TCBI Q4 2016
Earnings

January 25, 2017

Texas Capital Bancshares, Inc.

Certain matters discussed within or in connection with these materials may contain “forward-looking statements” as defined in federal securities laws, which are subject to risks and uncertainties and are based on Texas Capital’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, the credit quality of our loan portfolio, general economic conditions in the United States and in our markets, including the continued impact on our customers from declines and volatility in oil and gas prices, rates of default or loan losses, volatility in the mortgage industry, the success or failure of our business strategies, future financial performance, future growth and earnings, the appropriateness of our allowance for loan losses and provision for credit losses, the impact of increased regulatory requirements and legislative changes on our business, increased competition, interest rate risk, the success or failure of new lines of business and new product or service offerings and the impact of new technologies. 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 our business, can be found in our Annual Report on Form 10-K and in other filings we make with the Securities and Exchange Commission. Forward-looking statements speak only as of the date of this presentation. Texas Capital is under no obligation, and expressly disclaims any obligation, to update, alter or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Opening Remarks & Financial Highlights

Strong Balanced Growth

- Strong LHI growth at the end of the quarter going into 2017
- Loan growth for full year 2016 consistent with guidance
- MCA growth overcame seasonal weakness in mortgage finance volumes
- Continued strong growth in average DDAs and total deposits

Core Earnings Power

- Traditional LHI and MFL/MCA expansion continue to produce solid net revenue growth, and improve fee income component
- Operating leverage improving with reduction in efficiency ratio consistent with guidance
- MCA ramping as expected during 2016 and will be a capital efficient contributor to earnings

Credit Quality

- Credit metrics remain acceptable with Q4-2016 provision of $9 million as a result of meaningful improvement in criticized loan balances
- NCOs for 2016 29 bps, with $36 million related to energy
- High allowance coverage ratios

Operating Results

Net Income	*EPS*	*ROE*	*Total LHI*	*Total Deposits*
$48.4 million	**$0.96**	**10.82%**	**$17.5 billion**	**$17.0 billion**

Energy Update

- Outstanding energy loans represented 5% of total loans, or $996.1 million, at Q4-2016 compared to $1.1 billion at Q3-2016
- E&P portfolio concentrated in long-lived production with low lifting costs, approximately 60% oil and 40% gas
- Remain confident about reserve levels
  - Allocated reserve of $57.0 million represents 6% of energy loans
  - $16.3 million of energy net charge-offs in Q4-2016 previously reserved; $36.0 million for YTD 2016
- Decrease in energy non-accruals
  - Non-accruals $121.5 million at Q4-2016 compared to $150.0 million at Q3-2016
  - Criticized energy loans decreased to 20% of energy loans at Q4-2016 from 25 % at Q3-2016
  - Total criticized energy loans at Q4-2016 $207.8 million, includes classified of $166.8 and all NPAs
- Borrowing bases are defined by conservative advances (generally 60%-65%) of the NPV of expected future cash flows estimated using future prices as one of numerous inputs, including the effects of hedges
  - Proven, non-producing collateral is given only minimal weighting in borrowing base determinations
- TCBI has significant control over exposure to unfunded commitments
  - Total of all unfunded commitments approximately 55% of current outstanding energy loans, percentage increased as a result of new commitments
  - Unfunded commitments related to loans that are currently criticized are less than $35 million

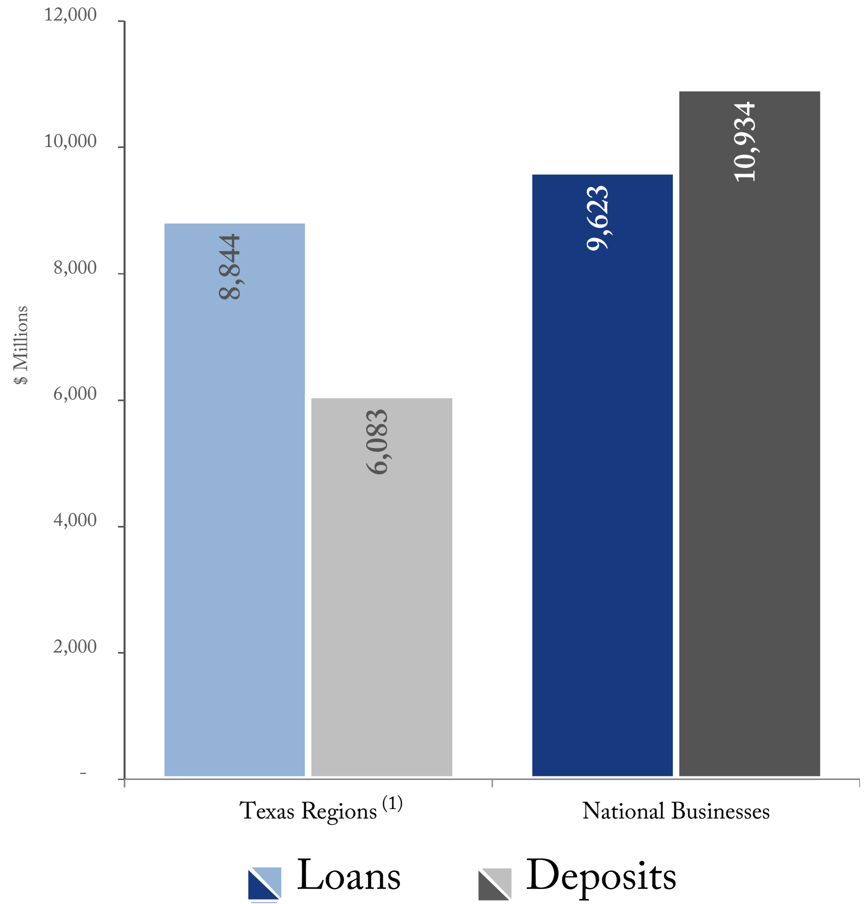
Houston Market Risk Real Estate

(in thousands except % data)	Q4 2016	% of Total Houston Market Risk CRE	Q3 2016	% of Total Houston Market Risk CRE
Apartment buildings	$198,554	23%	$206,407	24%
Commercial buildings[1]	174,052	20%	150,545	18%
Shopping center/mall buildings	111,577	13%	124,593	15%
Hotel/motel buildings	161,672	18%	154,812	18%
Manufacturing/Industrial	110,876	13%	109,015	13%
Other	119,787	13%	108,655	12%
Total Houston Market Risk CRE (excluding builder finance loans)	$876,518		$854,027	
Percentage of total LHI	5%		5%	

- The above table summarizes our Houston market risk real estate portfolio, excluding loans related to our builder finance line of business
- Of the December 31, 2016 total, $8.3 million were "special mention"; $159,000 "substandard" loans and no NPAs
- The linked quarter increase in outstanding balances was due primarily to new fundings on previous commitments

(1) Commercial buildings includes office and build-to-suit properties

Update on Geographic Diversification



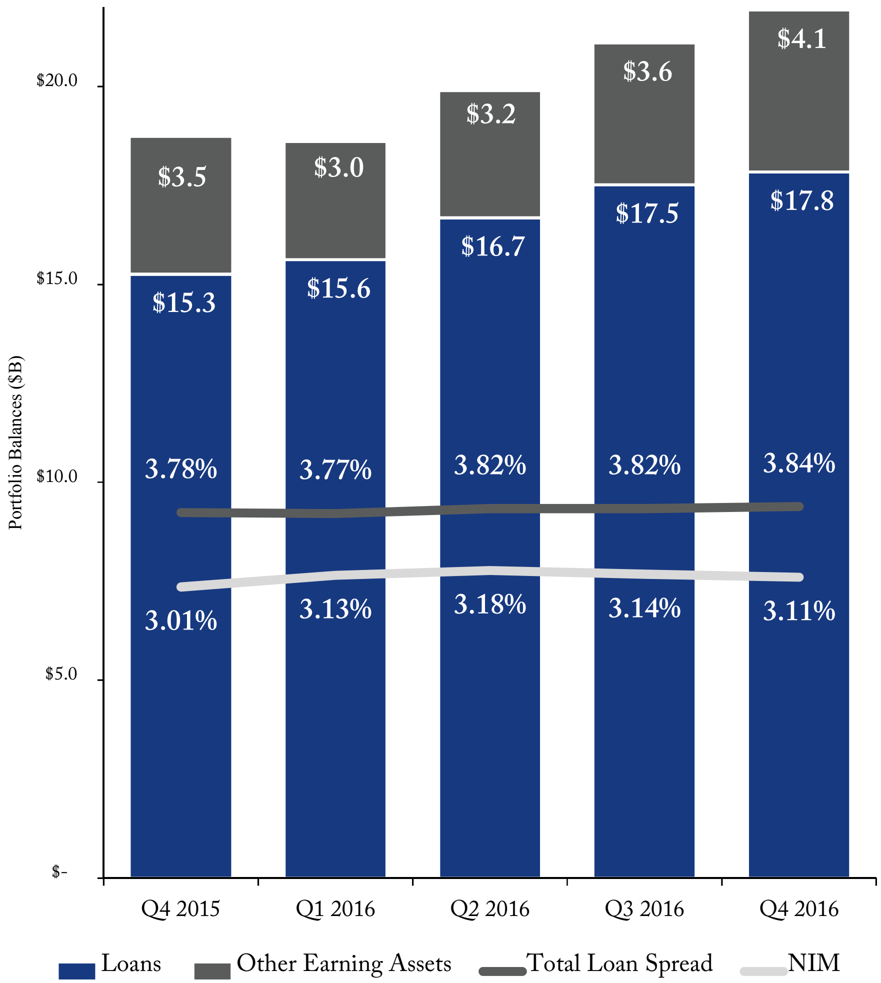
Major Texas Metro Areas	Unemployment Rate[2]
Austin-Round Rock	3.0%
DFW-Arlington	3.5%
Houston metro	4.9%
San Antonio	3.5%

- 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
- All 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, 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 November 30, 2016

Net Interest Income & Margin

Earning Asset & Margin Trends



Quarterly Change

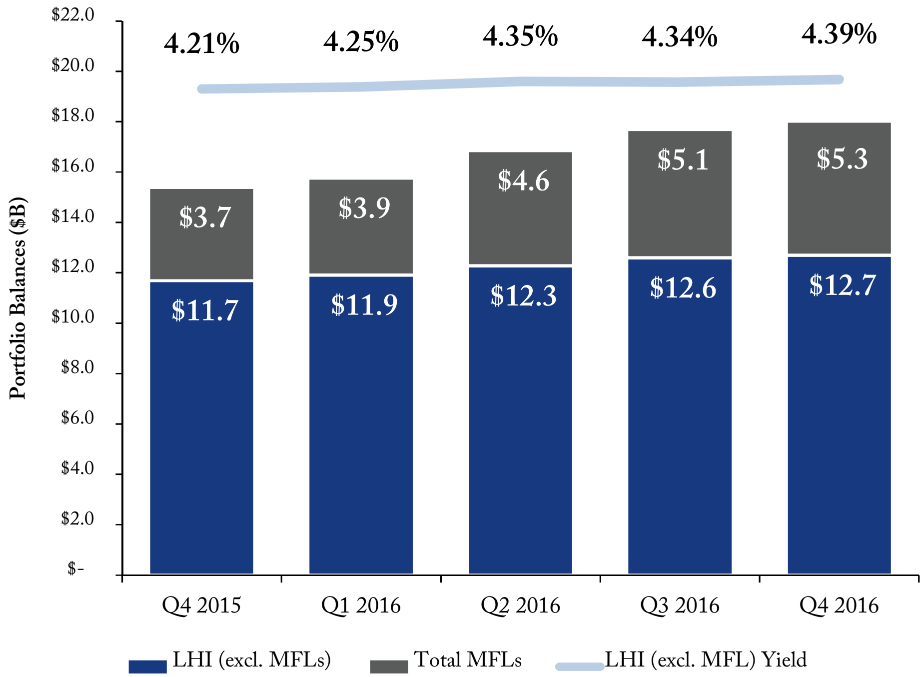
NII ($MM)		NIM (%)
$166.7	Q3 2016	3.14%
3.7	Increase in LHI balances	-
1.6	Increase in LHI gross loan yields	.03
.7	Increase in MF loan yields	.01
-	Increase in free funds contribution	.02
-	Increase in liquidity assets	(.07)
(.4)	Mix shift from LHI to MCA and MF	(.01)
(1.1)	Increase in funding costs	(.02)
-	Other	.01
$171.2	Q4 2016	3.11%

NIM Highlights

- Net interest income growth of 3% from Q3-2016 and 20% from Q4-2015
- Adjusted NIM net of effect of liquidity is 3.69%
- Strong combined MFL and MCA balances continue to benefit NII with small negative to NIM
- Loan fees, including syndication fees, continued at a normalized level
- Total Average Liquidity Assets 19% of earning assets with yield of 54 bps; significantly reduces NIM and ROA with minor benefit to NII

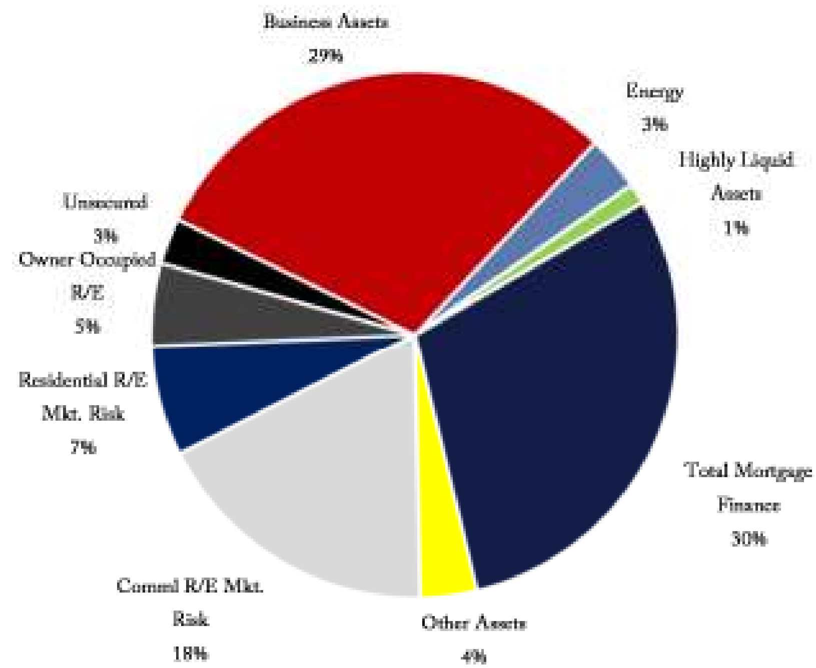
Loan Growth

Average Balance Trends ($B)



Total Loan Composition

($18.4 Billion at 12/31/16)

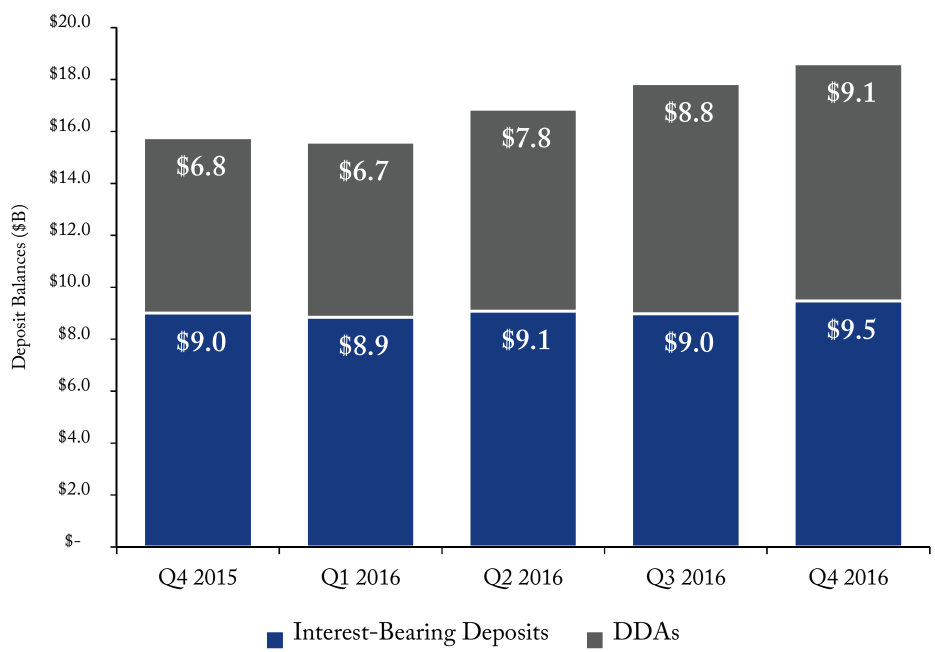


Growth Highlights

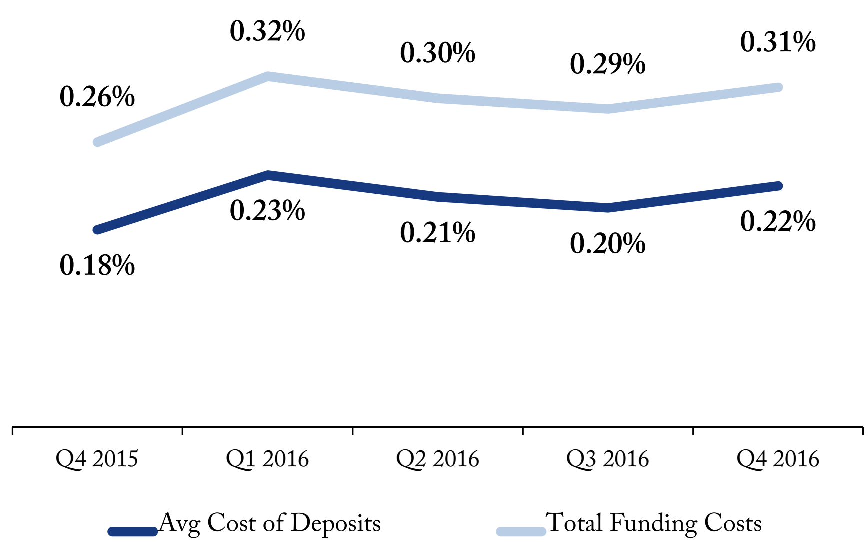
- Broad-based growth in average traditional LHI – Growth of $110.3 million (1%) from Q3-2016 and $1.0 billion (9%) from Q4-2015
- Strong growth at end of the quarter; period-end balance $299.1 million higher than Q4-2016 average balance
- Increase in MCA balances of $513.6 million producing 4% increase in average total MFLs from Q3-2016, and 44% increase from Q4-2015
- Consistent with trends, average total MFLs represent 30% of average total loans at Q4-2016 compared to 30% at period end

Deposit Growth

Average Balance Trends ($B)



Funding Costs



Growth Highlights

- Core funding costs – deposits and borrowed funds increased by 3 bps from .22% at Q3-2016 to .25% at Q4-2016 compared to increase in LHI yields of 5 bps
- Continued deposit growth consistent with strategic opportunity to build deposit base
  - Increase in linked quarter deposits, with liquidity maintained at a high level
  - Impact on NIM consistent with objectives, and will fluctuate from quarter to quarter based on levels of liquidity assets, use of borrowed funds and related loan mix
  - Significant increase in asset sensitivity and duration of low-cost funding over past several years

Non-interest Expense

Quarterly Change

Non-interest expense ($MM)	Increase/ (Decrease)
Q3 2016	**$94.8**
Salaries and employee benefits – related to stock price changes	3.6
Salaries and employee benefits – performance based incentives, LTI and annual incentive pool	2.3
Salaries and employee benefits – continued build out	2.5
FDIC assessment	0.2
Other professional – can vary from quarter to quarter	1.0
All other – includes occupancy, technology, marketing, MSR amortization and impairment, all with some one-time and seasonal expenses	2.1
Q4 2016	**$106.5**

Annual Change

Non-interest expense ($MM)	Increase/ (Decrease)
YTD 2015	**$326.5**
Salaries and employee benefits – related to stock price changes	1.1
Salaries and employee benefits – performance based incentives, LTI and annual incentive pool	3.6
Salaries and employee benefits – continued build out	23.8
FDIC assessment	7.0
Other professional	1.2
All other – includes occupancy, technology, marketing, MSR amortization and impairment, all with some one-time and seasonal expenses	19.2
YTD 2016	**$382.4**

Efficiency Ratio

- Full year 2016 efficiency ratio of 54.6% flat with prior year of 54.0% despite additional build out with new LOBs in 2016
- 56.0% for Q4-2016 compared to 51.7 % for Q3-2016; Q4-2016 adversely affected by additional FAS 123R expense related to stock price
- Continued build out expenses with new LOB's, as well as other critical areas supporting regulatory compliance

Performance Summary - Quarterly

(in thousands)	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net interest income	$ 171,223	$ 166,739	$ 157,069	$ 144,783	$ 142,188
Non-interest income	18,835	16,716	13,932	11,297	11,320
Net revenue	190,058	183,455	171,001	156,080	153,508
Provision for credit losses	9,000	22,000	16,000	30,000	14,000
Non-interest expense	106,523	94,799	94,255	86,820	87,042
Income before income taxes	74,535	66,656	60,746	39,260	52,466
Income tax expense	26,149	23,931	21,866	14,132	17,713
Net income	48,386	42,725	38,880	25,128	34,753
Preferred stock dividends	2,437	2,438	2,437	2,438	2,437
Net income available to common shareholders	$ 45,949	$ 40,287	$ 36,443	$ 22,690	$ 32,316
Diluted EPS	$ .96	$ .87	$ .78	$ .49	$ .70
Net interest margin	3.11%	3.14%	3.18%	3.13%	3.01%
Net interest margin excl. liquidity assets	3.69%	3.68%	3.68%	3.63%	3.63%
ROA	.85%	.78%	.77%	.53%	.72%
ROA excl. liquidity assets	.97%	.87%	.84%	.57%	.84%
ROE	10.82%	10.20%	9.65%	6.13%	8.82%
Efficiency	56.0%	51.7%	55.1%	55.6%	56.7%

Performance Summary - Annual

(in thousands)	2016	2015	2014	2013	2012
Net interest income	$ 639,814	$ 556,530	$ 476,965	$ 419,513	$ 376,879
Non-interest income	60,780	47,738	42,511	44,024	43,040
Net revenue	700,594	604,268	519,476	463,537	419,919
Provision for credit losses	77,000	53,250	22,000	19,000	11,500
Non-interest expense	382,397	326,523	285,114	256,729	219,881
Income before income taxes	241,197	224,495	212,362	187,808	188,538
Income tax expense	86,078	79,641	76,010	66,757	67,866
Net income	155,119	144,854	136,352	121,051	120,672
Preferred stock dividends	9,750	9,750	9,750	7,394	–
Net income available to common shareholders	$ 145,369	$ 135,104	$ 126,602	$ 113,657	$ 120,672
Diluted EPS	$ 3.11	$ 2.91	$ 2.88	$ 2.72	$ 3.01
Net interest margin	3.14%	3.14%	3.78%	4.22%	4.41%
Net interest margin excl. liquidity assets	3.67%	3.66%	3.91%	4.28%	4.44%
ROA	.74%	.79%	1.05%	1.17%	1.35%
ROA excl. liquidity assets	.82%	.90%	1.08%	1.18%	1.38%
ROE	9.27%	9.65%	11.31%	12.82%	16.93%
Efficiency	54.6%	54.0%	54.9%	55.2%	49.8%

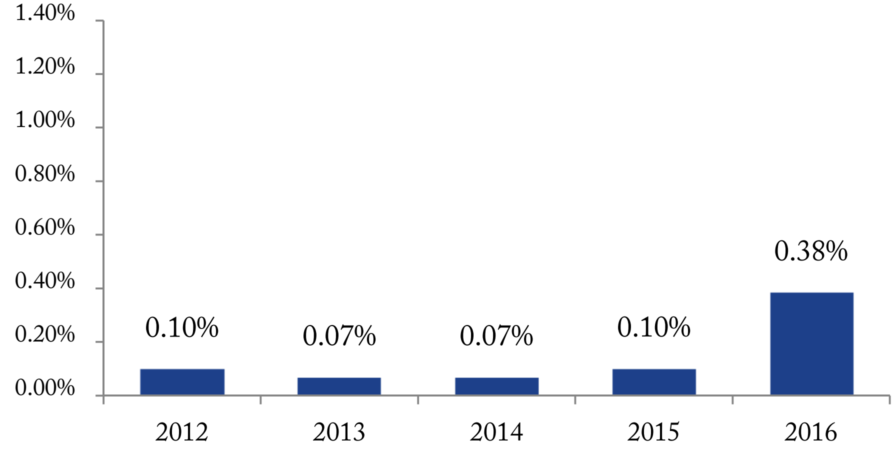
2017 Outlook

Business Driver	2017 Outlook v. 2016 Results
Average LHI	High single to low double-digit percent growth
Average LHI – Mortgage Finance	Flat for the year; seasonal decline in Q1-2017
Loans held for sale (MCA)	$1 billion average outstandings
Average Deposits	Low to mid-teens percent growth
Net Revenue	Mid to high-teens percent growth
Net Interest Margin	3.20% to 3.30% 3.70% to 3.80%, excluding effect of liquidity assets
Provision Expense	Low-$60 to mid-$70 million level
NIE	Low-teens percent growth
Efficiency Ratio	Low 50's

Asset Quality

Non-accrual loans	Q4 2016
Commercial	$ 164,940
Construction	159
Real estate	2,409
Consumer	200
Equipment leases	83
Total non-accrual loans	**167,791**
Non-accrual loans as % of LHI excluding MF	**1.29%**
Non-accrual loans as % of total LHI	**.96%**
OREO	**18,961**
Total Non-accruals + OREO	**$ 186,752**
Non-accrual loans + OREO as % of loans excluding MF + OREO	**1.43%**
Reserve to non-accrual total LHI	**1.0x**

NCO / Average Traditional LHI



	2012	2013	2014	2015	2016
Combined Reserves/ Trad'l LHI	1.15%	1.09%	1.06%	1.28%	1.38%

Asset Quality Highlights

- Total credit cost of $9.0 million for Q4-2016, compared to $22.0 million in Q3-2016 and $14.0 million in Q4-2015
- NCOs $20.8 million, or 65bps, in Q4-2016 compared to $7.4 million, or 24 bps, in Q3-2016 and 7 bps in Q4-2015
- NPL ratio at 1.29% and at manageable level
- $16.3 million in charge-offs related to energy; energy NPAs at $121.5 million for Q4-2016 compared to $ 150.0 million in Q3-2016

Closing Comments

- Another strong core earnings year
- Strong core LHI growth experienced at the end of Q4-2016
- Energy portfolio properly reserved for remaining losses; remain confident in underwriting standards, portfolio composition and reserve level
- Change in provision in Q4-2016 reflective of meaningful improvement in criticized loan balances
- Combined MFL and MCA balances strong despite seasonally weak quarter
- Continued ramping of MCA business in Q4-2016; positioned to provide meaningful income contribution
- Focused on future ROE improvement from existing business with efficiencies, improved non-interest income from new LOBs and targeted growth in highest return businesses

Q&A

Appendix

Average Balances, Yields & Rates - Quarterly

(in thousands)	Q4 2016		Q3 2016		Q4 2015	
	Avg. Bal.	Yield Rate	Avg. Bal.	Yield Rate	Avg. Bal.	Yield Rate
Assets						
Securities	$ 25,539	3.59%	$ 26,615	3.52%	$ 30,802	3.60%
Liquidity assets	4,066,084	.54%	3,561,356	.51%	3,457,063	.27%
Loans held for sale	944,484	3.33%	430,869	3.38%	24,658	3.81%
LHI, mortgage finance	4,371,475	3.19%	4,658,804	3.13%	3,669,022	3.01%
LHI	12,701,868	4.39%	12,591,561	4.34%	11,693,464	4.21%
Total LHI, net of reserve	16,892,616	4.13%	17,082,279	4.05%	15,231,664	3.96%
Total earning assets	21,928,723	3.43%	21,101,119	3.44%	18,744,187	3.28%
Total assets	$22,524,394		$21,689,559		$19,243,899	
Liabilities and Stockholders' Equity						
Total interest bearing deposits	$ 9,466,871	.45%	$ 8,980,744	.40%	$ 9,006,352	.31%
Other borrowings	1,553,010	.52%	1,607,613	.46%	1,327,087	.21%
Total long-term debt	394,391	5.04%	394,301	4.99%	394,028	4.88%
Total interest bearing liabilities	11,414,272	.61%	10,982,658	.57%	10,727,467	.47%
Demand deposits	9,129,668		8,849,725		6,755,615	
Stockholders' equity	1,839,301		1,722,035		1,603,392	
Total liabilities and stockholders' equity	$22,524,394	.31%	$21,689,559	.29%	$19,243,899	.26%
Net interest margin		**3.11%**		**3.14%**		**3.01%**
Net interest margin excl. liquidity assets		**3.69%**		**3.68%**		**3.63%**
Total deposits and borrowed funds	**$20,149,549**	**.25%**	**$19,438,082**	**.22%**	**$17,089,054**	**.18%**
Loan spread		**3.84%**		**3.82%**		**3.78%**

Average Balances, Yields & Rates - Annual

(in thousands)	2016		2015	
	Avg. Bal.	Yield Rate	Avg. Bal.	Yield Rate
Assets				
Securities	$ 27,223	3.60%	$ 35,160	3.65%
Liquidity assets	3,443,324	.52%	2,708,352	.26%
Loans held for sale	416,325	3.36%	6,359	3.82%
LHI, mortgage finance	4,292,942	3.14%	3,992,548	3.00%
LHI	12,371,634	4.33%	11,113,520	4.27%
Total LHI, net of reserve	16,500,953	4.07%	14,991,103	3.97%
Total earning assets	20,387,825	3.45%	17,740,974	3.40%
Total assets	$20,946,725		$18,221,590	
Liabilities and Stockholders' Equity				
Total interest bearing deposits	$ 9,095,726	.42%	$ 8,292,301	.30%
Other borrowings	1,480,302	.45%	1,382,013	.18%
Total long-term debt	394,256	5.02%	393,893	4.90%
Total interest bearing liabilities	10,970,284	.58%	10,068,207	.46%
Demand deposits	8,124,174		6,447,147	
Stockholders' equity	1,717,589		1,550,276	
Total liabilities and stockholders' equity	$20,946,725	.30%	$18,221,590	.25%
Net interest margin		**3.14%**		**3.14%**
Net interest margin excl. liquidity assets		**3.67%**		**3.66%**
Total deposits and borrowed funds	**$18,700,202**	**.23%**	**$16,121,461**	**.17%**
Loan spread		**3.81%**		**3.80%**

Average Balance Sheet - Quarterly

(in thousands)	QTD Average			Q4/Q3 % Change	YOY % Change
	Q4 2016	Q3 2016	Q4 2015		
Total assets	$22,524,394	$21,689,559	$19,243,899	4%	17%
Loans held for sale	944,484	430,869	24,658	119%	N/M
Loans held for investment	12,701,868	12,591,561	11,693,464	1%	9%
Loans held for investment, mortgage finance	4,371,475	4,658,804	3,669,022	(6)%	19%
Total loans held for investment	17,073,343	17,250,365	18,953,001	(1)%	(10)%
Liquidity assets	4,066,084	3,561,356	3,457,063	14%	18%
Demand deposits	9,129,668	8,849,725	6,755,615	3%	35%
Total deposits	18,596,539	17,830,469	15,761,967	4%	18%
Stockholders' equity	1,839,301	1,722,035	1,603,392	7%	15%

Average Balance Sheet - Annual

(in thousands)	YTD Average		YOY % Change
	2016	2015	
Total assets	$20,946,725	$18,221,590	15%
Loans held for sale	416,325	6,359	N/M
Loans held for investment	12,371,634	11,113,520	11%
Loans held for investment, mortgage finance	4,292,942	3,992,548	8%
Total loans held for investment	16,664,576	15,106,068	10%
Liquidity assets	3,443,324	2,708,352	27%
Demand deposits	8,124,174	6,447,147	26%
Total deposits	17,219,900	14,739,448	17%
Stockholders' equity	1,717,589	1,550,276	11%

Period End Balance Sheet

(in thousands)	Period End			Q4/Q3 % Change	YOY % Change
	Q4 2016	Q3 2016	Q4 2015		
Total assets	$21,697,134	$22,216,388	$18,903,821	(2)%	15%
Loans held for sale	968,929	648,684	86,075	49%	N/M
Loans held for investment	13,001,011	12,662,394	11,745,675	3%	11%
Loans held for investment, mortgage finance	4,497,338	4,961,159	4,966,276	(9)%	(9)%
Total loans held for investment	17,498,349	17,623,553	16,711,950	(1)%	5%
Liquidity assets	2,725,645	3,471,074	1,681,374	(21)%	62%
Demand deposits	7,994,201	8,789,740	6,386,911	(9)%	25%
Total deposits	17,016,831	18,145,123	15,084,619	(6)%	13%
Stockholders' equity	2,009,557	1,725,782	1,623,533	16%	24%