans represented 7% of total loans, or $1.4 billion, at Q1-2018 compared to $1.3 billion at Q4-2017
- 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 $37.4 million represents 3% of energy loans and 58% of criticized energy loans
  - $5.1 million of energy net charge-offs in Q1-2018 previously reserved
- Decrease in energy non-accruals
  - Non-accruals $50.4 million at Q1-2018 compared to $65.2 million at Q4-2017 and $92.3 million at Q1-2017
  - Criticized energy loans decreased to 5% of energy loans at Q1-2018 from 7% at Q4-2017 and 16% at Q1-2017
  - Total criticized energy loans at Q1-2018 $64.1 million, down from a high of $259.7 million at Q3-2016

Retail CRE and Commercial Exposure

- No significant changes in direct exposure levels since prior year-end, up $48 million to $846 million, split between C&I and CRE
- Focus is concentrated in strip centers and personal services in strong markets and sub-markets
- Loans are generally smaller transactions with modest advance rates
- Criticized loans totaled $281,000 at March 31, 2018

Update on Geographic Diversification



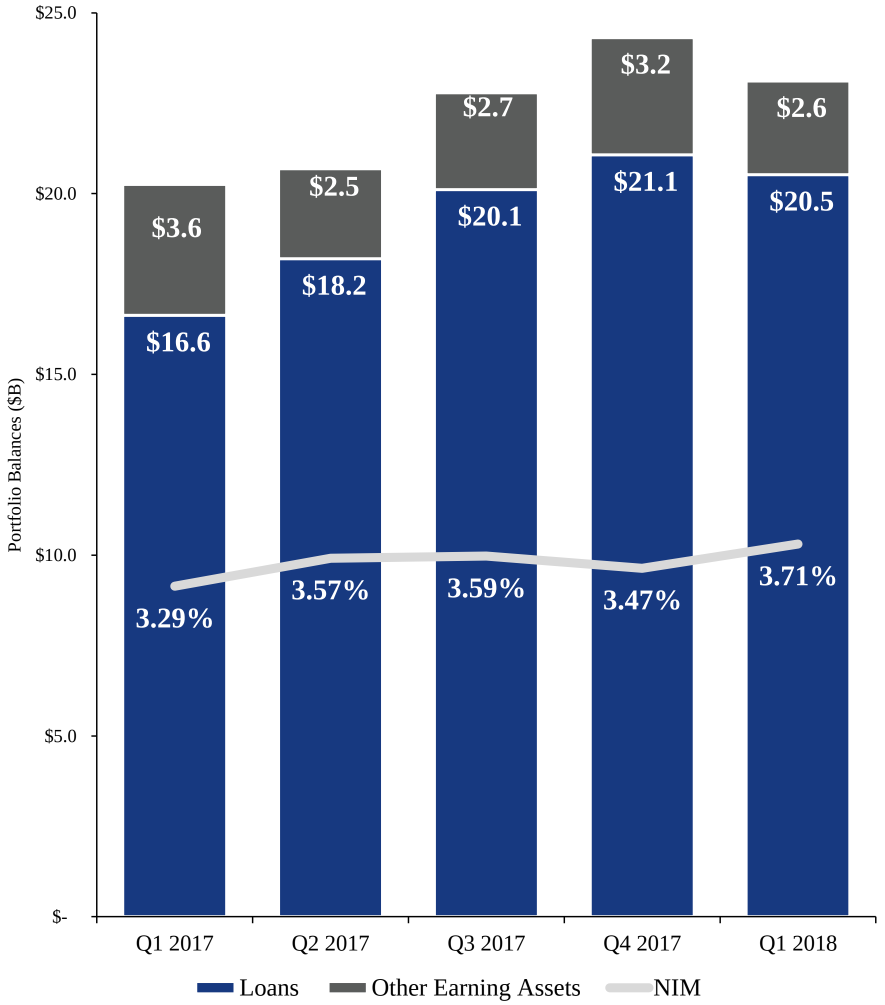
Major Texas Metro Areas	Unemployment Rate[(2)]
Austin-Round Rock	3.0%
DFW-Arlington	3.7%
Houston metro	4.7%
San Antonio	3.4%

- 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 February 28, 2018

Net Interest Income & Margin

Earning Asset & Margin Trends



Quarterly Change

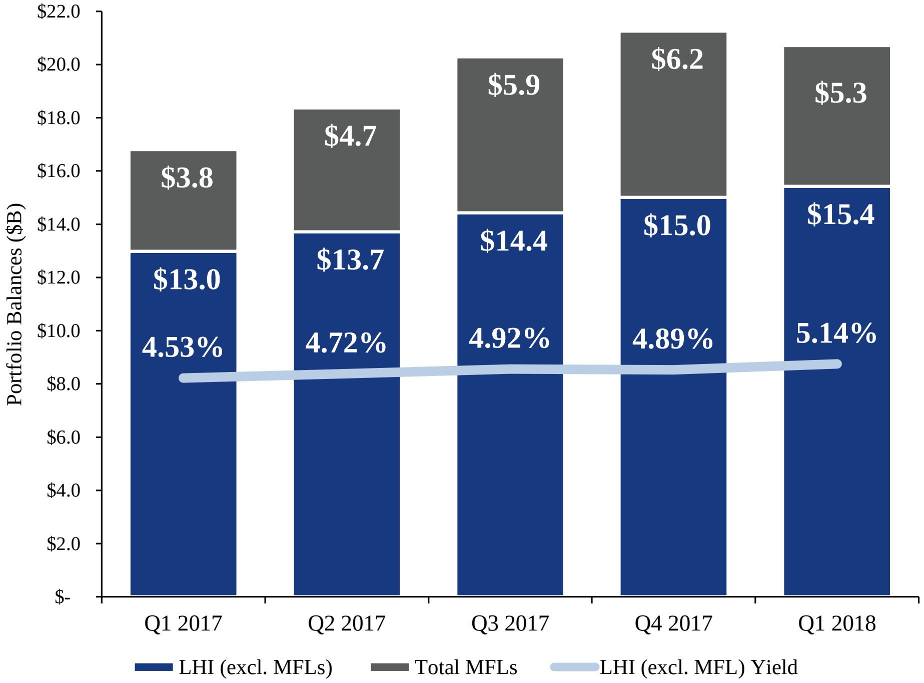
NII ($MM)		NIM (%)
$210.6	**Q4 2017**	**3.47%**
9.1	Increase in LHI yields	.16
3.8	Mix shift from MF to LHI	.07
2.4	Increase in MF loan yields	.04
-	Decrease in liquidity	.10
(6.3)	Increase in funding costs	(.11)
(4.7)	Impact of decrease in day count	-
(5.4)	Decrease in MF loan balances	-
.8	Other	(.02)
$210.3	**Q1 2018**	**3.71%**

NIM Highlights

- Net interest income consistent with Q4-2017 despite seasonal impact and increased 29% from Q1-2017
- Increase in traditional LHI yield of 25 bps
- Less than $170 million in loans subject to floors, down over $392 million compared to Q4-2017
- Average Liquidity Assets 11% of average earning assets at Q1-2018 compared to 13% at Q4-2017; positive impact on NIM in Q1-2018

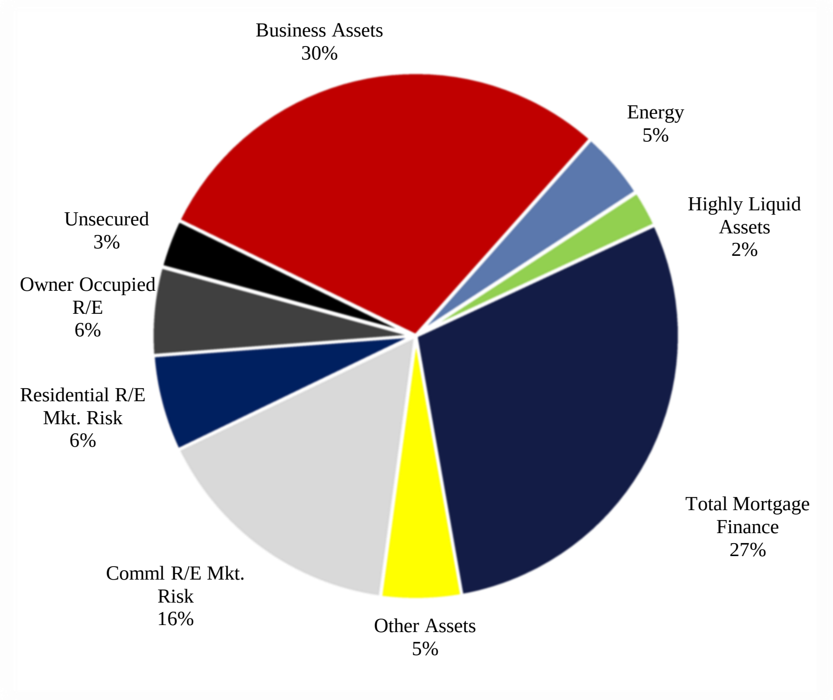
Loan Growth

Average Balance Trends ($B)



Total Loan Composition

($21.5Billion at 3/31/18)

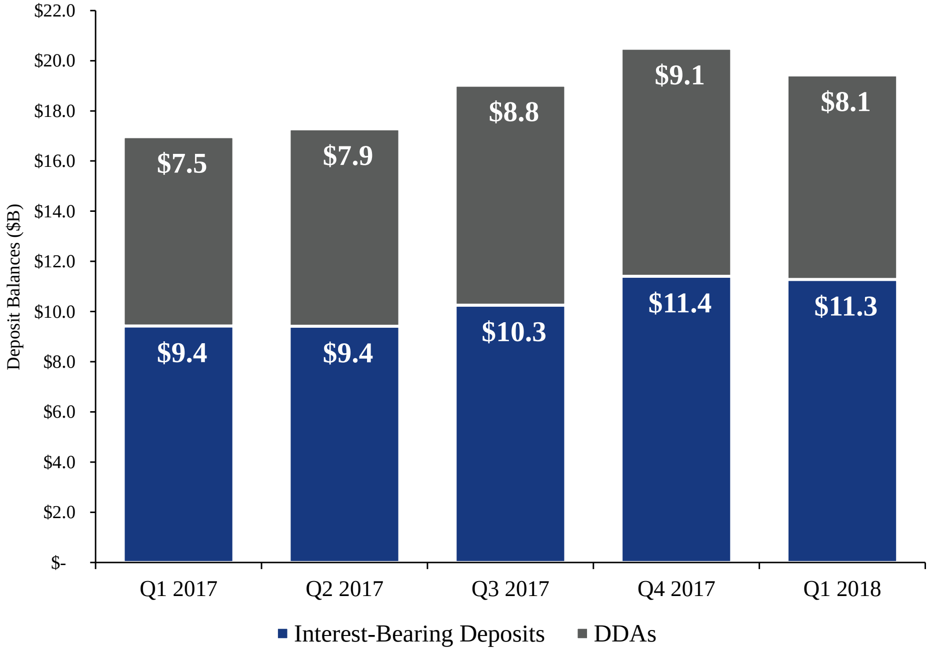


Growth Highlights

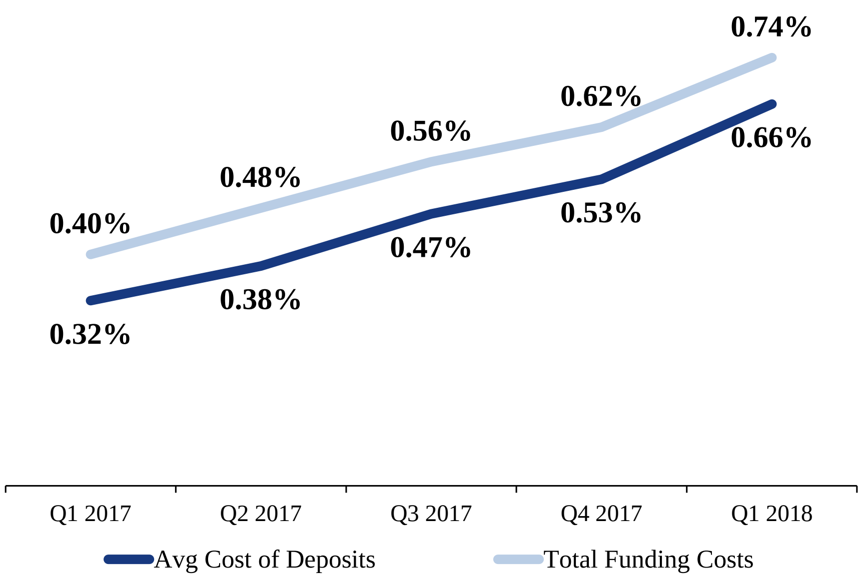
- Broad-based growth in average traditional LHI – Growth of $415.3 million (3%) from Q4-2017 and $2.4 billion (19%) from Q1-2017
- Strong growth at end of the quarter; period-end balance $316.4 million higher than Q1-2018 average balance
- Expected impact from seasonality resulting in decrease in average MFL balances of $960.6 million from Q4-2017
- Average total MFLs represent 26% of average total loans at Q1-2018 compared to 29% in Q4-2017 and 27% at period end

Deposit Growth

Average Balance Trends ($B)



Funding Costs



Growth Highlights

- Deposit costs increased 13 bps from .53% at Q4-2017 to .66% at Q1-2018, and total funding costs increased 12 bps
- Continued focus on cost-effective deposit growth
  - Seasonal decrease in linked quarter deposits resulting in more efficient use of liquidity
  - Lower level of liquidity assets favorable to NIM in Q1-2018; some fluctuations may occur from quarter to quarter based on timing of deposit growth relative to total loan growth

Non-interest Expense

Quarterly Change

Non-interest expense ($MM)	Increase/ (Decrease)
Q4 2017	**$133.1**
Salaries and employee benefits – FAS 123R (includes stock price changes)	(1.4)
Salaries and employee benefits – non-LTI incentives and annual incentive pool	(2.2)
Salaries and employee benefits – FICA and seasonal payroll related items	5.5
Salaries and employee benefits – continued build out	.5
FDIC assessment	(.6)
Legal and professional	(1.2)
Servicing related expenses	(3.4)
OREO related costs	(4.0)
All other – includes occupancy, technology, marketing	.7
Q1 2018	**$127.0**

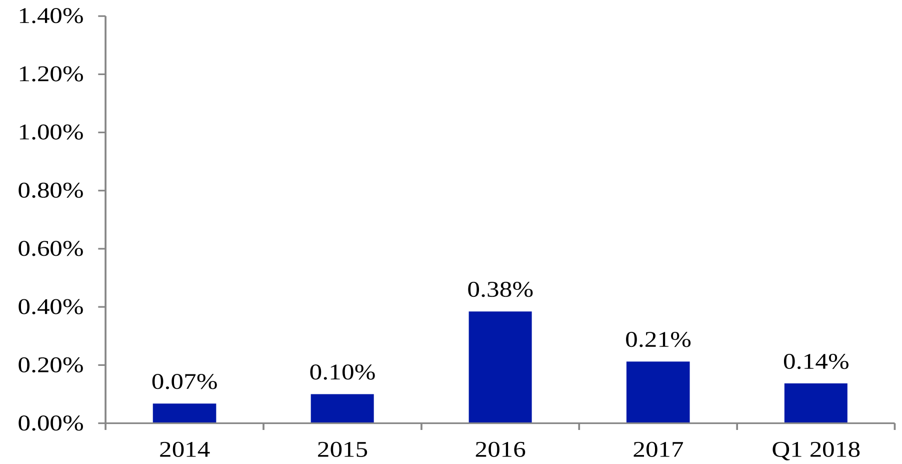
NIE - Efficiency

- Changes in Salaries & Benefits components of change
  - Reduction of 123R expense
  - Annual incentive accrual ramps throughout the year and generally lower in Q1
  - FICA and other payroll related items higher in Q1
- Efficiency ratio (excluding OREO permanent write-down) 54.3% for Q1-2018 compared to 55.2% for Q4-2017; improvement despite Q1 seasonality impact
- Decrease in FAS 123R expense with stock price changes; Q1-2018 expense of $5.6 million compared to $7.0 million in Q4-2017 with $834,000 decrease related to stock price
- Decrease in legal and professional expected as Q4-2017 expense elevated related to some non-recurring items not present in Q1-2018
- Decrease in OREO-related expenses
  - $6.1 million permanent write-down recorded in Q4-2017 compared to $2.0 million valuation allowance recorded in Q1-2018; related to single property
- Decrease in servicing related expenses
  - $2.8 million MSR impairment related to expected sale recorded in Q4-2017; no impairment recorded in Q1-2018

Asset Quality

Non-accrual loans	Q1 2018
Commercial	$ 122,283
Construction	–
Real estate	1,187
Consumer	72
Equipment leases	–
Total non-accrual loans	**$ 123,542**
Non-accrual loans as % of LHI excluding MF	**.78%**
Non-accrual loans as % of total LHI	**.60%**
OREO	**9,558**
Total Non-accruals + OREO	**$ 133,100**
Non-accrual loans + OREO as % of loans excluding MF + OREO	**.85%**
Reserve to non-accrual total LHI	**1.5x**

NCO / Average Traditional LHI



	2014	2015	2016	2017	Q1 2018
Combined Reserves/ Trad'l LHI	1.06%	1.28%	1.38%	1.26%	1.27%

Asset Quality Highlights

- Total credit cost of $14.0 million for Q1-2018 (includes $2.0 million OREO valuation allowance), compared to $ 8.1 million in Q4-2017 (includes $6.1 million OREO permanent write-down) and $9.0 million in Q1-2017
- NCOs $5.2 million, or 14 bps of LHI excluding MF loans, in Q1-2018 compared to $964,000, or 3 bps, in Q4-2017 and 18 bps in Q1-2017
- NPL ratio increased to .60% of total LHI
- $5.1 million in charge-offs related to energy in Q1-2018; energy NPLs at $50.4 million for Q1-2018 compared to $65.2 million in Q4-2017 and $92.3 million in Q1-2017

Performance Summary - Quarterly

(in thousands)	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	$ 210,300	$ 210,649	$ 204,361	$ 182,959	$ 163,359
Non-interest income	19,947	19,374	19,003	18,769	17,110
Net revenue	230,247	230,023	223,364	201,728	180,469
Provision for credit losses	12,000	2,000	20,000	13,000	9,000
OREO write-down	2,000	6,111	-	-	-
Non-interest expense	124,960	127,027	114,830	111,814	106,094
Income before income taxes	91,287	94,885	88,534	76,914	65,375
Income tax expense	19,342	50,143	29,850	25,819	22,833
Net income	71,945	44,742	58,684	51,095	42,542
Preferred stock dividends	2,438	2,437	2,438	2,437	2,438
Net income available to common shareholders	$ 69,507	$ 42,305	$ 56,246	$ 48,658	$ 40,104
Diluted EPS	**$ 1.38**	**$ .84**	**$ 1.12**	**$ .97**	**$ .80**
Net interest margin	**3.71%**	**3.47%**	**3.59%**	**3.57%**	**3.29%**
ROA	**1.22%**	**.71%**	**.99%**	**.96%**	**.83%**
ROE	**13.39%**	**8.18%**	**11.20%**	**10.08%**	**8.60%**
ROE, excl. DTA write-off	**13.39%**	**11.58%**	**11.20%**	**10.08%**	**8.60%**
Efficiency	**55.1%**	**57.9%**	**51.4%**	**55.4%**	**58.8%**
Efficiency, excl. OREO write-down	**54.3%**	**55.2%**	**51.4%**	**55.4%**	**58.8%**

2018 Outlook

Business Driver	2018 Outlook v. 2017 Results	Comments & Changes since March 5, 2018
Average LHI	Low to mid-teens percent growth	-
Average LHI – Mortgage Finance	Low- to mid-single digit percent growth	Increased from flat to low single digit percent growth
Loans held for sale (MCA)	$1 billion average	-
Average Deposits	Low to mid-teens percent growth	-
Net Revenue	Mid-teens percent growth	Increased from low- to mid-teens percent growth
Net Interest Margin	3.45% to 3.55%	Increased from 3.35% to 3.45%
Provision Expense	Mid-$50 to mid-$60 million level	-
NIE	High single digit to low-teens percent growth	-
Efficiency Ratio	Low-50s	Decreased from low- to mid-50s
Effective tax rate	22%	-

Closing Comments

- Strong earnings in Q1-2018 despite impact of seasonality
- Continued traditional LHI growth in Q1-2018
- Expected seasonal declines in Mortgage Finance asset balances
- Q1-2018 deposit levels impacted by seasonality resulting in more effective utilization of liquidity
- High asset betas overcoming the shift in deposit composition and pricing with rising rates
- Focus on ROE
    - Continued focus on slowing pace of NIE growth
    - Maintaining credit quality
    - Leveraging deposit generation capabilities
    - Positive impact from new corporate tax rate

Q&A

Appendix

Average Balances, Yields & Rates - Quarterly

(in thousands)	Q1 2018		Q4 2017		Q1 2017	
	Avg. Bal.	Yield Rate	Avg. Bal.	Yield Rate	Avg. Bal.	Yield Rate
Assets						
Securities	$ 23,854	3.50%	$ 23,678	3.57%	$ 32,129	2.86%
Liquidity assets	2,564,579	1.55%	3,217,486	1.28%	3,589,166	.80%
Loans held for sale	1,187,594	4.28%	1,144,124	3.99%	1,064,322	3.63%
LHI, mortgage finance	4,097,995	3.70%	5,102,107	3.46%	2,757,566	3.40%
LHI	15,425,323	5.14%	15,010,041	4.89%	12,980,544	4.53%
Total LHI, net of reserve	19,339,080	4.88%	19,928,915	4.57%	15,568,792	4.38%
Total earning assets	23,115,107	4.48%	24,314,203	4.11%	20,254,409	3.70%
Total assets	$23,912,613		$25,080,825		$20,861,171	
Liabilities and Stockholders' Equity						
Total interest bearing deposits	$11,281,585	1.14%	$11,406,769	.96%	$ 9,425,919	.57%
Other borrowings	1,721,914	1.57%	1,852,750	1.31%	1,333,685	.69%
Total long-term debt	394,843	5.36%	394,754	5.17%	394,482	5.16%
Total interest bearing liabilities	13,398,342	1.32%	13,654,273	1.13%	11,154,086	.75%
Demand deposits	8,147,721		9,085,819		7,547,338	
Total deposits	19,429,306	.66%	20,492,588	.53%	16,973,257	.32%
Stockholders' equity	2,255,852		2,202,683		2,041,870	
Total liabilities and stockholders' equity	$23,912,613	.74%	$25,080,825	.62%	$20,861,171	.40%
Net interest margin		**3.71%**		**3.47%**		**3.29%**
Total deposits and borrowed funds	**$21,151,220**	**.74%**	**$22,345,338**	**.60%**	**$18,306,942**	**.34%**

Average Balance Sheet - Quarterly

(in thousands)	QTD Average			Q1/Q4 % Change	YOY % Change
	Q1 2018	Q4 2017	Q1 2017		
Total assets	$23,912,613	$25,080,825	$20,861,171	(5)%	15%
Loans held for sale	1,187,594	1,144,124	1,064,322	4%	12%
Loans held for investment	15,425,323	15,010,041	12,980,544	3%	19%
Loans held for investment, mortgage finance	4,097,995	5,102,107	2,757,566	(20)%	49%
Total loans held for investment	19,523,318	20,112,148	15,738,110	(3)%	24%
Total loans	20,710,912	21,256,272	16,802,432	(3)%	23%
Liquidity assets	2,564,579	3,217,486	3,589,166	(20)%	(29)%
Demand deposits	8,147,721	9,085,819	7,547,338	(10)%	8%
Total deposits	19,429,306	20,492,588	16,973,257	(5)%	14%
Stockholders’ equity	2,255,852	2,202,683	2,041,870	2%	10%

Period End Balance Sheet

(in thousands)	Period End			Q1/Q4 % Change	YOY % Change
	Q1 2018	Q4 2017	Q1 2017		
Total assets	$24,449,147	$25,075,645	$20,864,874	(2)%	17%
Loans held for sale	1,088,565	1,011,004	884,647	8%	23%
Loans held for investment	15,741,772	15,366,252	13,298,918	2%	18%
Loans held for investment, mortgage finance	4,689,938	5,308,160	3,371,598	(12)%	39%
Total loans held for investment	20,431,710	20,674,412	16,670,516	(1)%	23%
Total loans	21,520,275	21,685,416	17,555,163	(1)%	23%
Liquidity assets	2,296,673	2,727,581	2,804,921	(16)%	(18)%
Demand deposits	7,413,340	7,812,660	7,094,696	(5)%	4%
Total deposits	18,764,533	19,123,180	16,605,380	(2)%	13%
Stockholders' equity	2,273,429	2,202,721	2,050,442	3%	11%