

2nd Quarter 2020

First Financial Bankshares, Inc.

Forward Looking Statement

The numbers, as of and for the six-months ended June 30, 2020, contained within this presentation are unaudited. Certain statements contained herein may be considered "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon the belief of the Company's management, as well as assumptions made beyond information currently available to the Company's management and, may be, but not necessarily are identified by such words as "believes", "expect", "plan", "anticipate", "target", "forecast" and "goal". Because such "forward-looking statements" are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from the Company's expectations include competition from other financial institutions and financial holding companies; the effects of and changes in trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve Board; changes in the demand for loans; fluctuations in value of collateral and loan reserves; inflation, interest rate, market and monetary fluctuations; changes in consumer spending, borrowing and savings habits; and acquisitions and integration of acquired businesses, and similar variables. Other key risks are described in the Company's reports filed with the Securities and Exchange Commission, which may be obtained under "Investor Relations-Documents/Filings" on the Company's web site or by writing or calling the Company at 325.627.7155. The Company does not undertake any obligation to update publicly or revise any forward-looking statements herein because of new information, future events or otherwise.

Who We Are

- $10.3 billion financial holding company headquartered in Abilene, Texas
- Group of 12 separate bank regions
- 130 year history
- Growth markets include 50 mile radius of Dallas, Fort Worth, and Houston

Top Rated Bank by Bank Director

RANK	YEAR
#2	2009
#1	2010
#2	2011
#2	2012
#3	2013
#1	2014
#2	2015
#7	2016
#7	2017
#5	2018
#4	2019

Bank Director®

$5 to $50 Billion

Top 7 for each of the last 12 years

#3 in 2020

FIRST FINANCIAL BANK

YOU FIRST

MEMBER FDIC

Recognitions – Financial Exploitation Prevention Program

- Stopped fraud and saved customers from monetary losses totaling $7.53 million since 2014
- Philadelphia Federal Reserve Presentation – December 2017
- Texas Bankers Association Cornerstone Award for Day of
- Service – May 2017
- Texas Bankers Association 2016 Leaders in Financial Education Award – May 2016
- House Investments and Financial Services Committee – March 2016
- Texas Senate Committee on Business and Commerce – January 2016
- AARP Roundtable Discussion – November 2015
- ABA Foundation Community Commitment Award – November 2015
- White House Conference on Aging – July 2015

Other Recognitions

- SNL Best Performing Community Banks – Assets between $3 and $10 billion - #10 – March 2020
- KBW Honor Roll – One of fifteen banks named – April 2020
- Raymond James Community Bankers Cup, One of 26 banks named– May 2020

What Makes Us Different

One Bank, Twelve Regions Concept

- **One Bank**
  - Consolidation of backroom operations, technology, and compliance (lower efficiency ratio)

- **Twelve Regions**
  - Regional Presidents run their regions
  - Local Boards – Movers and Shakers of the Community
    - Keep our regions locally focused
    - Make sure we meet the needs of the community
    - Help us make better loan decisions
    - Help us market the region

FFIN's Unique Positioning in Texas

Bank	Key Markets
Allegiance	Houston
Cadence Bancorporation	Texas, Alabama, Florida, Mississippi, Tennessee
CommunityBank of Texas	Beaumont, Houston, Dallas
Comerica	DFW, Austin, Houston, California, Michigan, Florida, Mexico
Frost	San Antonio, Austin, Corpus Christi, DFW, Rio Grande, West Texas
Guaranty	Dallas, East Texas, Bryan
Independent	Dallas, Houston, Austin, Colorado
International Bancshares	Rio Grande, Houston, San Antonio, Oklahoma
Origin Bancorp	Dallas, Louisiana
Prosperity	Houston, DFW, Austin, West Texas, South Central Texas, Oklahoma
Southside	East Texas, Fort Worth
Spirit of Texas	Houston, DFW, College Station, Central Texas
Texas Capital	DFW, Austin, San Antonio, Houston
Triumph	Dallas
Veritex	Dallas, Houston, Austin

Customer Service First (CS1st)

- Began CS1st initiative in 2005 with Dennis Snow (former Disney executive charged with Disney's customer experience).

- Implemented the Service Improvement Team with ten distinct teams with various strategic objectives.

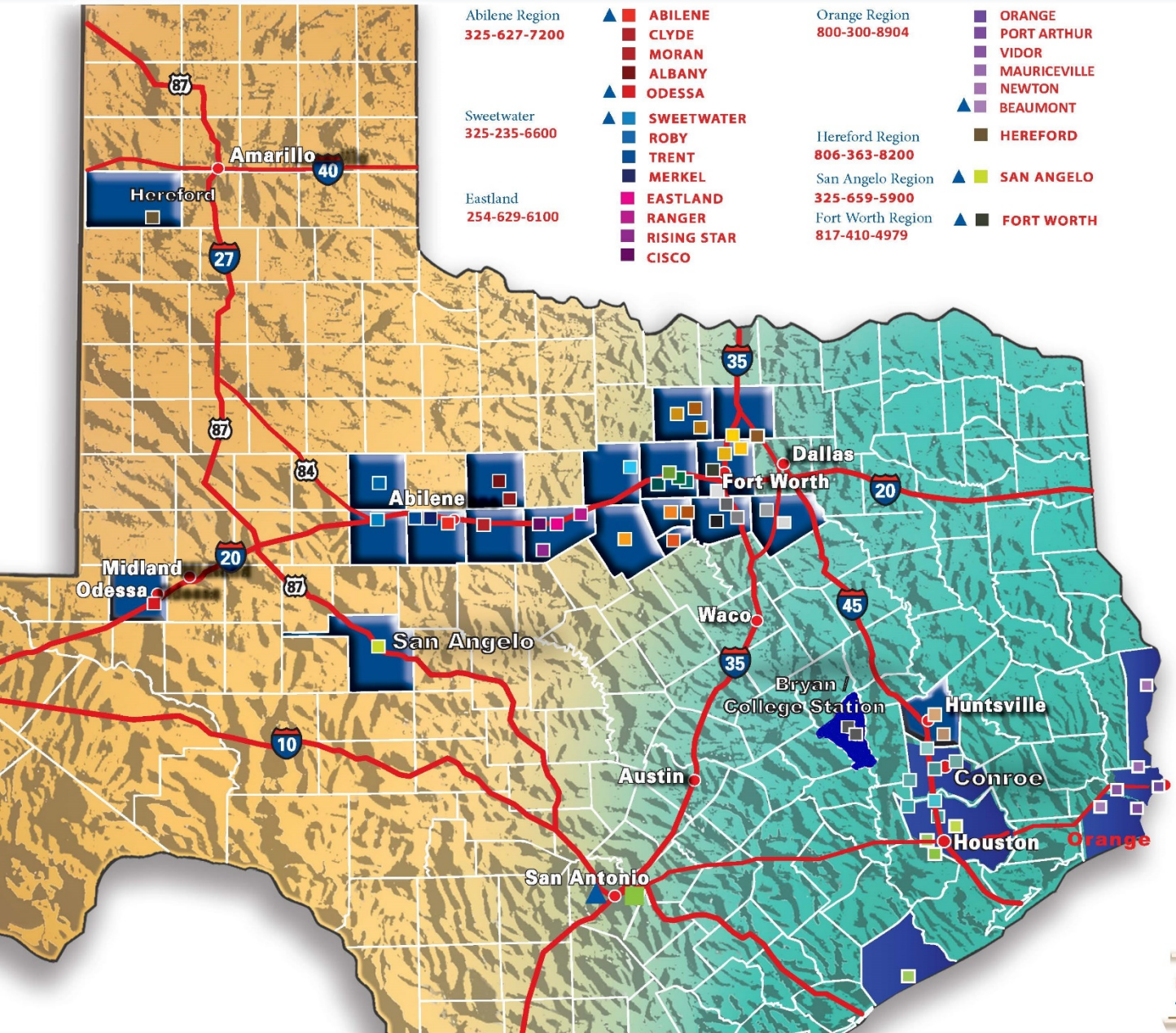
- Key Successes
  - Established a robust employee recognition program
  - Developed a centralized team to address system and process obstacles
  - Designed and implemented a nationally recognized Financial Exploitation program
  - Day of Service (Completed 4th Annual on October 12, 2019)
  - Have transitioned what began as a service initiative into a culture of service excellence

- Since 2019, the Company has partnered with Horst Schulze (co-founder and former COO of the Ritz-Carlton Hotel Company) to further enhance the Company's culture by developing:
  - 5 and 10 year Vision and Mission Statements
  - 21 Service Non-negotiables
  - Daily Line-Ups
  - Train-the-trainer sessions for all branch managers (over 300 employees spent 2 days in training)

The Bank & Trust, Bryan/College Station Acquisition

- Effective January 1, 2020
- 5 Branches in Bryan and College Station
- $631.3 million in Assets as of December 31, 2019
  - $548.4 million in deposits
  - $455.2 million in loans
- The Bank & Trust acquisition is consistent with our acquisition model of high growth areas, strong Board and Management, and excellent earnings opportunity
- Provides diversification and fits well into our footprint
- Management and Board share same values of outstanding customer service

FIRST FINANCIAL BANKSHARES, INC.™



Abilene Region
325-627-7200
- ABILENE
- CLYDE
- MORAN
- ALBANY
- ODESSA

Sweetwater
325-235-6600
- SWEETWATER
- ROBY
- TRENT
- MERKEL

Eastland
254-629-6100
- EASTLAND
- RANGER
- RISING STAR
- CISCO

Orange Region
800-300-8904
- ORANGE
- PORT ARTHUR
- VIDOR
- MAURICEVILLE
- NEWTON
- BEAUMONT

Hereford Region
806-363-8200
- HEREFORD

San Angelo Region
325-659-5900
- SAN ANGELO

Fort Worth Region
817-410-4979
- FORT WORTH

Southlake Region
817-410-2915
940-683-8700
- SOUTHLAKE
- TROPHY CLUB
- KELLER
- BRIDGEPORT
- BOYD
- DECATUR
- GRAPEVINE

Stephenville Region
254-965-5036
817-573-6900
- STEPHENVILLE
- GRANBURY
- GLEN ROSE
- ACTON

Mineral Wells
940-327-5400
- MINERAL WELLS

Weatherford Region
817-596-0307
- WEATHERFORD
- ALEDO
- WILLOW PARK
- BROCK

Cleburne Region
817-556-5000
- CLEBURNE
- BURLESON
- ALVARADO
- MIDLOTHIAN
- WAXAHACHIE

Conroe Region
936-760-1888
- CONROE
- MONTGOMERY
- CUT AND SHOOT
- WILLIS
- TOMBALL
- SPRING
- MAGNOLIA

Huntsville
936-295-2224
- HUNTSVILLE
- NEW WAVERLY

Kingwood Region
281-318-4600
- KINGWOOD
- EL CAMPO
- FULSHEAR
- PALACIOS

Bryan / College Station
979-260-2100
- BRYAN
- COLLEGE STATION

First Financial Trust & Asset Management
325-627-7100
- ABILENE
- FORT WORTH
- ORANGE/BEAUMONT
- SAN ANGELO
- SWEETWATER
- STEPHENVILLE
- ODESSA
- SAN ANTONIO

Regions

TRUST OFFICE LOCATIONS

Texas: Large and Growing

Five most populous states:*		Growth (2008 – 2018)
California	39.5 million	8.5%
Texas	29.4 million	20.7%
Florida	21.4 million	18.8%
New York	19.4 million	0.5%
Illinois	12.6 million	-1.6%

** U.S. Census Bureau*

Target Markets – Population Growth

Population growth (2008-2018) in FFIN expansion markets:*	
Texas	20.7%
Bridgeport & Wise County	21.4%
Fort Worth & Tarrant County	18.2%
Cleburne & Johnson County	15.2%
Weatherford, Willow Park, Aledo & Parker County	34.1%
Granbury & Hood County	16.8%
Stephenville & Erath County	15.6%
Conroe & Montgomery County	43.3%
Bryan / College Station & Brazos County	27.4%

** U.S. Census Bureau*

Core Markets: West Central Texas

- **Markets served benefiting from well-established, long- time customers**

REGION	ASSET SIZE*	LOCATIONS	DEPOSIT MARKET SHARE**	MARKET SHARE RANK**
First Financial Bank *(Abilene, Clyde, Moran, Albany, Odessa, Eastland, Ranger, Rising Star, Cisco, Sweetwater, Roby, Trent, Merkel)*	$2,897M	23	50%	1
First Financial Bank *(Hereford)*	$283M	1	47%	1
First Financial Bank *(San Angelo)*	$967M	2	26%	1
TOTALS	$4,147M	26		

* Data as of 6-30-20

** Data as of 6-30-19

Expansion Markets – Dallas / Fort Worth Area

REGION	ASSET SIZE*	LOCATIONS	DEPOSIT MARKET SHARE**	MARKET SHARE RANK**
First Financial Bank	$512M	4	18%	2
(Cleburne, Burleson, Alvarado)		2	6%	5
(Midlothian, Waxahachie)				
First Financial Bank	$654M	4	5%	6
(Southlake, Trophy Club, Keller, Grapevine)		3	21%	2
(Bridgeport, Decatur, Boyd)				
First Financial Bank	$994M	7	28%	1
(Stephenville, Mineral Wells, Granbury, Glen Rose, Acton)				
First Financial Bank	$697M	6	20%	1
(Weatherford, Aledo, Willow Park, Brock)				
First Financial Bank	$199M	1	0.30%	29
(Fort Worth)				
TOTALS	$3,056M	27		

* Data as of 6-30-20

** Data as of 6-30-19

Expansion Markets – Houston Area

REGION	ASSET SIZE*	LOCATIONS	DEPOSIT MARKET SHARE**	MARKET SHARE RANK**
First Financial Bank	$776M	3	42%	1
(Orange, Mauriceville, Vidor)		3	4%	7
(Newton, Port Arthur, Beaumont)				
First Financial Bank	$771M	10	9%	5
(Conroe, Magnolia, Cut and Shoot, Montgomery, Huntsville, Willis, Tomball, New Waverly, Spring)				
(Market Share for Huntsville, Conroe, Magnolia, Cut and Shoot, Montgomery and Willis Only)				
First Financial Bank	$524M	4		
Kingwood – Montgomery County			4%	7
El Campo – Wharton County			9%	4
Fulshear – Fort Bend County			0.20%	29
Palacios – Matagorda County			11%	3
First Financial Bank	$879M	5	10%	4
(Bryan / Collage Station)				
TOTALS	**$2,950M**	**25**		

* Data as of 6-30-20
** Data as of 6-30-19

Recent De Novo Growth

- Grand Parkway (Spring): Branch of Conroe – Opened January 2019
- New Waverly: Branch of Huntsville – August 2014 (New Building – Opened December 2018)
- Beaumont: Branch of Orange – August 2014
- Weatherford: I-20 Branch – June 2013
- Waxahachie: Branch of Cleburne – December 2012
- Abilene: Antilley Road Branch – September 2012
- Grapevine: Branch of Southlake – March 2012
- Cisco: Branch of Eastland – September 2011 (New Building – Opened August 2016)
- Lamesa: Office of Trust Company – April 2011
- Odessa: Branch of Abilene – February 2010 (New Building – Opened September 2016)
- Fort Worth: – February 2010
- Odessa: Office of Trust Company – April 2009
- Merkel: Branch of Sweetwater – July 2008
- Brock: Branch of Weatherford – March 2008
- Acton: Branch of Stephenville – March 2008
- Albany: Branch of Abilene – May 2007
- Fort Worth: Office of Trust Company – April 2007 (New Building – Opened May 2016)

Executive Management Team at First Financial

	Years with Company	Years in Industry
Scott Dueser *Chairman of the Board, President & Chief Executive Officer*	44	49
Ron Butler *Executive Vice President* *Chief Administrative Officer*	27	38
Gary S. Gragg *Executive Vice President* *Chief Lending Officer*	28	39
James Gordon, CPA *Executive Vice President* *Chief Financial Officer*	-	33
Luke Longhofer *Executive Vice President* *Chief Credit Officer*	10	17
Randy Roewe *Executive Vice President* *Chief Risk Officer*	5	30
John Ruzicka *Executive Vice President* *Chief Information Officer*	1	40
Kirk Thaxton, CTFA *Chairman of the Board, President & Chief Executive Officer* *First Financial Trust & Asset Management*	33	37

Executive and Senior Management at First Financial

	Years with Company	Years in Industry
Tim Collard *Executive Vice President* *Lending*	28	39
Brandon Harris *Senior Vice President* *Appraisal Services*	5	18
Larry Kentz *Senior Vice President & Compliance Officer* *Compliance*	5	38
J. Kyle McVey, CPA *Senior Vice President* *Chief Accounting Officer*	9	11
Marna Yerigan *Executive Vice President* *Lending*	9	39

Line of Business Executives

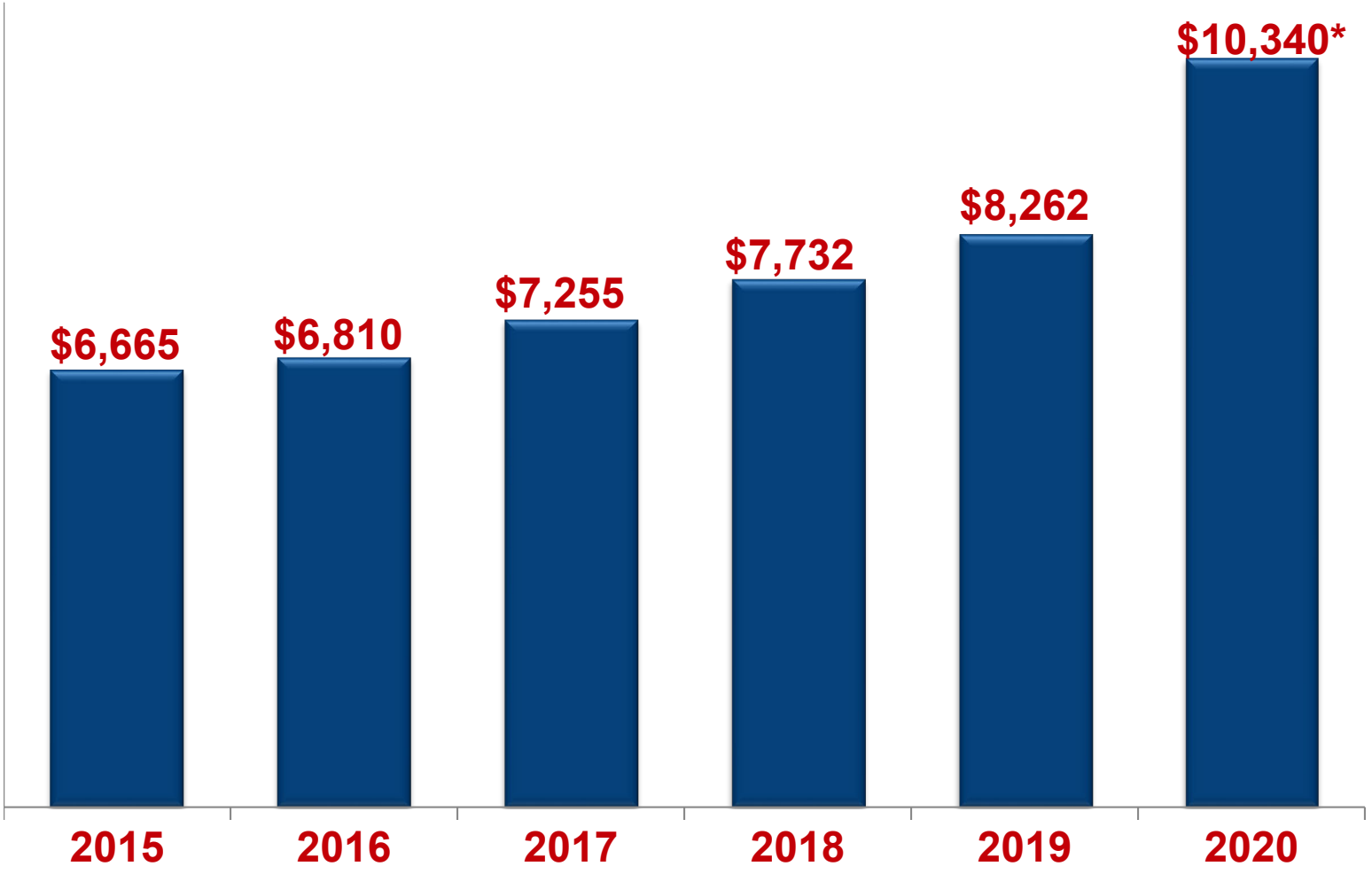
	Years with Company	Years in Industry
Will Christoferson *Executive Vice President* *Marketing*	1	10
Troy Fore *President* *First Financial Mortgage*	4	32
Frank Gioia *Senior Vice President* *Customer Care Center*	4	32
Monica Houston *Executive Vice President* *Retail Banking & Training*	23	23
Gary Milliorn *Vice President* *Property Management*	4	30
Andrea Smiddy-Schlagel *Executive Vice President* *Treasury Management*	1	31
Michael Wolverton *Executive Vice President* *Consumer Lending*	8	34

Experienced Regional CEOs & Presidents

	Years with Company	Years in Industry
Marelyn Shedd, *Abilene*	29	37
David Bailey, *Eastland*	17	17
Candace Canady, *Eastland*	19	19
Joseph Crouch, *Sweetwater*	2	23
Robert de la Cruz, *Hereford*	17	17
Chris Evatt, *San Angelo*	19	19
Austin Elsner, *Cleburne*	2	19
Trent Swearengin, Stephenville	20	22
Justin Hooper, *Weatherford*	16	27
Mark Jones, *Southlake*	19	42
Stephen Lee, *Southeast Texas*	7	31
Sam Baker, *Conroe*	5	43
Kirby Cason, *Huntsville*	2	13
Marcus Morris, *Fort Worth*	10	12
Johnny Brooks, *Kingwood*	2	37
Shelley Dacus, *Kingwood*	2	17
Ivan Olson, *Bryan/College Station*	-	43

Asset Performance

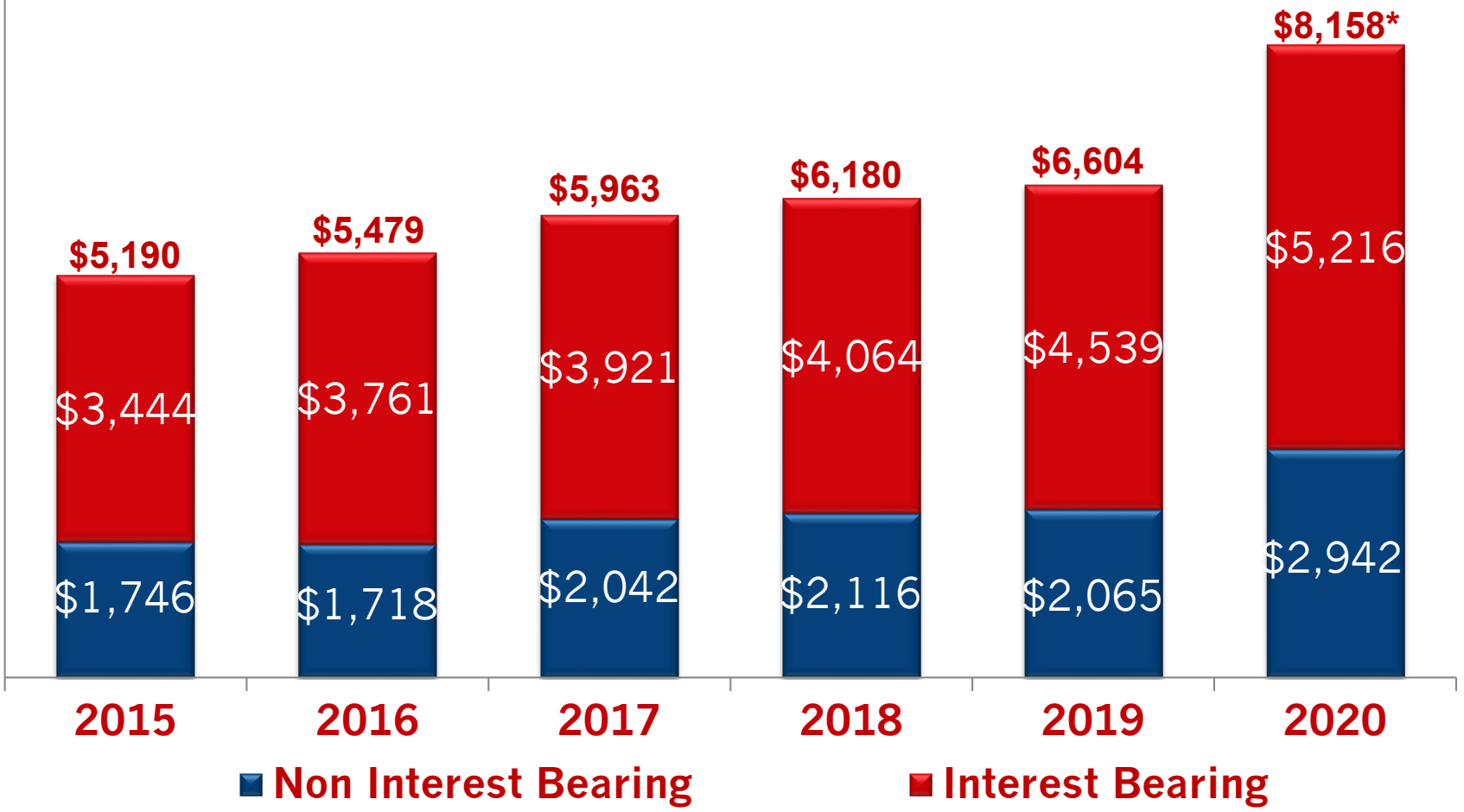
Growth in Total Assets *(in millions)*



*As of June 30, 2020

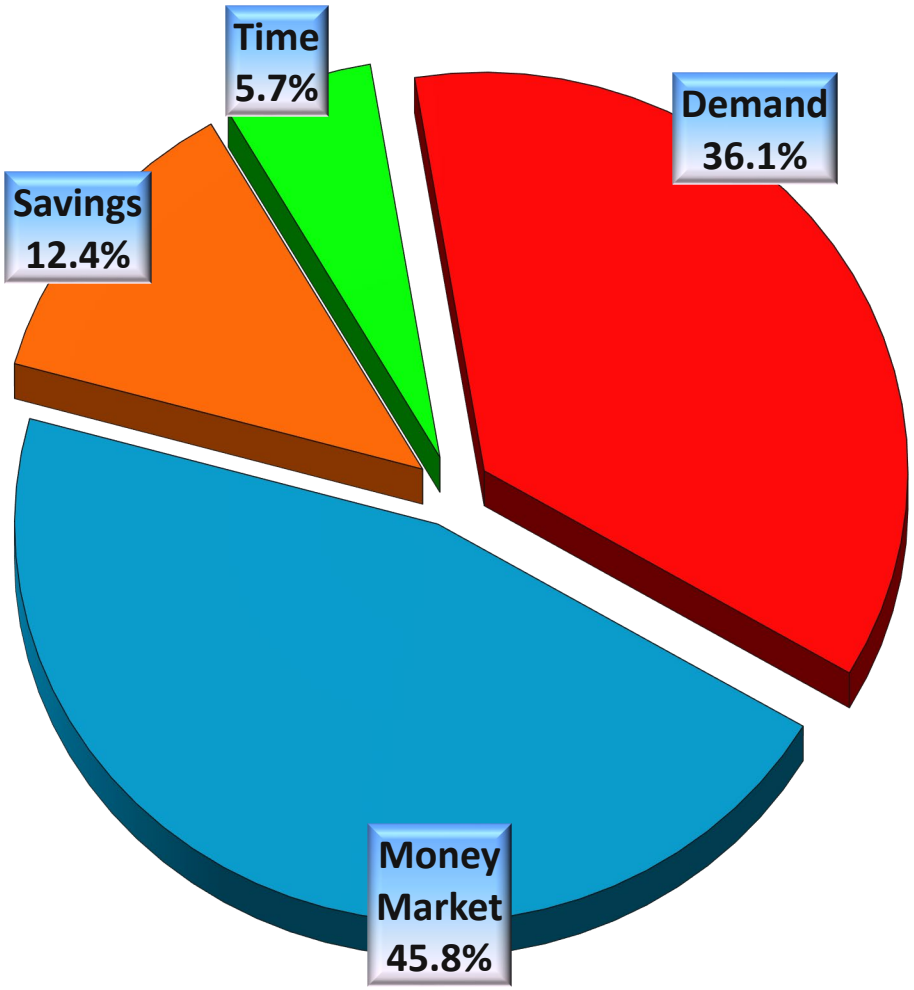
Deposit Growth

Growth in FFIN Total Deposits *(in millions)*



*As of June 30, 2020

Deposit Products



*As of June 30, 2020

Account Growth

	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2020	June 30, 2020
Total Number of Accounts	254,714	260,430	270,976	277,687	299,502

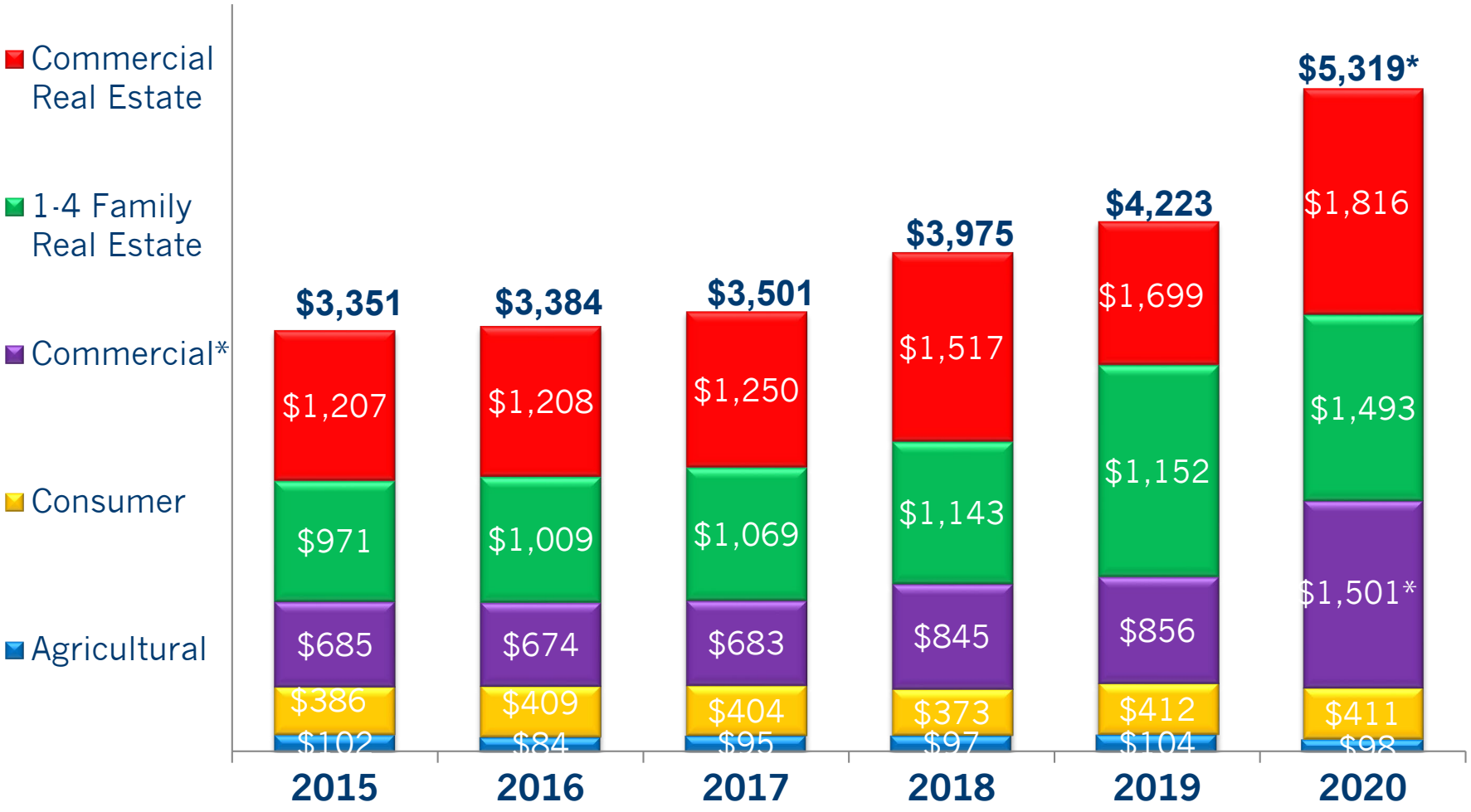
- Net Growth in 2016 – 3,015 Accounts
- Net Growth in 2017 – 5,716 Accounts
- Net Growth in 2018 – 3,932 Accounts*
- Net Growth in 2019 – 6,711 Accounts
- Net Growth in 2020 – 8,046 Accounts**

*(Excluding Kingwood Acquisition)

**(Excluding Bryan/College Station Acquisition)

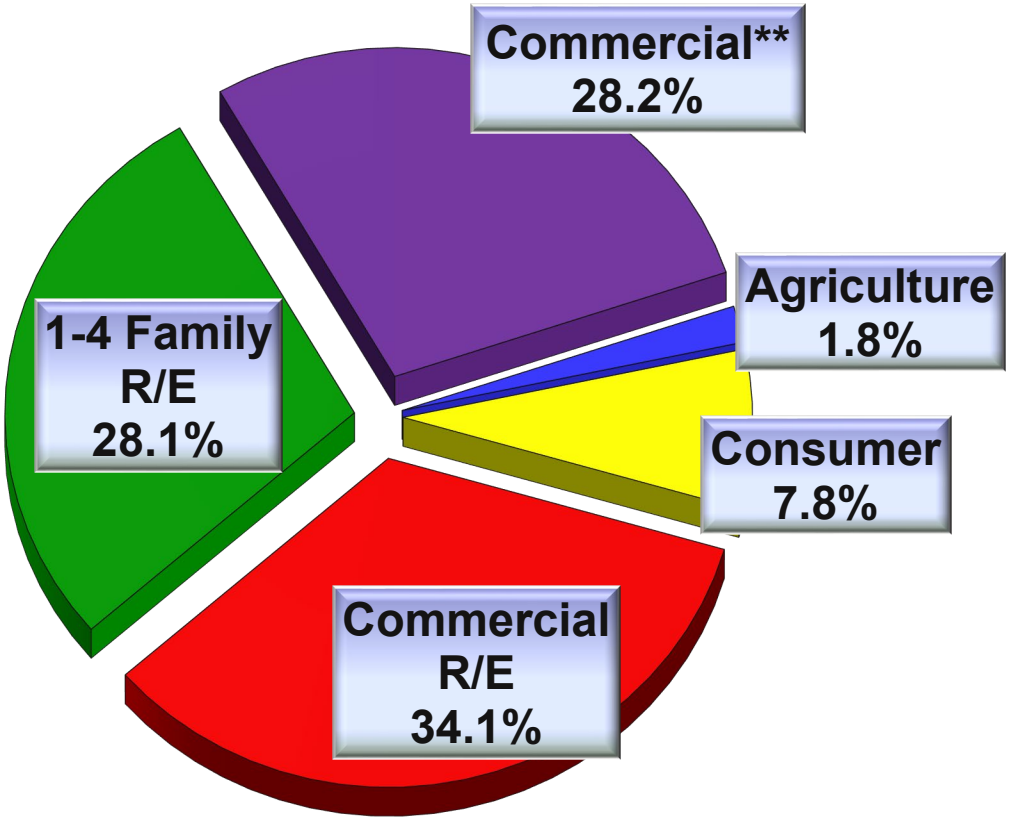
Loan Performance

Growth in FFIN Total Loans *(in millions)*



*As of June 30, 2020
*Includes $703MM in PPP loans

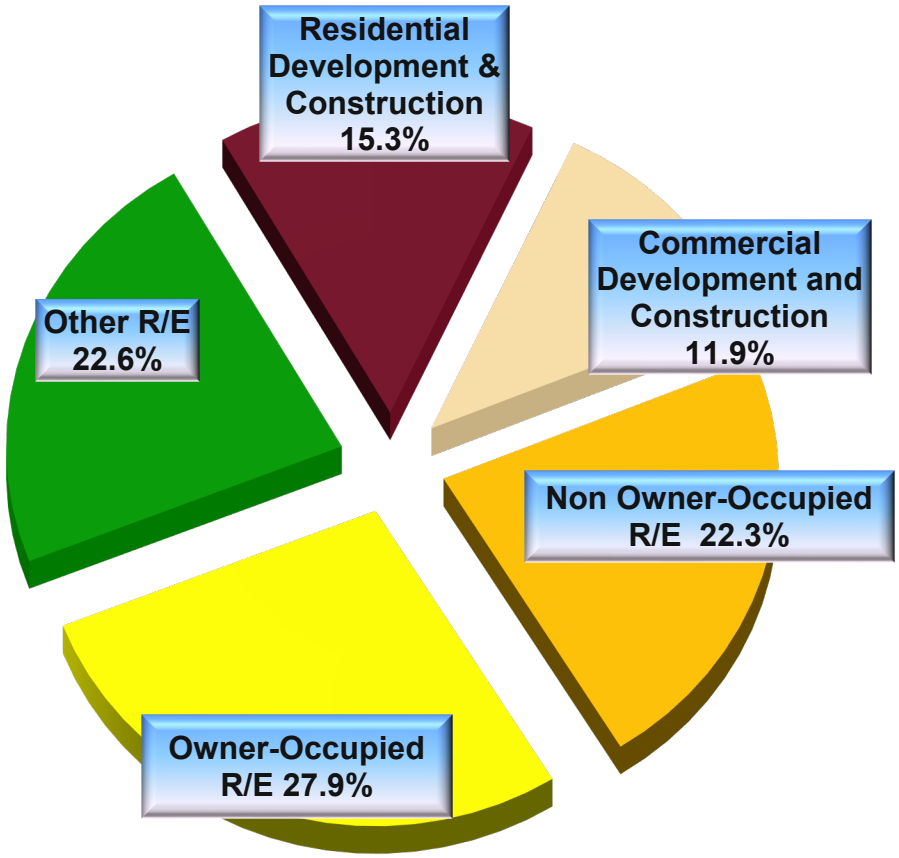
Overview of Loan Portfolio



*As of June 30, 2020

**Includes $703MM in PPP loans

Breakdown of Commercial R/E Loan



*As of June 30, 2020

Oil & Gas Portfolio Analysis

Oil & Gas Supplemental Information

(dollars in thousands)

	December 31, 2019		June 30, 2020*	
Oil & Gas Loans	119,789		128,143	
% of Total Loans	2.84%		2.78%	
Classified Oil & Gas Loans	7,041		28,366	
Non Accrual Oil & Gas Loans	481		3,702	
Quarter Ended Net Charge-offs	-		195	
ALLL of % of Oil & Gas	2.54%		4.17%	

*Excludes PPP loans

Retail / Restaurant / Hotel / Travel Exposure as of June 30, 2020

Retail	Restaurant	Hotel	Travel	Other
$216.2 million	$46.4 million	$52.0 million	$908.0 thousand	$23.2 million
4.8%	1.0%	1.14%	0.02%	0.5%

Classified	Nonperforming
$15.8 million	$5.8 million

Note: Excludes PPP loans

SBA – Paycheck Protection Program Loans Funded

6,500
Loan
Fundings

$703MM
Total Dollars



Loan to Deposit Ratio

	2015	2016	2017	2018	2019	2020*
End of Period	64.6	61.8	58.7	64.3	64.0	65.2
Average Balances	63.0	64.9	61.0	62.0	64.2	65.4

*As of June 30, 2020

Sound Lending Practices

Nonperforming assets as a percentage of loans + foreclosed assets						*(FFIN vs. Peers)*
	2015	2016	2017	2018	2019	2020
First Financial	0.90%	0.86%	0.57%	0.75%	0.61%	0.76%*
Peer Group	1.32%	1.05%	0.86%	0.82%	0.78%	0.68%**

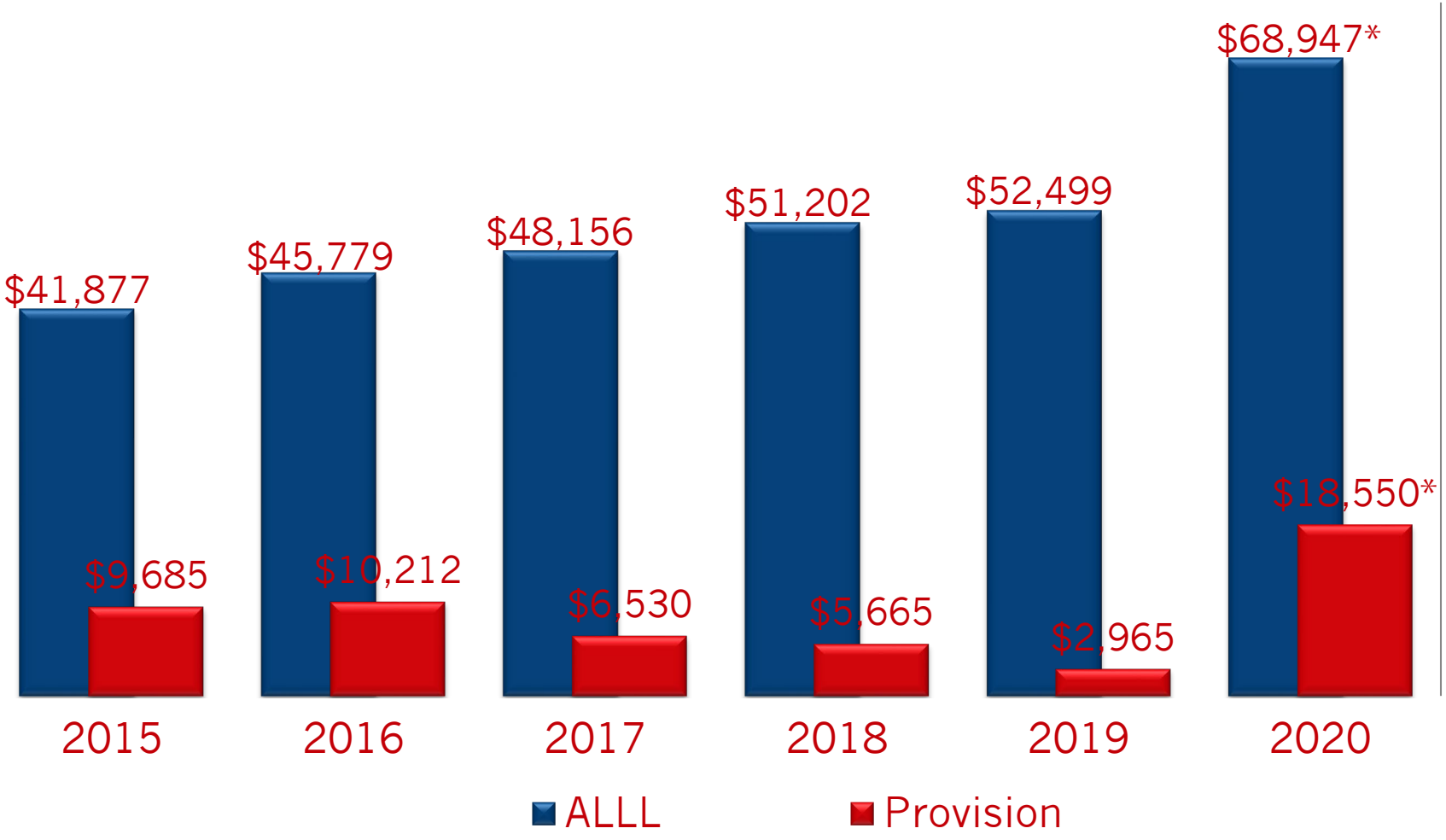
*As of June 30, 2020
**As of March 31, 2020

Loan Repricing

Loan Portfolio Interest Rate Risk Analysis				
Less than 1 year	**1 to 2 years**	**3 to 5 years**	**6 to 10 years**	**Over 10 years**
47.04%	**11.21%**	**22.93%**	**10.57%**	**8.25%**

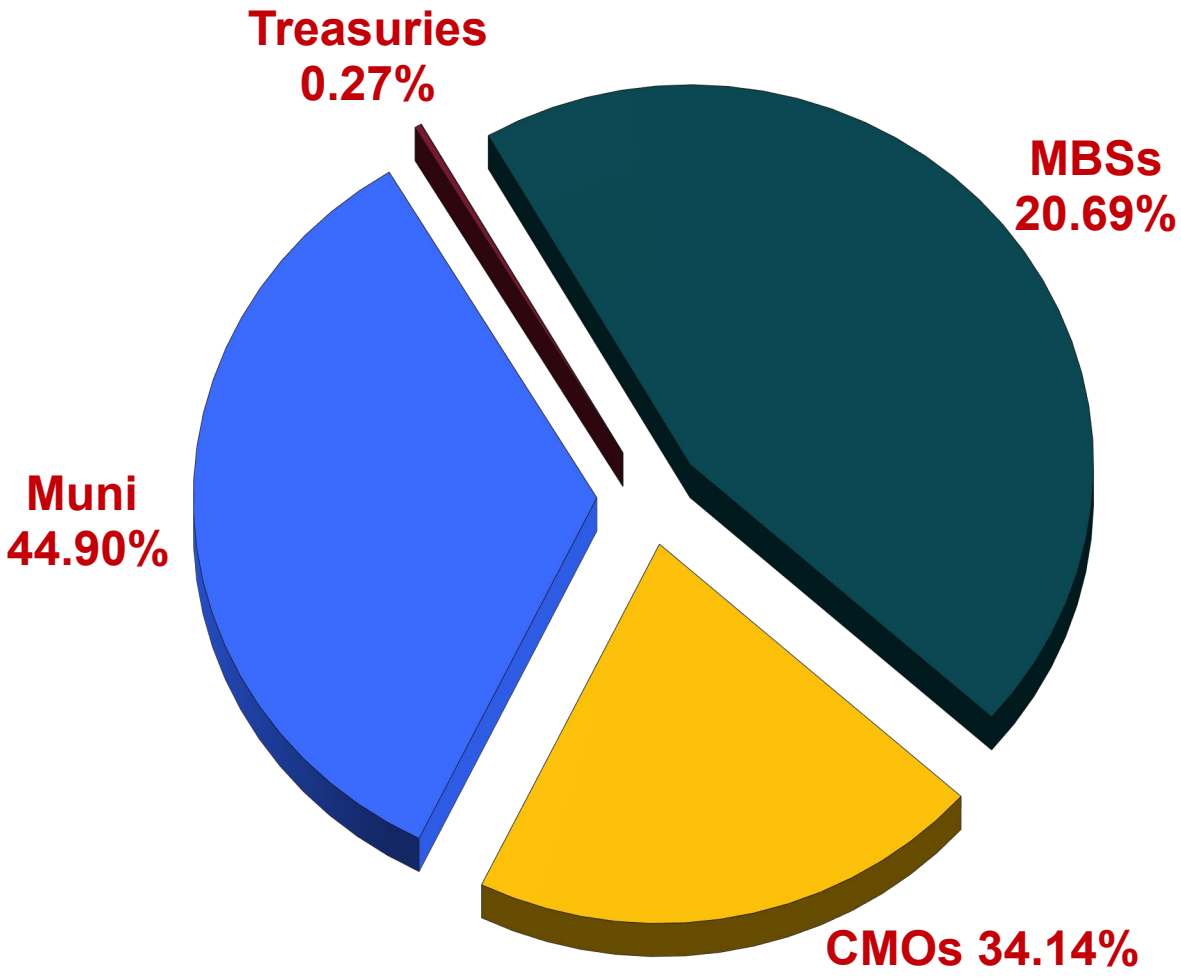
Allowance for Loan Losses and Provision for Loan Losses

(in thousands)



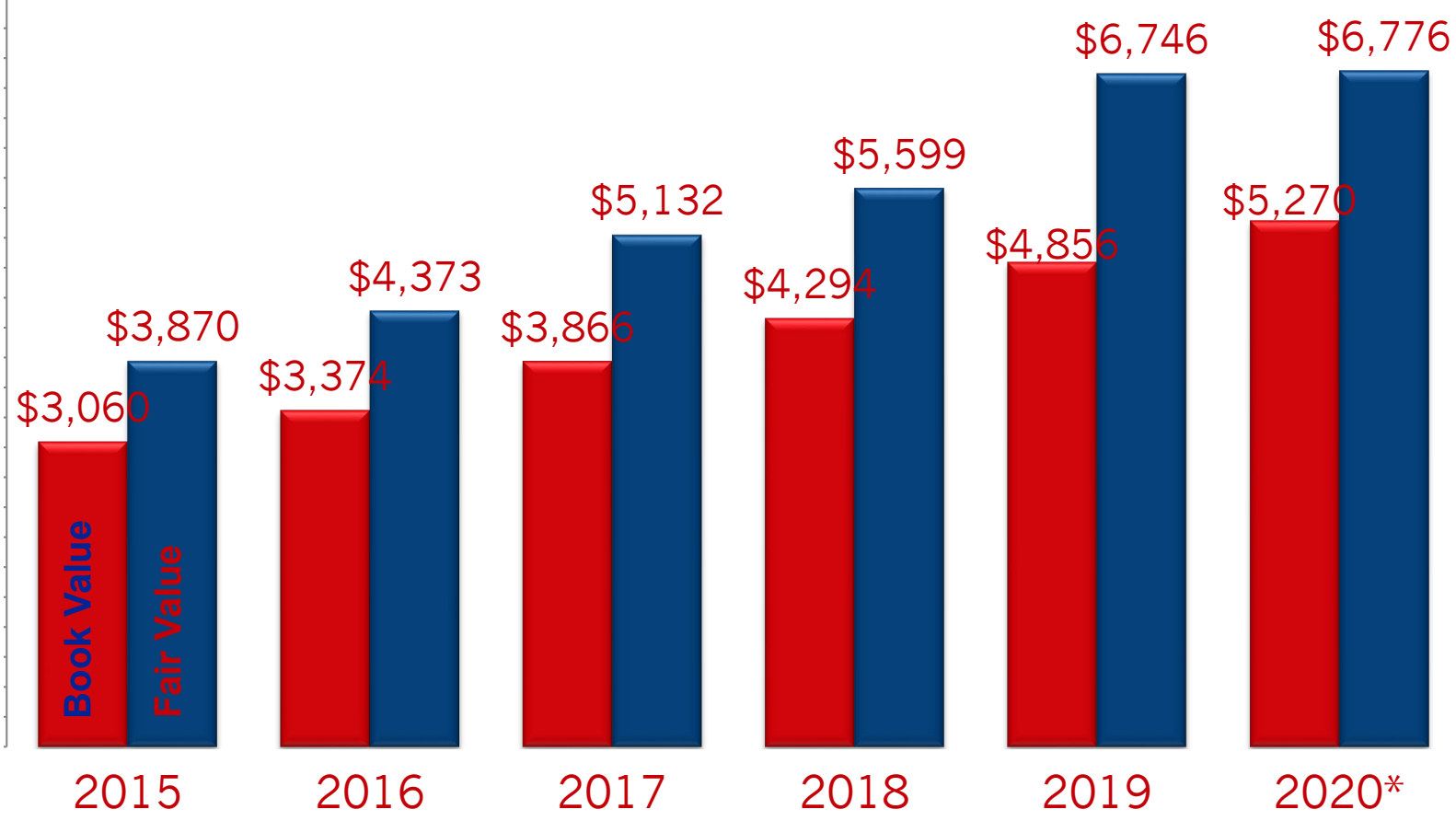
*As of and for 6-months ended June 30, 2020

Summary of Bond Portfolio



Growth in Trust Assets

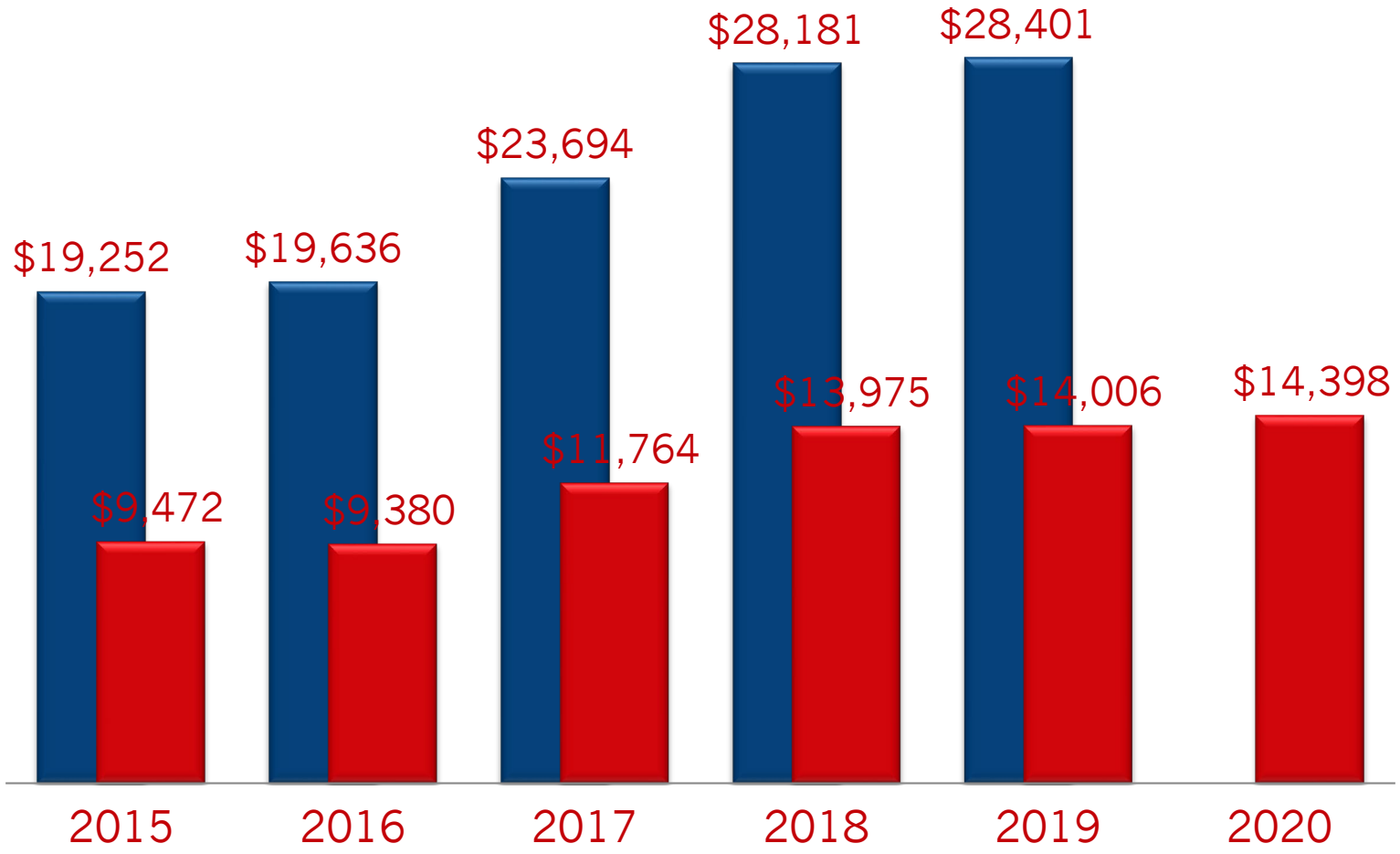
Total Trust Assets – Book Value / Fair Value *(in millions)*



*As of June 30, 2020

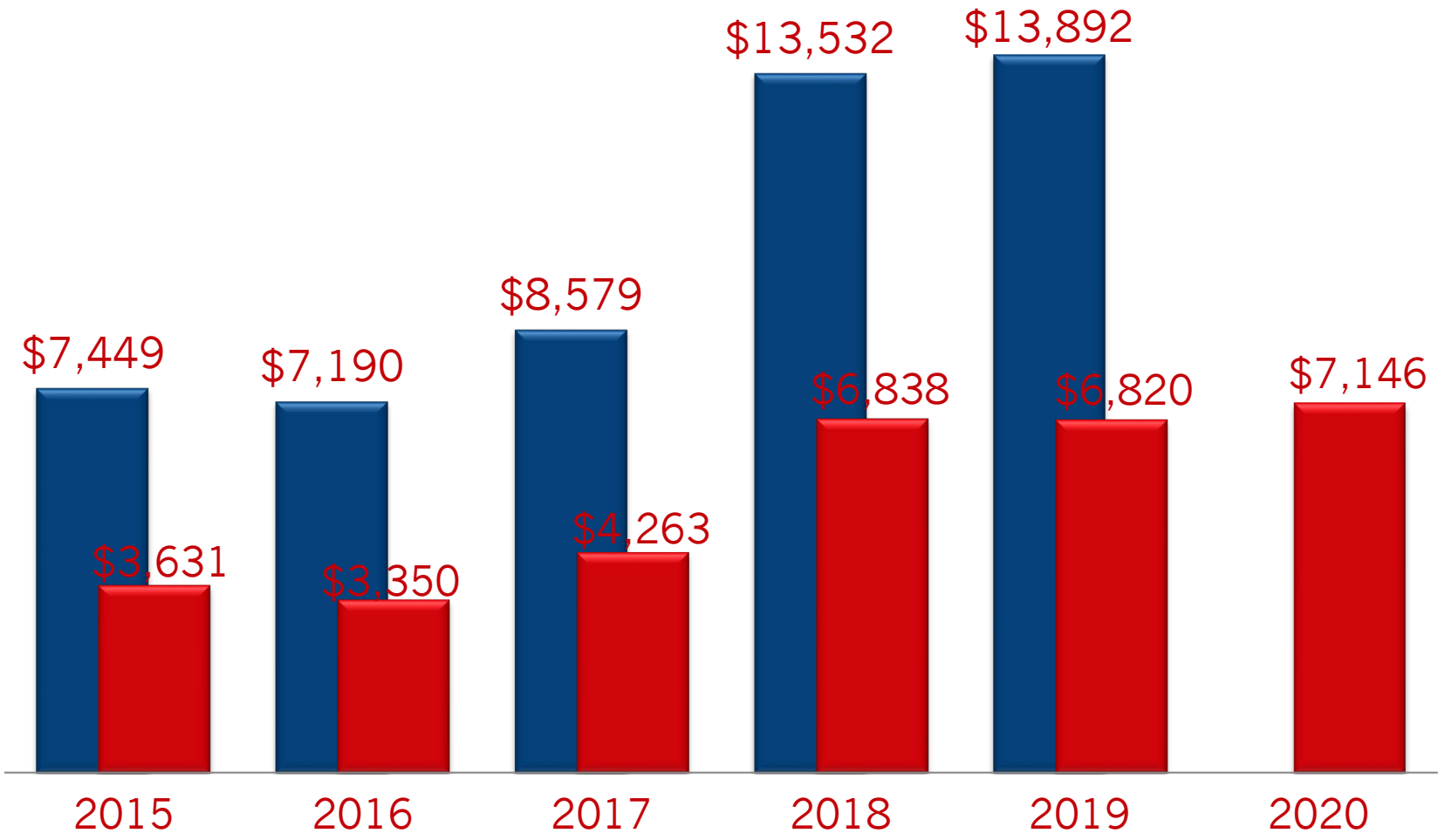
Total Trust Fees

Growth in FFTAM Fees *(Full year and 1st 6 months)* *(in thousands)*



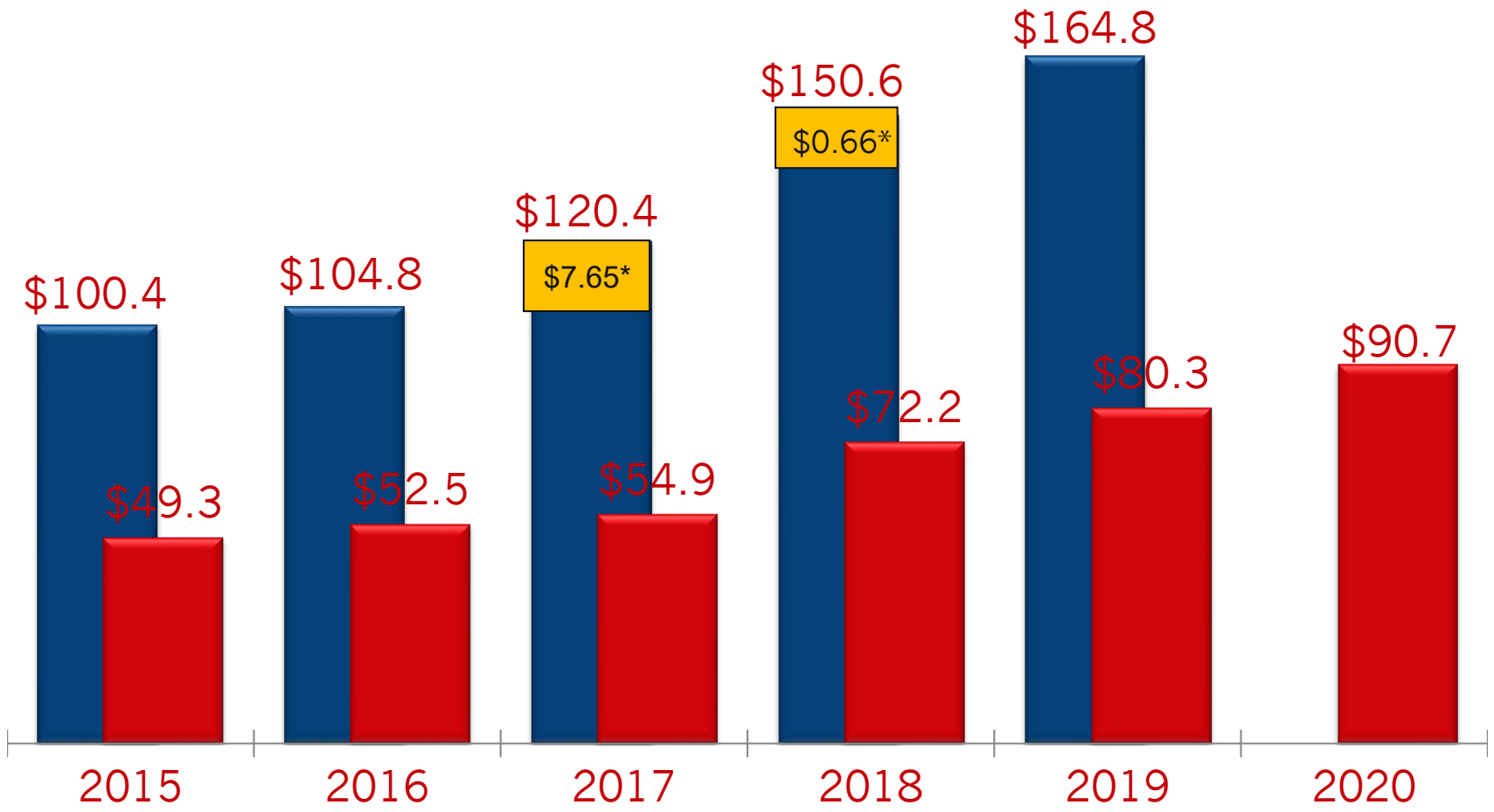
Total Trust Net Income

Growth in FFTAM Net Income *(Full year and 1st 6 months)* *(in thousands)*



33rd Consecutive Year of Increased Earnings

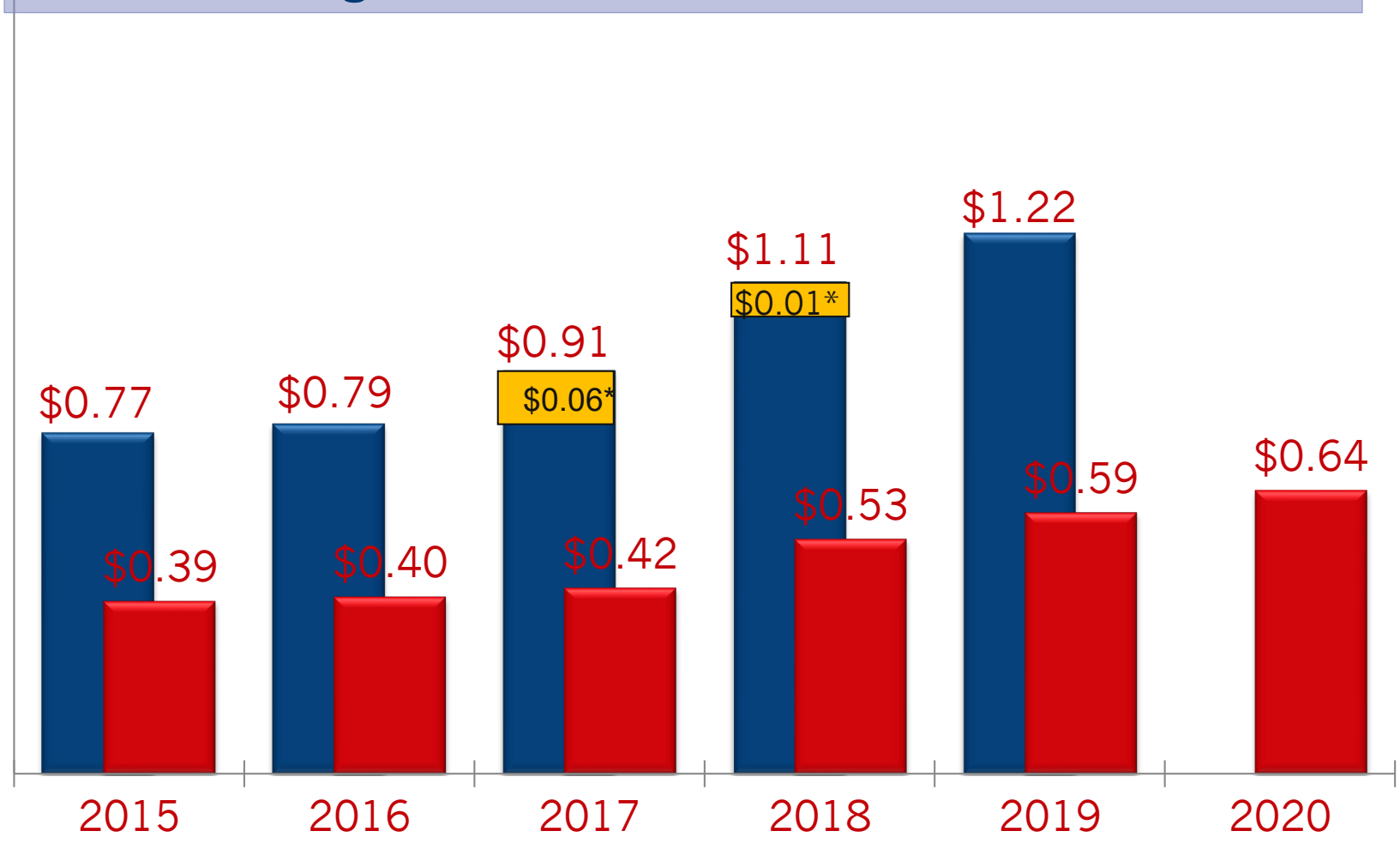
FFIN Earnings *(Full year and 1st 6 months)* *(in millions)*



* Adjustment for tax rate change

Strong Shareholder Earnings

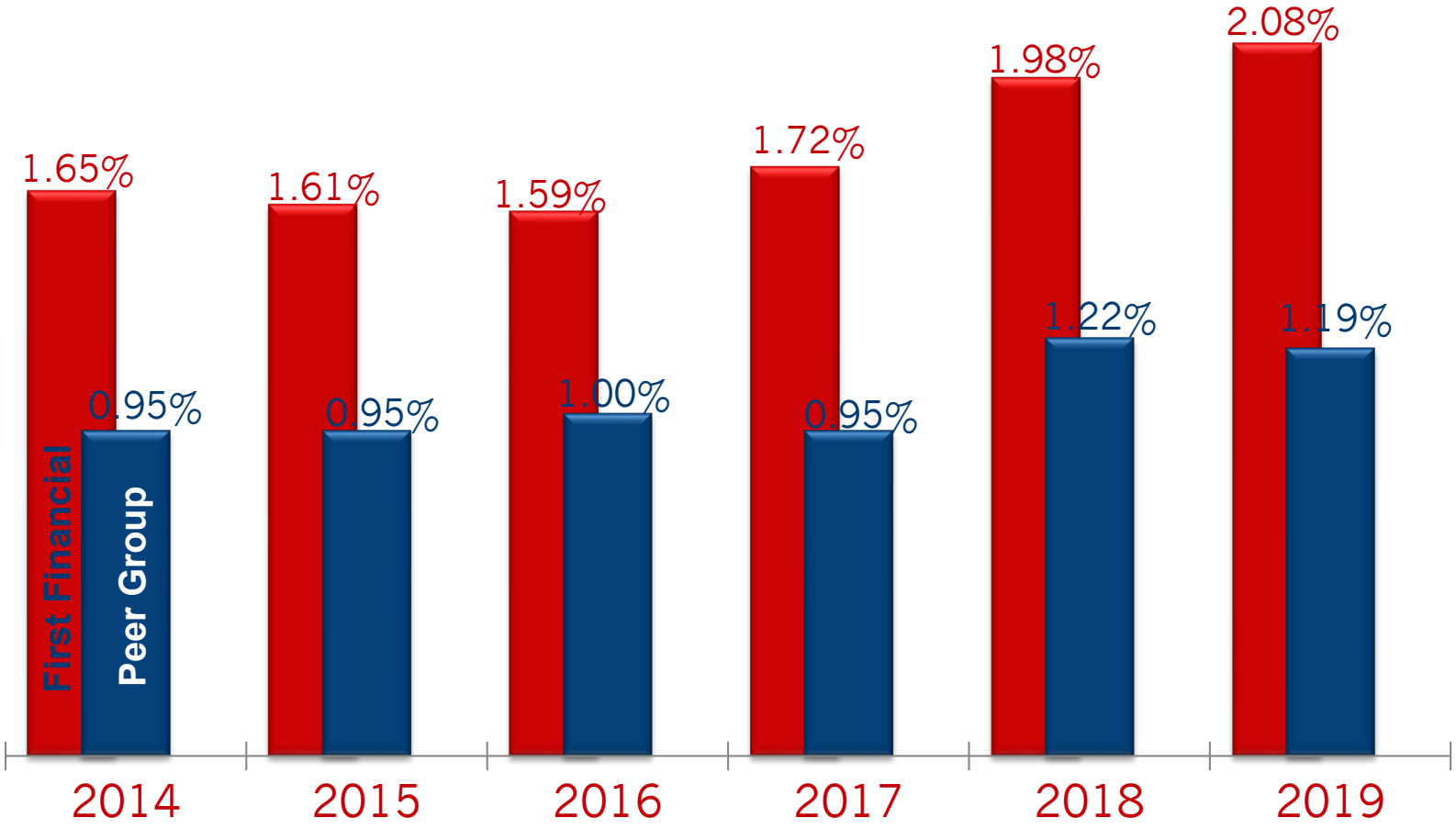
Basic Earnings Per Share *(Full year and 1st 6 months)*



* Adjustment for tax rate change

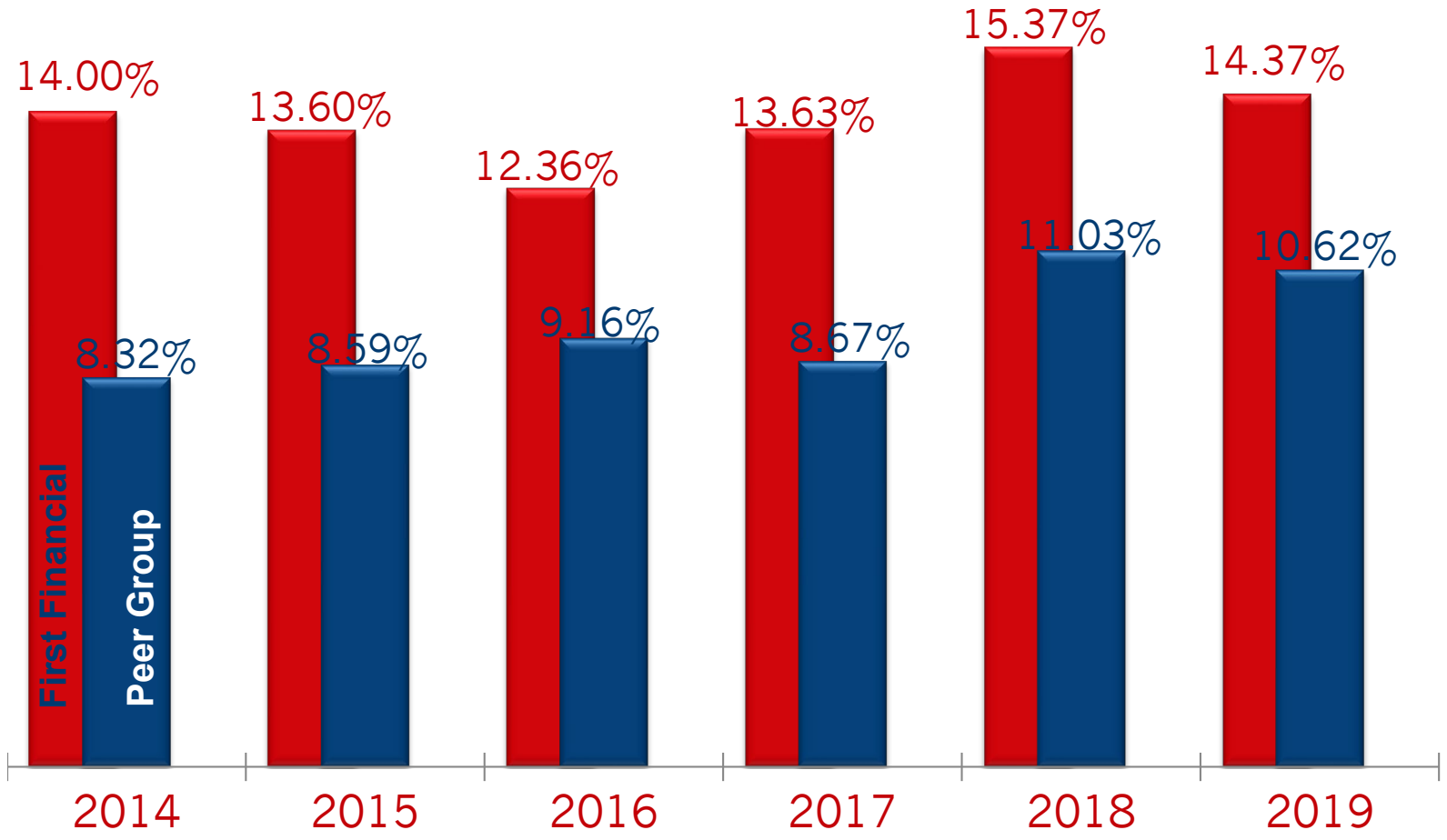
FFIN Outperforms Peers

Percentage Return on Average Assets



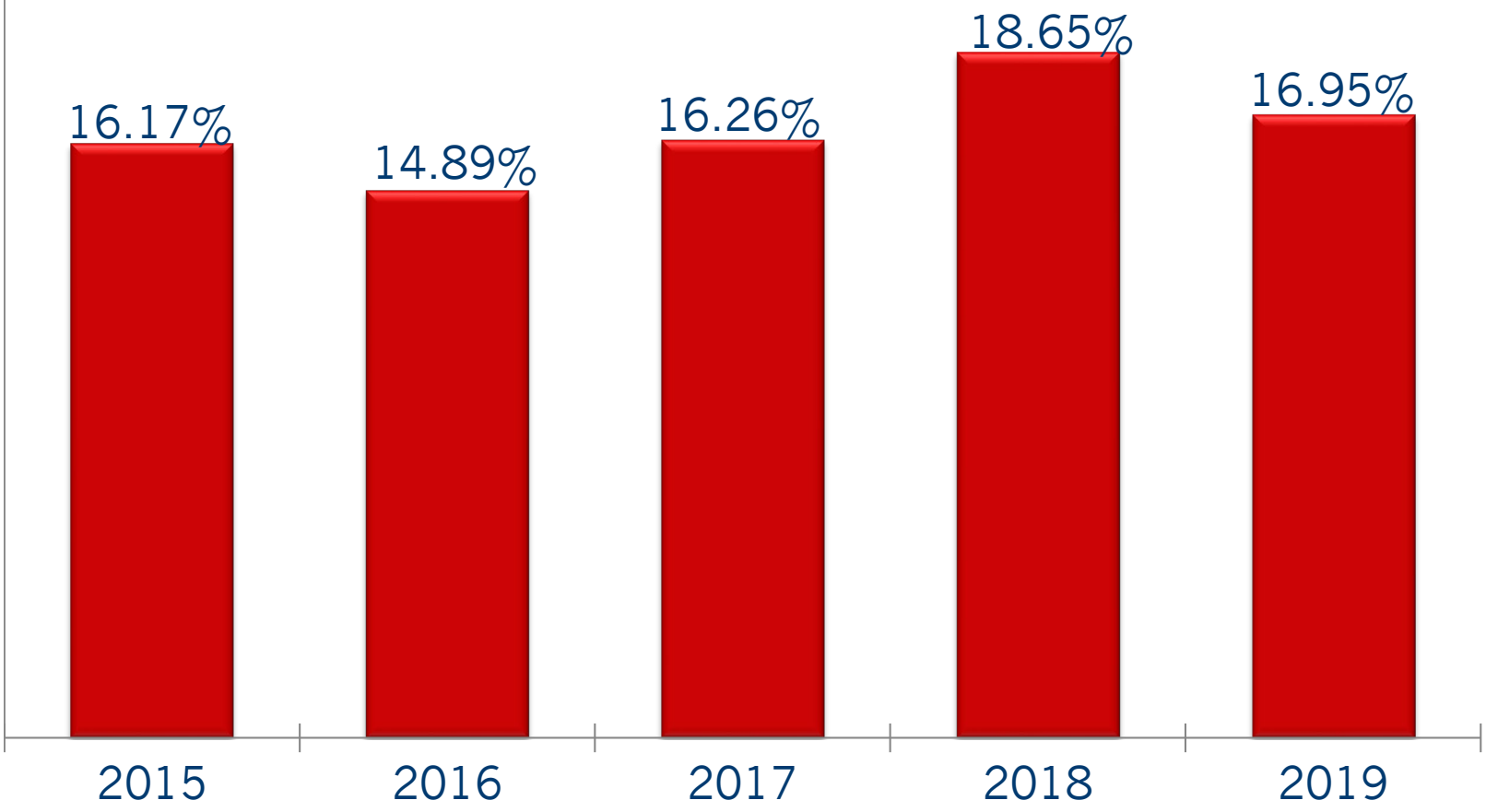
Strong Return on Capital

Percentage Return on Average Equity



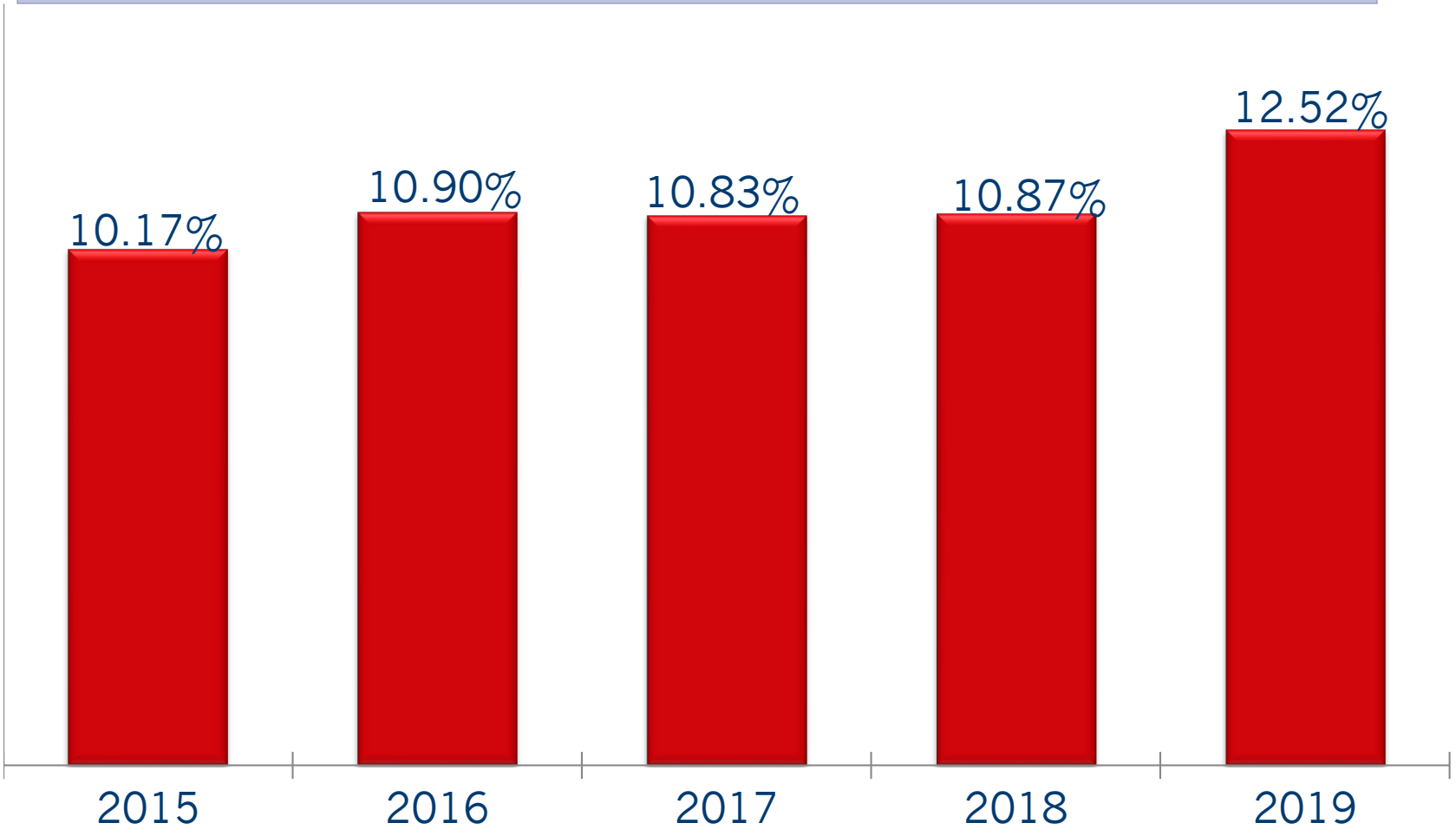
Strong Return on Capital

Percentage Return on Tangible Average Equity



Strong Capital

Tangible Common Equity Ratio



Capital & Capital Ratios

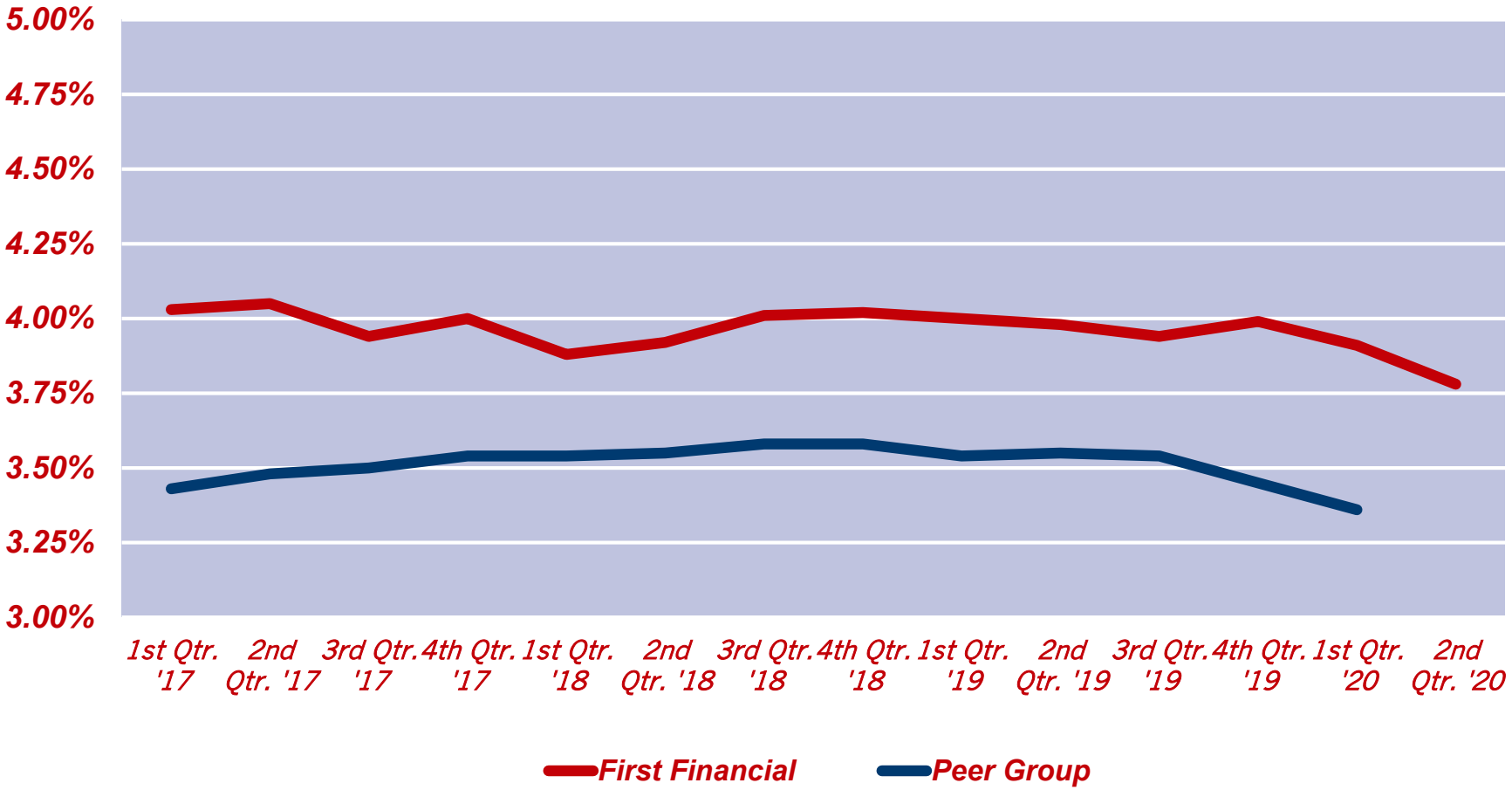
(dollars in thousands)

	2016	2017	2018	2019	2020*
Shareholders' Equity ($)	837,885	922,768	1,053,295	1,227,197	1,582,449
As a Percent of Total Assets (%)	12.30	12.72	13.62	14.85	15.30
Tangible Capital ($)	694,282	781,625	878,612	1,053,530	1,263,084
Tier 1 Leverage Ratio (%)	10.71	11.09	11.85	12.60	11.25
Common Equity Tier 1 Capital Ratio (%)	17.30	18.66	19.47	20.06	20.78
Tier 1 Capital Ratio (%)	17.30	18.66	19.47	20.06	20.78
Total Capital Ratio (%)	18.45	19.85	20.61	21.13	22.03

*As of June 30, 2020

Net Interest Margin

Quarterly Interest Margin



Working Harder and Smarter

Efficiency Ratio *(FFIN vs. Peers)*

	2015	2016	2017	2018	2019	2020
First Financial	47.61%	49.22%	49.26%	49.72%	48.61%	45.17%*
Peer Group	63.92%	62.83%	61.01%	60.51%	59.91%	61.64%**

*For the six-months ended June 30, 2020

**For the three-months ended March 31, 2020

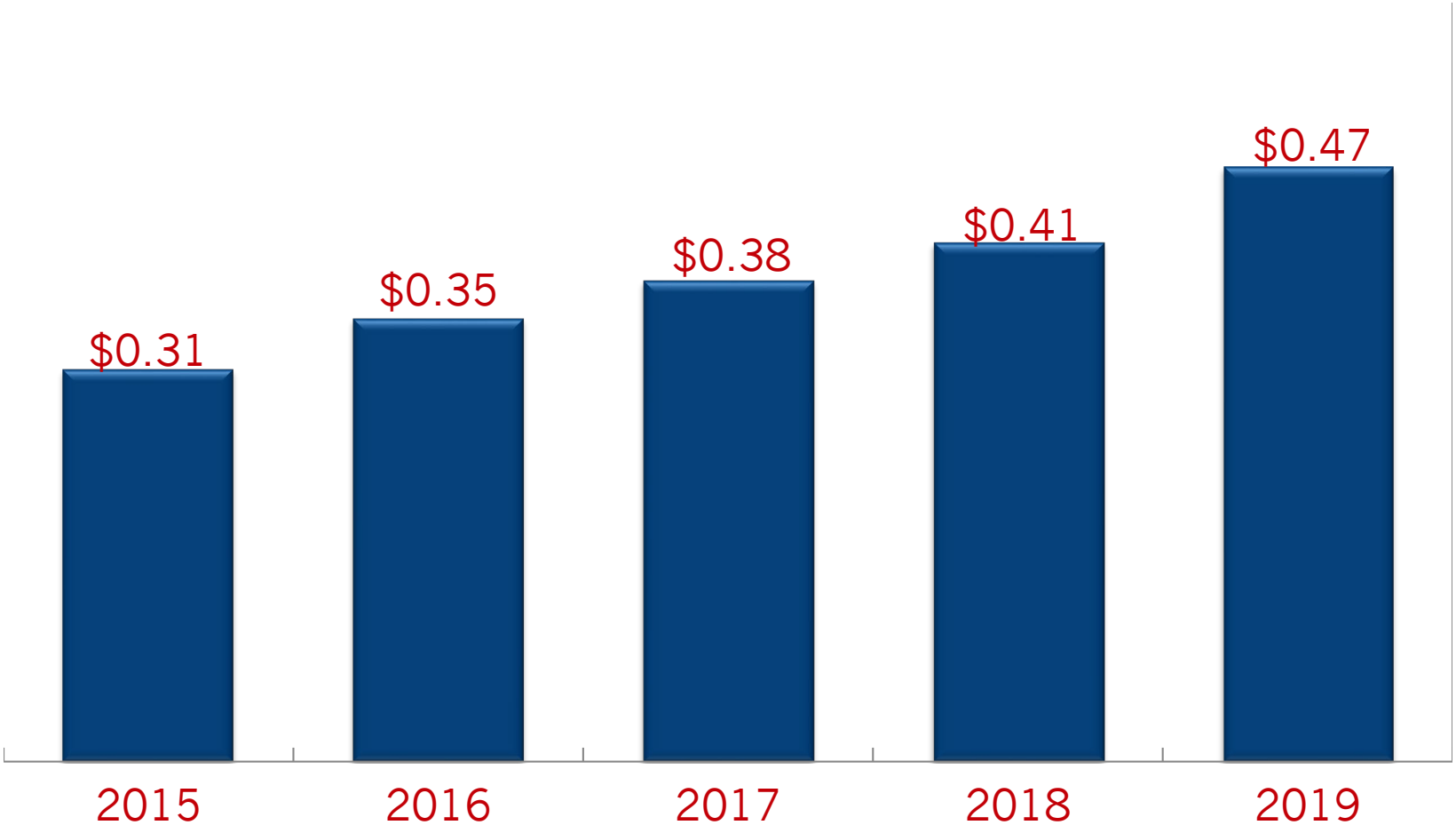
Total Return on Investment

Assume you owned 1,000 shares of FFIN stock on January 1, 2019…

Stock cost in January 2019	$28,840
Dividend declared *($0.47 x 1,000 shares)*	$ 470
Increase in stock price during 2019 *($28.84 to $35.10 X 1,000 shares)*	6,260
2019 return on investment	23.34%
2018 return on investment	29.88%
2017 return on investment	1.33%
2016 return on investment	52.14%
2015 return on investment	3.05%
5 year compound average return as of 12/31/19	19.90%

Dividends Per Share

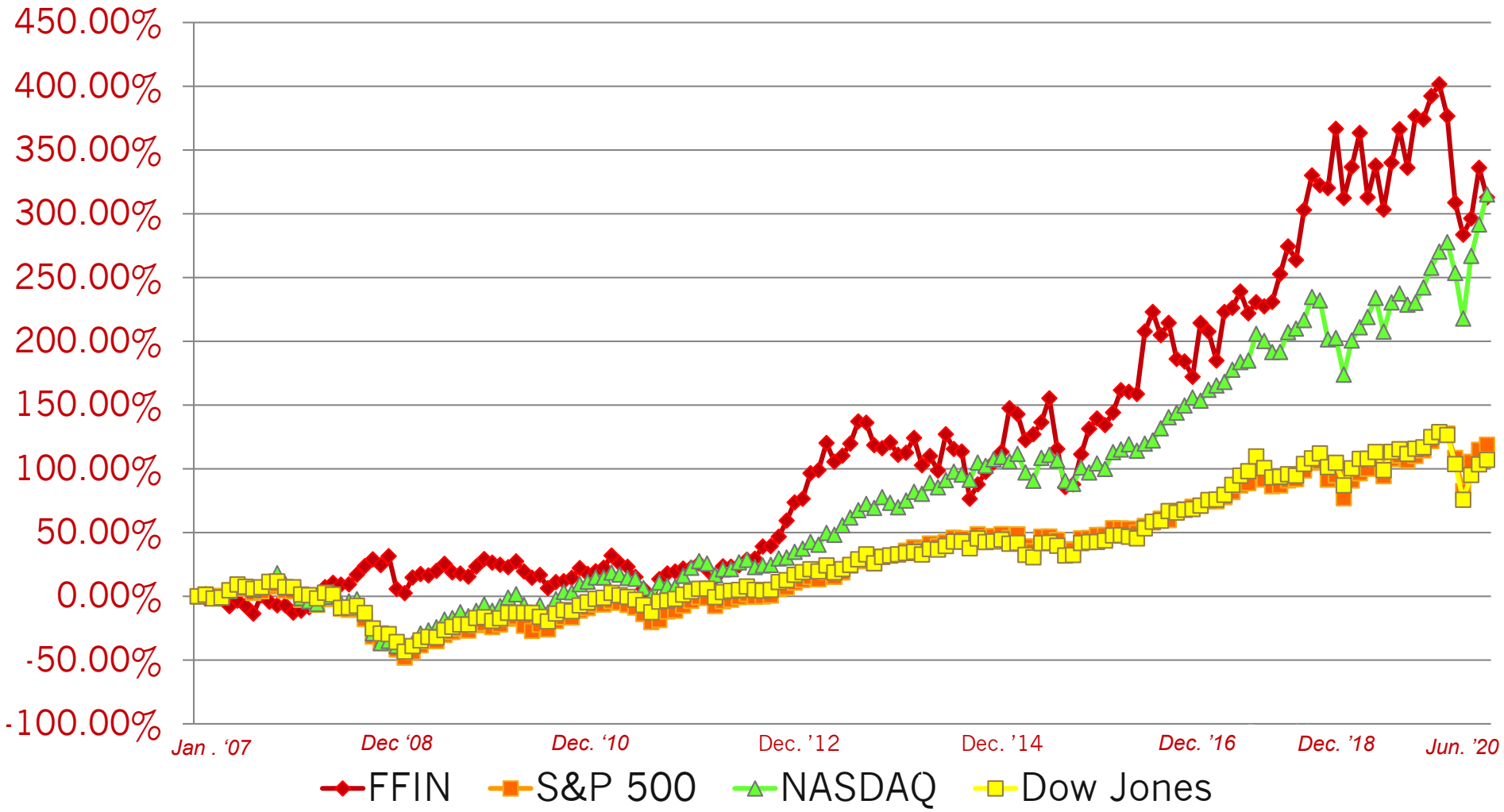
Annual Dividends Declared Per Share



Increased Cash Dividend

- Increased cash divided to $0.13 per quarter – 8.3% increase
- Shareholders of record as of June 16, 2020
- Dividend paid July 1, 2020

Strong Stock Performance



Improvements for 2020

- Improve our interest rate margin
- Grow loans and deposits
- Grow mortgage and trust
- Increase our fee income
- Control expenses
- Continue to improve credit quality
- Make another acquisition


TEXAS
STRONG
1