

TEXAS CAPITAL BANCSHARES INC/TX

Form 424B5

November 28, 2016

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**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-196339**

SUBJECT TO COMPLETION, DATED NOVEMBER 28, 2016

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS SUPPLEMENT

(To prospectus dated May 28, 2014)

3,000,000 shares

Common Stock

We are offering 3,000,000 shares of our common stock to be sold in this offering.

Our common stock is traded on the Nasdaq Global Select Market under the symbol TCBI. On November 25, 2016, the closing sale price of our common stock was \$75.50 per share, as reported on the Nasdaq Global Select Market. You are urged to obtain current market prices for our common stock.

Investing in our common stock involves risks. You should carefully read this prospectus supplement, the accompanying prospectus, our periodic reports and other information we file with the Securities and Exchange Commission and Risk Factors beginning on page S-4 of this prospectus supplement and on page 4 of the accompanying prospectus before making a decision to purchase our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

The shares of our common stock are not savings accounts, deposits or other obligations of our Bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

The underwriters have agreed to purchase shares of our common stock at a price of \$ per share, which will result in us receiving approximately \$ million of proceeds. The underwriters propose to offer the shares from time to time for sale in negotiated transactions or otherwise, at market prices on the Nasdaq Global Select Market prevailing at the time of sale, at prices related to such prevailing market prices or otherwise. See Underwriting.

The underwriters have the option to purchase up to an additional 450,000 shares of common stock, at the price per share set forth above, for 30 days after the date of this prospectus. The underwriters expect to deliver the shares to purchasers in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about , 2016.

Joint Bookrunning Managers

BofA Merrill Lynch

J.P. Morgan

Morgan Stanley

The date of this prospectus supplement is November , 2016.

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with information that is different from that contained in this prospectus supplement or the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition and results of operations may have changed since those dates. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information that is different from or in addition to the information in that prospectus.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about us and the common stock offered hereby. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of this offering in the prospectus supplement differs from the description of our common stock in the accompanying prospectus or any document incorporated by reference filed prior to the date of this prospectus supplement, you should rely on the information in this prospectus supplement.

We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the common stock and the distribution of this prospectus outside the United States. This prospectus does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any common stock offered by this prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference therein, in making your investment decision.

In this prospectus supplement, TCBI, we, our and us or the Company refer to Texas Capital Bancshares, Inc., which is a financial holding company headquartered in Dallas, Texas, and its subsidiaries on a consolidated basis, unless the context otherwise requires. References to Texas Capital Bank or the Bank refer to Texas Capital Bank, National Association, which is our principal banking subsidiary.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC also maintains an Internet website at <http://www.sec.gov> that contains reports, proxy statements and other information electronically filed by issuers. Texas Capital Bancshares, Inc.'s Internet address is <http://www.texascapitalbank.com>. The information on, or that can be accessible through, our website is not a part of this document.

In this prospectus supplement, as permitted by law, we incorporate by reference information from other documents that we file with the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus supplement is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between information contained in this prospectus supplement and information incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later.

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We incorporate by reference the documents listed below and any documents we file with the SEC in the future under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, between the date of this document and the date of the termination of the offer being made pursuant to this prospectus supplement (other than information that, under the Exchange Act and SEC rules, is deemed to be furnished and not filed with the SEC):

Registration Statement on Form 10, filed with the SEC on August 24, 2000, as amended by Current Report on Form 8-K filed with the SEC on May 21, 2015, Item 8.01 Other Events - Update to Description of Common Stock;

Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 18, 2016 and footnotes 1 and 13 to the Company's consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on February 21, 2014;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, filed with the SEC on April 21, 2016, June 30, 2016, filed with the SEC on July 21, 2016, and September 30, 2016, filed with the SEC on October 20, 2016;

Current Reports on Form 8-K filed with the SEC on February 22, 2016 and May 19, 2016; and

Proxy Statement on Schedule 14A dated April 7, 2016 (only those portions incorporated by reference into the Annual Report on Form 10-K).

You may request a copy of any of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address:

Texas Capital Bancshares, Inc.

2000 McKinney Avenue, Suite 700

Dallas, Texas 75201

Attention: Heather Worley

(214) 932-6600

Other than any documents expressly incorporated by reference, the information on our website and any other website, including the SEC's website, that is referred to in this prospectus supplement is not part of this prospectus supplement.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein contain statements that are considered forward-looking statements within the meaning of United States federal securities laws. In addition, we or our management may make other written or oral communications from time to time that contain forward-looking statements. Forward-looking statements may also be contained in our future filings with SEC, in press releases and in oral and written statements made by us or with our approval that are not statements of historical fact. These forward-looking statements are based on our beliefs, assumptions and expectations of our future performance taking into account all information currently available to us. Words such as believes, expects, estimates, anticipates, plans, goals, objectives, expects, intends, seeks, likely, targeted, continue, remain, other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements may include, among other things, statements about the credit quality of our loan portfolio, economic conditions, including the continued impact on our customers from declines and volatility in oil and gas prices, expectations regarding rates of default or loan losses, volatility in the mortgage industry, our business strategies and our expectations about future financial performance, future growth and earnings, the appropriateness of our allowance for loan losses and provision for loan losses, the impact of increased regulatory requirements on our business, increased competition, interest rate risk, new lines of business, new product or service offerings and new technologies.

Forward-looking statements are subject to various risks and uncertainties, which change over time, are based on management's expectations and assumptions at the time the statements are made and are not guarantees of future results. Important factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, the following:

Deterioration of the credit quality of our loan portfolio or declines in the value of collateral related to external factors such as commodity prices or interest rates, increased default rates and loan losses or adverse changes in the industry concentrations of our loan portfolio.

Changes in the U.S. economy in general or the Texas economy specifically resulting in deterioration of credit quality or reduced demand for credit or other financial services we offer, including declines and volatility in oil and gas prices.

Changing economic conditions or other developments adversely affecting our commercial, entrepreneurial and professional customers.

Changes in the value of commercial and residential real estate securing our loans or in the demand for credit to support the purchase and ownership of such assets.

The failure to correctly assess and model the assumptions supporting our allowance for loan losses, causing it to become inadequate in the event of decreases in loan quality and increases in charge-offs.

Adverse changes in economic or market conditions, or our operating performance, which could cause access to capital market transactions and other sources of funding to become more difficult to obtain on terms and conditions that are acceptable to us.

The inadequacy of our available funds to meet our deposit, debt and other obligations as they become due, or our failure to maintain our capital ratios as a result of adverse changes in our operating performance or financial condition.

The failure to effectively balance our funding sources with cash demands by depositors and borrowers.

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The failure to effectively manage our interest rate risk resulting from unexpectedly large or sudden changes in interest rates or rate or maturity imbalances in our assets and liabilities.

The failure to successfully expand into new markets, develop and launch new lines of business or new products and services within the expected timeframes and budgets or to successfully manage the risks related to the development and implementation of these new businesses, products or services.

The failure to attract and retain key personnel or the loss of key individuals or groups of employees.

The failure to manage our information systems risk or to prevent cyber attacks against us or our third party vendors.

Legislative and regulatory changes imposing further restrictions and costs on our business, a failure to remain well capitalized or well managed or regulatory enforcement actions against us.

Adverse changes in economic or business conditions that impact the financial markets or our customers.

Increased or more effective competition from banks and other financial service providers in our markets.

Uncertainty in the pricing of mortgage loans that we purchase, and later sell or securitize, as well as competition for the mortgage servicing rights, or MSR, related to these loans and related interest rate risk resulting from retaining MSR.

Material failures of our accounting estimates and risk management processes based on management judgment, or the supporting analytical and forecasting models.

Failure of our risk management strategies and procedures, including failure or circumvention of our controls.

An increase in the incidence or severity of fraud, illegal payments, security breaches and other illegal acts impacting our Bank and our customers.

Structural changes in the markets for origination, sale and servicing of residential mortgages.

Unavailability of funds obtained from capital transactions or from our Bank to fund our obligations.

Failures of counterparties or third party vendors to perform their obligations.

Environmental liability associated with properties related to our lending activities.

Severe weather, natural disasters, acts of war or terrorism and other external events.

Incurrence of material costs and liabilities associated with legal and regulatory proceedings and related matters with respect to the financial services industry, including those directly involving us or our Bank. Actual outcomes and results may differ materially from what is expressed in our forward-looking statements and from our historical financial results due to the factors discussed elsewhere in this prospectus supplement or disclosed in our other SEC filings. Forward-looking statements included herein speak only as of

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the date hereof and should not be relied upon as representing our expectations or beliefs as of any date subsequent to the date of this prospectus supplement. Except as required by law, we undertake no obligation to revise any forward-looking statements contained in this prospectus supplement, whether as a result of new information, future events or otherwise. The factors discussed herein are not intended to be a complete summary of all risks and uncertainties that may affect our businesses. Though we strive to monitor and mitigate risk, we cannot anticipate all potential economic, operational and financial developments that may adversely impact our operations and our financial results. Forward-looking statements should not be viewed as predictions and should not be the primary basis upon which investors evaluate an investment in our common stock.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and does not contain all the information that you need to consider in making your investment decision. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the information to which we refer you and the information incorporated by reference herein, before deciding whether to invest in our common stock.

The Company

The Company is a Delaware corporation organized in 1996 and the parent of Texas Capital Bank. The Company is a registered bank holding company and a financial holding company.

The Bank is headquartered in Dallas, with primary banking offices in Austin, Dallas, Fort Worth, Houston and San Antonio, the five largest metropolitan areas of Texas. All of our business activities are conducted through the Bank. We have focused on organic growth, maintenance of credit quality and recruiting and retaining experienced bankers with strong personal and professional relationships in their communities.

We serve the needs of commercial businesses and successful professionals and entrepreneurs located in Texas as well as operate several lines of business serving a regional or national clientele of commercial borrowers. We are primarily a secured lender, with a majority of our loans being made to businesses headquartered or with operations in Texas. At the same time, our national lines of business continue to provide specialized lending products to businesses throughout the United States. We have benefitted from the success of our business model since inception, producing strong loan growth and favorable loss experience amidst a challenging environment for banking nationally.

The Texas Market

The Texas market for banking services is highly competitive. Texas largest banking organizations are headquartered outside of Texas and are controlled by out-of-state organizations. We also compete with other providers of financial services, such as savings and loan associations, credit unions, consumer finance companies, securities firms, insurance companies, commercial finance and leasing companies, full service brokerage firms and discount brokerage firms. We believe that many middle market companies and successful professionals and entrepreneurs are interested in banking with a company headquartered in, and with decision-making authority based in, Texas and with established Texas bankers who have the expertise to act as trusted advisors to customers with regard to their banking needs.

Our banking centers in our target markets are served by experienced bankers with lending expertise in the specific industries found in their market areas and established community ties. We believe our Bank can offer customers more responsive and personalized service than our competitors. If we provide effective service to these customers, we believe we will be able to establish long-term relationships and provide multiple products to our customers, thereby enhancing our profitability.

National Lines of Business

While the Texas market continues to be central to the growth and success of our company, we have developed several lines of business, including our mortgage finance, mortgage correspondent aggregation, homebuilder finance, insurance premium finance and lender finance lines of business, that offer specialized loan and deposit products to businesses regionally and throughout the country. We believe this helps us mitigate our geographic concentration risk in Texas.

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In the third quarter of 2015, we launched a correspondent lending program, mortgage correspondent aggregation, or MCA, to complement our mortgage finance warehouse lending program. Through our MCA program we commit to purchase residential mortgage loans from independent correspondent lenders and deliver those loans into the secondary market via whole loan sales to independent third parties or in securitization transactions to government sponsored enterprises such as Fannie Mae, Freddie Mac and Ginnie Mae.

Business Strategy

Drawing on the business and community ties of our management and their banking experience, our strategy is to continue building an independent bank that focuses primarily on middle market business customers and successful professionals and entrepreneurs in each of the five major metropolitan markets of Texas as well as our national lines of business. To achieve this, we seek to implement the following strategies:

Targeting middle market businesses and successful professionals and entrepreneurs;

Growing our loan and deposit base in our existing markets by hiring additional experienced bankers in our different lines of business;

Continuing our emphasis on credit policy to maintain credit quality consistent with long-term objectives;

Leveraging our existing infrastructure to support a larger volume of business;

Maintaining stringent internal approval processes for capital and operating expenditures;

Continuing our extensive use of outsourcing to provide cost-effective operational support with service levels consistent with large-bank operations; and

Extending our reach within our target markets and lines of business through service innovation and service excellence.

Our principal executive offices are located at 2000 McKinney Avenue, Suite 700, Dallas, Texas 75201 and our telephone number is (214) 932-6600. Our Internet address is <http://www.texascapitalbank.com>. The reference to our website address does not constitute incorporation by reference of the information contained on the website, which should not be considered part of this prospectus.

Energy Portfolio

Our outstanding energy loan portfolio represented 6% of total loans, or \$1.1 billion, as of September 30, 2016. Our provision for credit losses increased in the third quarter of 2016, due primarily to credit deterioration of our energy loans resulting from sustained volatility in oil and gas prices. We reported an allocated reserve of \$65.1 million at September 30, 2016, or 6% of our energy loan portfolio. Of \$7.4 million in net charge-offs in the third quarter of

2016, \$1.8 million were energy related. Non-accruals in the energy portfolio increased to \$150.0 million at September 30, 2016 compared to \$127.1 million at June 30, 2016. Total criticized energy loan balances at September 30, 2016 as a percent of total loans held for investment increased to 25% from 22% at June 30, 2016. Our unfunded commitments totaled approximately 45% of our outstanding energy portfolio at September 30, 2016, an increase reflecting new commitments. Less than \$20 million of unfunded commitments relate to criticized loans. We continue to proactively manage our energy portfolio and overall credit quality, and believe we are appropriately reserved against further energy-related losses.

Risk Factors

An investment in our common stock involves certain risks. You should carefully consider the risks described under **Risk Factors** beginning on page S-4 of this prospectus supplement, in the **Risk Factors** section of the accompanying prospectus, and in our Annual Report on Form 10-K filed on February 18, 2016, as well as other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, including our financial statements and the notes thereto, before making an investment decision.

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The Offering

Common stock offered by us, excluding the 3,000,000 shares, par value \$0.01 per share
 underwriters option to purchase additional
 shares

Underwriters option 450,000 shares

Common stock outstanding prior to this 46,009,495 shares(1)
 offering

Common stock outstanding after this 49,009,495 shares(1)
 offering, excluding the underwriters option
 to purchase additional shares

Use of proceeds The net proceeds, after estimated expenses, to us from the sale of the
 common stock offered hereby will be approximately \$ million.

We intend to use the net proceeds of this offering to provide capital support for the growth of Texas Capital Bank and for other general corporate purposes.

Nasdaq Global Select Market symbol TCBI

(1) Based on the number of shares outstanding as of September 30, 2016, excluding 177,613 outstanding stock appreciation rights, 389,329 outstanding restricted stock units and outstanding warrants to purchase 581,500 shares of common stock. See footnote 12 *Stock-Based Compensation and Employee Benefits* to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015 for a description of our benefit plans providing for issuance of common stock.

Unless otherwise stated, the shares presented in this prospectus assume no exercise of the underwriters option to purchase additional shares.

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RISK FACTORS

You should carefully consider the risks described below before deciding to invest in shares of our common stock. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the following risks actually occurs, our business, financial condition or results of operations could be materially adversely affected. In that case, the trading price of our common stock could decline substantially, and you may lose all or part of your investment.

Risk Factors Relating to Our Business

You should carefully consider the risks described in the Risk Factors section of the accompanying prospectus, and in our Annual Report on Form 10-K filed on February 18, 2016, as well as other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, including our financial statements and the notes thereto.

Risk Factors Related to Investing in Our Common Stock

Our stock price can be volatile. Stock price volatility may make it more difficult for you to resell your common stock at prices you find attractive at the time you would like to sell. Our stock price can fluctuate significantly in response to a variety of factors including, among other things:

actual or anticipated variations in our operating results or our quarterly or annual earnings, or those of other companies in our industry, including contraction in our net interest margin resulting from shifts in our loan portfolio to lower-yielding categories of loans, declining market rates, competition, and the near-term impact of capital and liquidity transactions, as well as changes in employee compensation resulting from hiring of key individuals and the impact of stock prices on equity-based compensation;

changes in accounting standards, policies, guidance, interpretations or principles;

reactions of investors to our press releases, our other public announcements and our filings with the SEC;

announcements by us or our competitors of significant acquisitions, dispositions, innovations or new programs and services;

changes in recommendations to buy or sell our stock by securities analysts following our stock;

changes in financial or earnings estimates by securities analysts or our ability to meet those estimates;

operating results and stock price performance of other companies that investors deem comparable to us;

general economic conditions and overall market fluctuations;

the trading volume of our common stock;

changes in business, legal or regulatory conditions, or other developments affecting participants in our industry, and publicity regarding our business or any of our significant customers or competitors;

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changes in governmental regulations or monetary policies, including the policies of the Board of Governors of the Federal Reserve System, or the Federal Reserve;

future sales of our common stock by us, directors, executives and significant shareholders; and

changes in economic and political conditions affecting our target markets, including fluctuations in the price of crude oil and natural gas.

General market fluctuations, industry factors and general economic and political conditions and events, such as economic slowdowns or recessions, interest rate changes or credit loss trends, could also cause our stock price to decrease regardless of operating results as evidenced by the recent volatility and disruption of capital and credit markets.

The trading volume in our common stock is less than that of other larger financial services companies, and a significant amount of our common stock is held by institutional investors. Although our common stock is traded on the Nasdaq Global Select Market, the trading volume in our common stock is less than that of other larger financial services companies. Given the lower trading volume of our common stock, significant sales of our common stock, or the expectation of these sales, could cause our stock price to fall. In addition, a substantial majority of common stock outstanding is held by institutional shareholders, and trading activity involving large positions may increase volatility of the stock price. Concentration of ownership by institutional investors and inability to execute trades covering large numbers of shares can increase volatility of the price of our stock. Changes in the general economic outlook or perspectives on our business or prospects by our institutional investors, whether factual or speculative, can have a major impact on our stock price.

An investment in our common stock is not an insured deposit. Our common stock is not a bank deposit and, therefore, is not insured against loss by the Federal Deposit Insurance Corporation, any other deposit insurance fund or by any other public or private entity. Investment in our common stock is subject to the risks described in the Risk Factors section herein and in our Annual Report on Form 10-K and is subject to the same market forces that affect the price of securities of any company. As a result, if you purchase our common stock you may lose some or all of your investment.

The holders of our indebtedness and preferred stock have rights that are senior to those of our common shareholders. As of September 30, 2016, we had outstanding \$286.0 million in subordinated notes, \$113.4 million in junior subordinated notes that are held by statutory trusts which issued trust preferred securities to investors and \$20.0 million under our revolving, non-amortizing line of credit (maximum availability of \$130.0 million) which matures on December 21, 2016. Payments of the principal and interest on the trust preferred securities are conditionally guaranteed by us to the extent not paid by each trust, provided the trust has funds available for such obligations.

Our subordinated notes and junior subordinated notes are senior to our shares of common stock in right of payment of dividends and other distributions. In the event of our bankruptcy, dissolution or liquidation, the holders of our indebtedness must be satisfied before any distributions can be made to our common shareholders. If certain conditions are met, we have the right to defer interest payments on the junior subordinated debentures (and the related trust preferred securities) at any time or from time to time for a period not to exceed 20 consecutive quarters in a deferral period, during which time no dividends may be paid to holders of our common stock.

At September 30, 2016, we had issued and outstanding 6,000,000 shares of our 6.50% Non-Cumulative Perpetual Preferred Stock, Series A, having an aggregate liquidation preference of \$150.0 million. Our preferred stock is senior

to our shares of common stock in right of payment of dividends and other distributions. We must be current on dividends payable to holders of preferred stock before any dividends can be paid on our common stock. In the event of our bankruptcy, dissolution or liquidation, the holders of our preferred stock must be satisfied before any distributions can be made to our common shareholders.

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We do not currently pay dividends on our common stock. We have not paid dividends on our common stock and we do not expect to do so for the foreseeable future. Our ability to pay dividends is limited by regulatory restrictions and the need to maintain sufficient consolidated capital. The ability of the Bank to pay dividends to us is limited by its obligation to maintain sufficient capital and by other regulatory restrictions.

Restrictions on Ownership. The ability of a third party to acquire us is limited under applicable U.S. banking laws and regulations. The Bank Holding Company Act of 1956, as amended, or the BHC Act, requires any bank holding company (as defined therein) to obtain the approval of the Board of Governors of the Federal Reserve prior to acquiring, directly or indirectly, more than 5% of our outstanding common stock. Any company (as defined in the BHC Act) other than a bank holding company would be required to obtain Federal Reserve approval before acquiring control of us. Control generally means (i) the ownership or control of 25% or more of a class of voting securities, (ii) the ability to elect a majority of the directors or (iii) the ability otherwise to exercise a controlling influence over management and policies. A holder of 25% or more of our outstanding common stock, other than an individual, is subject to regulation and supervision as a bank holding company under the BHC Act. In addition, under the Change in Bank Control Act of 1978, as amended, and the Federal Reserve's regulations thereunder, any person, either individually or acting through or in concert with one or more persons, is required to provide notice to the Federal Reserve prior to acquiring, directly or indirectly, 10% or more of our outstanding common stock.

Anti-takeover provisions of our certificate of incorporation, bylaws and Delaware law may make it more difficult to receive a change in control premium. Certain provisions of our certificate of incorporation and bylaws could make a merger, tender offer or proxy contest more difficult, even if such events were perceived by many of our stockholders as beneficial to their interests. These provisions are more fully described in our Registration Statement on Form 10, as amended, which was filed with the SEC on August 24, 2000, as amended by Item 8.01 of our Current Report on Form 8-K which was filed with the SEC on May 21, 2015, which are incorporated by reference into this prospectus. These provisions include advance notice for nominations of directors and stockholders' proposals, and authority to issue blank check preferred stock with such designations, rights and preferences as may be determined from time to time by our board of directors. In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law which, in general, prevents an interested stockholder, defined generally as a person owning 15% or more of a corporation's outstanding voting stock, from engaging in a business combination with our company for three years following the date that person became an interested stockholder unless certain specified conditions are satisfied.

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USE OF PROCEEDS

The net proceeds, after estimated expenses, to us from the sale of the common stock offered hereby will be approximately \$ million. We intend to use the net proceeds of this offering to provide capital support for the growth of Texas Capital Bank and for other general corporate purposes.

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The following table presents our capitalization as of September 30, 2016:

on an actual basis; and

on an as adjusted basis, after giving effect to the sale of 3,000,000 shares of our common stock in this offering at \$ _____ per share and the application of the net proceeds of this offering in the manner contemplated in the section Use of Proceeds.

The following table should be read in conjunction with the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto, in each case, that are included in the documents that are incorporated by reference into this prospectus.

| | As of September 30, 2016 | |
|---|----------------------------------|--------------------|
| | Actual | As adjusted |
| | (unaudited, in thousands) | |
| Cash and cash equivalents | \$ 3,588,419 | |
| Debt: | | |
| Total short-term debt | 1,751,420 | |
| Total long-term debt, net | 394,360 | |
| Total debt | 2,145,780 | |
| Stockholders' equity: | | |
| Preferred stock, \$.01 par value, \$1,000 liquidation value | | |
| Authorized shares 10,000,000; Issued shares 6,000,000 | 150,000 | |
| Common stock, \$.01 par value Authorized shares 100,000,000 | | |
| Issued shares 46,009,912, actual; _____, as adjusted (1) | 460 | |
| Additional paid-in capital | 717,452 | |
| Retained earnings | 857,238 | |
| Treasury stock (shares at cost: 417) | (8) | |
| Accumulated other comprehensive income, net of taxes | 640 | |
| Total stockholders' equity | 1,725,782 | |
| Total capitalization | \$ 3,871,562 | \$ _____ |

- (1) Does not reflect 177,613 outstanding stock appreciation rights, 389,329 outstanding restricted stock units and outstanding warrants to purchase 581,500 shares of common stock, in each case as of September 30, 2016. See footnote 12 *Stock-Based Compensation and Employee Benefits* to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015 for a description of our benefit plans

providing for issuance of common stock.

DIVIDEND POLICY

No cash dividends have ever been paid by us on our common stock, and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. Our principal source of funds to pay cash dividends on our common stock would be cash dividends from our Bank. The payment of dividends on our common stock and by our Bank is subject to certain restrictions imposed by federal banking laws, regulations and authorities.

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The following table presents the range of high and low sale prices reported on the Nasdaq Global Select Market for the periods shown below:

| | Sale price per share | |
|--------------------|-----------------------------|------------|
| | High | Low |
| <u>2014</u> | | |
| First Quarter | \$ 67.08 | \$ 56.45 |
| Second Quarter | 66.62 | 50.76 |
| Third Quarter | 60.74 | 49.90 |
| Fourth Quarter | 62.07 | 51.58 |

| | Sale price per share | |
|--------------------|-----------------------------|------------|
| | High | Low |
| <u>2015</u> | | |
| First Quarter | \$ 54.81 | \$ 40.40 |
| Second Quarter | 63.70 | 47.55 |
| Third Quarter | 63.25 | 48.01 |
| Fourth Quarter | 61.83 | 46.25 |

| | Sale price per share | |
|--|-----------------------------|------------|
| | High | Low |
| <u>2016</u> | | |
| First Quarter | \$ 49.88 | \$ 29.78 |
| Second Quarter | 51.84 | 34.54 |
| Third Quarter | 55.25 | 42.36 |
| Fourth Quarter (through November 25, 2016) | 75.85 | 54.20 |

As of September 30, 2016, there were 202 holders of record of our common stock and approximately 46,009,495 shares of our common stock outstanding. On November 25, 2016, the closing sale price for our common stock was \$75.50 per share, as reported on the Nasdaq Global Select Market.

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DESCRIPTION OF COMMON STOCK

The following is a brief description of our common stock. This summary does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to our certificate of incorporation, as amended, copies of which have been filed with the SEC and are also available upon request from us.

General

We have 100,000,000 shares of authorized common stock, \$0.01 par value per share, of which 46,009,495 shares were outstanding as of September 30, 2016. Under our certificate of incorporation, as amended, we have authority to issue up to 10,000,000 shares of preferred stock, par value \$0.01 per share, of which 6,000,000 shares of our 6.50% Non-Cumulative Perpetual Preferred Stock, Series A, or the Preferred Stock, having an aggregate liquidation preference of \$150 million, were issued and outstanding as of the date hereof.

Common Stock

Each holder of our common stock is entitled to one vote for each share held on all matters with respect to which the holders of our common stock are entitled to vote. Holders of our common stock are not entitled to cumulative voting in the election of directors.

In the event of dissolution or liquidation, after payment of all creditors and payment of liquidation preferences on preferred stock, the holders of our common stock (subject to the prior rights of the holders of any outstanding preferred stock) will be entitled to receive pro rata any assets distributable to stockholders in respect of the number of shares held by them, in accordance with the Delaware General Corporation Law, or the DGCL.

The holders of shares of our common stock are entitled to such dividends as our board of directors, in its discretion, may declare out of funds legally available therefor, subject to certain limitations under the DGCL. We have not paid dividends on our common stock to date, and we do not anticipate paying dividends in the near future. However, the payment of dividends on our common stock is subject to the prior rights of the holders of any preferred stock. Payment of dividends on our common stock will be dependent upon, among other things, our earnings and financial condition, our cash flow requirements and the prevailing economic and regulatory climate.

Our common stock has no preemptive or conversion rights and is not subject to redemption.

Anti-Takeover Provisions. Certain provisions of our certificate of incorporation and bylaws could make a merger, tender offer or proxy contest more difficult, even if such events were perceived by many of our stockholders as beneficial to their interests. These provisions are more fully described in our Registration Statement on Form 10, as amended, which was filed with the SEC on August 24, 2000, as amended by Item 8.01 of our Current Report on Form 8-K which was filed with the SEC on May 21, 2015, which are incorporated by reference into this prospectus. These provisions include advance notice for nominations of directors and stockholders proposals, and authority to issue blank check preferred stock with such designations, rights and preferences as may be determined from time to time by our board of directors. In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law which, in general, prevents an interested stockholder, defined generally as a person owning 15% or more of a corporation's outstanding voting stock, from engaging in a business combination with our company for three years following the date that person became an interested stockholder unless certain specified conditions are satisfied.

Restrictions on Ownership. The ability of a third party to acquire us is limited under applicable U.S. banking laws and regulations. The BHC Act requires any bank holding company (as defined therein) to obtain the approval of the Board

of Governors of the Federal Reserve prior to acquiring, directly or indirectly, more

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than 5% of our outstanding common stock. Any company (as defined in the BHC Act) other than a bank holding company would be required to obtain Federal Reserve approval before acquiring control of us. Control generally means (i) the ownership or control of 25% or more of a class of voting securities, (ii) the ability to elect a majority of the directors or (iii) the ability otherwise to exercise a controlling influence over management and policies. A holder of 25% or more of our outstanding common stock, other than an individual, is subject to regulation and supervision as a bank holding company under the BHC Act. In addition, under the Change in Bank Control Act of 1978, as amended, and the Federal Reserve's regulations thereunder, any person, either individually or acting through or in concert with one or more persons, is required to provide notice to the Federal Reserve prior to acquiring, directly or indirectly, 10% or more of our outstanding common stock.

Listing. Our common stock is listed on the Nasdaq Global Select Market under the symbol TCBI.

Transfer Agent and Registrar. The transfer agent and registrar for our common stock is Computershare, Inc.

Preferred Stock

Our board of directors may from time to time authorize the issuance of one or more classes or series of preferred stock without stockholder approval. Subject to the provisions of our certificate of incorporation and limitations prescribed by law and the rules of the Nasdaq Global Select Market, if applicable, our board of directors is authorized to adopt resolutions to issue shares, establish the number of shares, change the number of shares constituting any series, and provide or change the voting powers, designations, preferences and relative rights, qualifications, limitations or restrictions on shares of our preferred stock, including dividend rights, terms of redemption, conversion rights a