

# FIRST FINANCIAL BANKSHARES INC.™



**2016**  
ANNUAL  
REPORT

PROUDLY SERVING  
OUR COMMUNITIES





More than **650**  
EMPLOYEES



More than **2200**  
TOTAL HOURS





On Columbus Day, October 10, 2016, more than 650 First Financial associates took part in a company-wide volunteer initiative: the First Financial Day of Service. In 27 locations across the Lone Star state, we volunteered to serve at a variety of worthy nonprofit groups and organizations.

From preparing and delivering meals to cleaning, painting and landscaping, First Financial associates pulled together to make it a day dedicated to serving others. What's more, we also paid visits to veterans, the homebound and residents of assisted living facilities in our communities.

The Day of Service was both a productive and rewarding day for all involved. We are so grateful for the opportunity to give back to the Texas communities where we proudly work and live as we do throughout the year.

# FIRST FINANCIAL BANK

**YOU FIRST**



**27** *Participating*  
**BANK LOCATIONS**



**23** *COMMUNITY*  
*Partners Served*





## A LETTER TO OUR SHAREHOLDERS.



We have always believed that we are only as good as the communities we serve; therefore, one of our continuing goals has been to serve as a catalyst for improving the quality of life and economic status of the communities in our marketplaces. One way we pursued that goal in 2016 was by designating the Columbus Day bank holiday (October 10, 2016) as a voluntary Day of Service for our company.

Under the direction of a group of young leaders here at the Company, our Service Improvement Team planned, organized and executed a one-day event in which we partnered with local nonprofit organizations to provide assistance to the senior population in 27 locations across the First Financial footprint. Projects included meal preparation and delivery, landscaping, painting, visits to homebound individuals, collection of food and provision of continued education about the Bank's program to prevent financial exploitation. We are so proud that more than 650 of our employees across the state chose to use their bank holiday to assist local nonprofits in our senior communities. It proved to be a truly outstanding Day of Service, filled not only with hard work and accomplishment but also with much fun and spirited team building.

### FINANCIAL RESULTS

We are pleased that our earnings increased for the 30th consecutive year, despite continued low interest rates and commodity prices. However, we are not pleased with our 2016 earnings performance, and truly think that we should have done better. We are now diligently working on the areas where we fell short – growing loans, improving our interest rate margin, increasing fee income, controlling expenses and reducing loan losses – as well as actively looking for strategic acquisitions to better utilize our strong capital position and improve earnings.

Net income for 2016 grew 4.4 percent to \$104.8 million from \$100.4 million in 2015. Basic earnings per share rose to \$1.59 from \$1.55. Net interest income, our largest source of revenue, increased 4.3 percent to \$226.8 million from \$217.5 million a year earlier. The persistence of extremely low interest rates continued to put pressure on our net interest margin, a key profitability metric that expresses net interest income as a percentage of average interest-earning assets. Our net interest margin for 2016 decreased to 4.08 percent from 4.12 percent in 2015, but it was still a very respectable result and placed us in the 92nd percentile of our peer banks.

The provision for loan losses increased 5.4 percent to \$10.2

million from \$9.7 million in 2015. The increase was due primarily to one problem loan on which we realized a \$4.3 million loss. However, credit metrics improved during the year, so that by December 31, 2016, nonperforming assets as a percentage of loans and foreclosed assets had decreased to 0.86 percent from 0.89 percent at year-end 2015. Classified loans totaled \$127.8 million at December 31, 2016, down from \$149.4 million a year earlier. Our oil and gas industry exposure declined throughout the year, falling to 2.3 percent of total loans at the end of 2016 from 2.9 percent at the end of 2015. Although credit metrics in the oil and gas portfolio have improved with the increase in oil and gas prices, we continue to see some weakness in this sector.

Noninterest income grew 15.9 percent to \$85.1 million from \$73.4 million, while noninterest expense rose 10.9 percent to \$165.8 million from \$149.5 million.

We again outperformed our peer group of banks on several key financial metrics. Our return on average assets was 1.59 percent compared with 1.00 percent for our peers. Return on average equity was 12.36 percent versus our peers' 9.12 percent. And our efficiency ratio, which expresses expenses as a proportion of revenues, was also much better—49.22 percent as opposed to our peers' 62.77 percent.

Our balance sheet grew, but at a slower pace than in 2015. Consolidated assets expanded 2.2 percent to \$6.81 billion from \$6.67 billion at the end of 2015. Loans grew 1.0 percent to \$3.38 billion from \$3.35 billion. Deposits increased 5.6 percent to \$5.48 billion from \$5.19 billion. Shareholders' equity at year-end was \$837.9 million, up 4.1 percent from \$805.0 million.

Lower oil and gas prices continued to impact not only our bank subsidiary, but also our First Financial Trust & Asset Management subsidiary. The trust division saw its fees from the oil and gas sector drop \$296,000 during 2016, after having dropped even more during 2015. However, the division's total fee income for 2016 grew by \$384,000, or 2.0 percent, to \$19.6 million. The increase was due to solid growth in the market and book values of the assets managed. Total trust assets under management at year-end reached a book value of \$3.37 billion, a 10.1 percent increase from \$3.06 billion a year earlier. The market value of the portfolio grew 13.5 percent to \$4.37 billion from \$3.85 billion in 2015. Net income after tax for the trust company totaled \$7.2 million in 2016, down 3.5 percent from \$7.4 million in 2015.

### REAL ESTATE ACTIVITIES

In June of 2016, we opened our four-story building in Fort Worth at the intersection of Forest Park Boulevard and Rosedale Street. This location just west of downtown houses the bank branch and the mortgage and trust offices, and gives our customers easy access from Texas Highway 121 and Interstate 30. In August, we

opened a new facility in Cisco at 2006 Conrad Hilton Boulevard, and in September, we opened one in Odessa at 3555 Billy Hext Road. All of these facilities are state-of-the-art and provide our customers with the latest in banking services.

We continued our strategy of selling our large older facilities, which no longer meet the needs of today's banking customers. Our practice has been to sell some of the buildings at below-market prices to local municipalities that need extra space. This is a win-win transaction because the municipalities get the square footage they need at a very reasonable cost, while we realize tax benefits from gifting a percentage of the buildings' value. We then construct smaller, modern buildings that better meet our customers' needs and are much more cost-efficient to maintain. We plan to continue implementing this strategy during 2017.

In March 2016, we sold our Weatherford downtown location to Parker County. The management team and the other employees at this location have moved to a newly expanded and remodeled College Park facility at 101 College Park Drive. In San Angelo, we contracted to sell our large downtown facility to the city on May 1, 2017, demolished the drive-in location a block away, and are building the new facility on that corner at Concho Avenue and Koenigham Street. This building, which has been designed to be the entrance to San Angelo's Historic District, will open April 30th of this year. In December 2016, we sold our Orange facility to the city of Orange, and we are now designing an ultramodern building a block away, which we expect to occupy in early 2018.

Also last year, we purchased the old Citibank location at 5257 Buffalo Gap in Abilene, and we are remodeling that building to move our branch and mortgage operations from the leased building at 4400 Buffalo Gap Road. The new location will provide 21st-century banking and better access for our mortgage and banking customers. We will keep our drive-in facility open at 4400 Buffalo Gap Road so that our customers in south Abilene will have drive-in locations on both sides of this very busy street.

## MANAGEMENT ENHANCEMENTS

One of the many things I am most proud of in this company is the cadre of young bankers who are ready to move up into positions of more responsibility. During 2016, we continued the strategy of moving our young professionals into management positions to acknowledge their accomplishments, utilize their vitality and strengths and secure management succession.

In January 2016, Trent Swearengin was promoted to President of our Stephenville Region after having served as President of our Eastland Division for the previous four years. Trent has been with the Company since 2001, serving in a number of positions through those years. At the same time, David Bailey, our senior lender in Eastland who has been with the Company for 12 years, became President of our Eastland Division.

In September of 2016, Jeff Casey was promoted to Executive Vice President and Chief Digital Officer of our technology company, First Technology Services, Inc. Jeff has been with the Bank for more than nine years and has held numerous positions in the technology company. His promotion reflects the utilization of his expertise to advance our Internet and mobile technologies.

That same month, Mike Boyd, CEO and Chairman of First Financial Bank, San Angelo Region, named Chris Evatt as the new President of the Region. Chris has been with the Bank for more than 16 years and has held numerous lending positions in Stephenville and Abilene.

Monica Houston was named Executive Vice President of Retail Banking and Training in December. Monica began her banking career 22 years ago as a teller with the Bank, and since then has held positions in retail, lending, technology and training.

Most recently, in January 2017, Jay Gibbs, Chairman and CEO of First Financial Bank, Weatherford Region, announced the promotion of Justin Hooper to President of the Region, where he was previously senior lender. Justin has been with the Company more than 14 years; he started as a loan review officer and has held several lending positions through those years.

We are very excited about our younger group of bankers moving up the ladder, and we are confident that all of these promotions have added depth and experience to our overall management team.

## LOOKING AHEAD

Although 2016 was one of the most challenging years that we have experienced in a while, the Texas economy and our local economies stayed fairly consistent. The escalation of oil and gas prices certainly helped, but this sector continues to experience some weakness. We have several initiatives under way to grow loans and deposits, enhance income and decrease expenses so that we can continue to deliver solid results in the coming years.

With the presidential election behind us, there seem to be more banks interested in putting themselves up for sale, and we are having a number of conversations with potential sellers. As we have in the past, we are proceeding strategically, searching diligently for well-managed banks at the right price that fit our culture and will bring long-term value to our company.

"**You First**" is our tagline, because we strongly believe that putting our customers and stockholders first is the only way to properly do our job. There is no question that we work for you. Thank you for your business, your ownership and your continued support of this fine company.

Thank you.



F. Scott Dueser  
Chairman, President and CEO

**THE 2017 WALTER JOHNSON AWARD**  
**JULIA JONES MATTHEWS**  
**1918-2016**



The Walter Johnson Award is bestowed upon a person who has contributed greatly and advanced our company to new heights for customers, shareholders and employees just as Walter Johnson did. The Award has been given only six times in the last 12 years and is being bestowed for the seventh time to the Matthews' family in memory of Julia Jones Matthews.

This is the first time we have ever selected someone who is not an employee; however, Judy was the epitome of a loyal customer, stockholder, tenant and friend who had a great interest in the Company and was instrumental in helping First Financial become one of the top banks in the country by improving the economy and quality of life in West Texas, sending us business and giving her support and encouragement. She was a lifelong customer from a family who has banked with us for generations. Although she never served on our Board of Directors, the family has had Board representation for more than 62 years. Many of our

top customers, both nonprofit and for profit organizations, would not be in existence today if Judy had not helped them through the tough times and inspired them to succeed.

Judy Matthews forever changed the landscape of West Texas. Over a lifetime of "anonymous" philanthropy, she rendered a tour de force for her hometown, quietly, exquisitely, selflessly. Her gracious spirit and her generous heart worked powerful and positive changes among legions throughout this community and beyond. She was the quintessence of the scriptural verse "It is more blessed to give than to receive." And so it was.

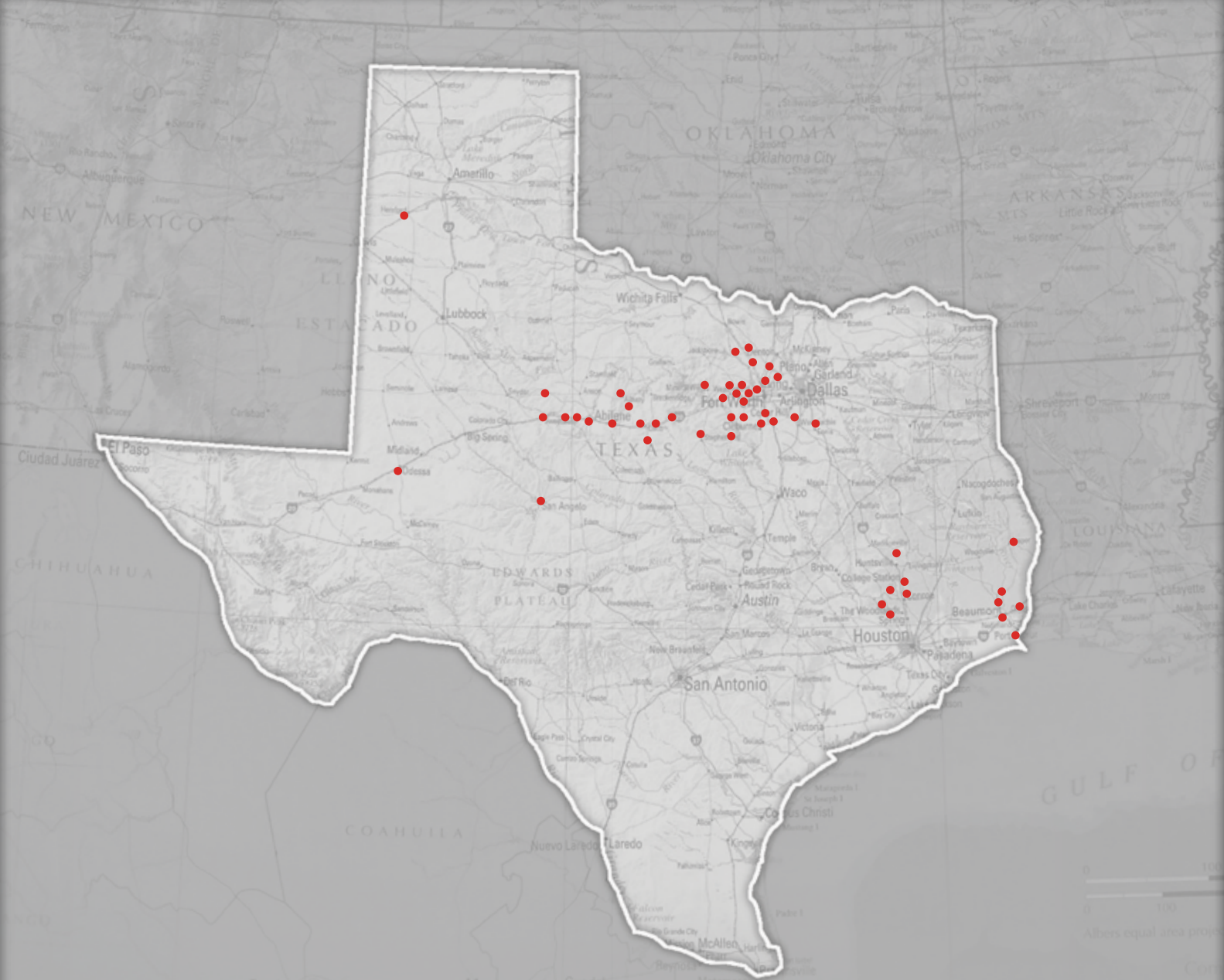
My fondest memories of Judy are the times when we would have lunch together at Cypress Street Station. I always had to be well prepared because that morning she had already read the Wall Street Journal, watched the latest news and was ready to ask questions to make sure I was on my toes. I was always eager to hear her stories about the history of Abilene, which helped me to understand our roots and the importance of being a catalyst for improvement. I personally believe that Judy had more influence on the betterment of Abilene than anyone in the history of the City.

Julia Jones Matthews and Walter Johnson were close friends and contemporaries, and I know that he would be proud that we are bestowing this honor upon her and her family. We will miss her greatly, but she has left us with a great legacy that will be enjoyed for generations to come.

A handwritten signature in black ink, which appears to read "F. Scott Dueser". The signature is fluid and cursive.

F. Scott Dueser  
Chairman, President and CEO





### FIRST FINANCIAL BANK AND TRUST LOCATIONS

Abilene* .....	325.627.7000	Fort Worth* .....	817.410.4979	Orange.....	409.883.3563
Acton .....	817.573.6900	Glen Rose .....	254.897.4808	Port Arthur.....	409.736.5951
Albany.....	325.627.7953	Granbury .....	817.573.6900	Ranger .....	254.629.6729
Aledo .....	817.341.5200	Grapevine .....	817.722.8980	Rising Star.....	254.629.6703
Alvarado .....	817.774.5150	Hereford .....	806.363.8200	Roby .....	325.776.2261
Beaumont* .....	409.600.6456	Huntsville .....	936.295.2224	San Angelo* .....	325.659.5900
Boyd .....	940.683.8760	Keller.....	817.329.8625	Southlake .....	817.410.2915
Bridgeport .....	940.683.8700	Magnolia.....	936.273.4700	Stephenville* .....	254.965.5036
Brock .....	817.598.2650	Mauriceville.....	409.745.3755	Sweetwater* .....	325.235.6600
Burleson .....	817.774.5175	Merkel.....	325.928.1111	Tomball .....	281.516.7835
Cisco .....	254.629.6111	Midlothian .....	972.723.7100	Trent .....	325.862.6121
Cleburne .....	817.774.5100	Mineral Wells.....	940.327.5400	Trophy Club.....	817.329.8615
Clyde .....	325.627.7910	Montgomery .....	936.597.5997	Vidor.....	409.769.8536
Conroe .....	936.760.1888	Moran .....	325.627.7953	Waxahachie .....	972.723.7156
Cut and Shoot....	936.788.2121	Newton .....	409.224.7506	Weatherford.....	817.598.2500
Decatur .....	940.683.8780	New Waverly .....	936.344.2224	Willis.....	936.890.3500
Eastland .....	254.629.6145	Odessa* .....	432.367.8910	Willow Park .....	817.598.2780

\*Trust Office and Bank location

# FINANCIAL HIGHLIGHTS

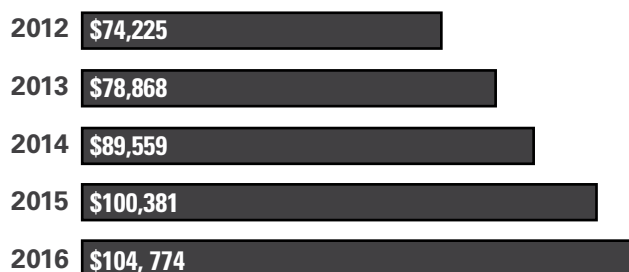
## IN THOUSANDS (except for share data)

FOR THE YEAR	2016	2015	% INCREASE
<b>NET INCOME</b>	<b>\$104,774</b>	<b>\$100,381</b>	<b>4.38%</b>
Basic Earnings (PER SHARE)	\$1.59	\$1.55	2.58%
Dividends Declared	\$46,246	\$40,353	14.60%
Dividends (PER SHARE)	\$0.70	\$0.62	12.90%
<b>AVERAGES</b>			
Assets	\$6,599,199	\$6,223,804	6.03%
Securities	\$2,773,941	\$2,689,641	3.13%
Loans	\$3,333,241	\$3,090,538	7.85%
Deposits	\$5,135,603	\$4,906,819	4.66%
Shareholders' Equity	\$847,866	\$738,289	14.84%

## IN THOUSANDS (except for share data)

FOR THE YEAR	2016	2015	% INCREASE
<b>AT YEAR-END</b>			
Assets	\$6,809,931	\$6,665,070	2.17%
Securities	\$2,860,958	\$2,734,177	4.64%
Loans	\$3,384,205	\$3,350,593	1.00%
Deposits	\$5,478,539	\$5,190,169	5.56%
Shareholders' Equity	\$837,885	\$804,986	4.09%
Book Value Per Share	\$12.68	\$12.20	3.93%
Trust Assets (Book Value)	\$3,373,554	\$3,059,901	10.25%

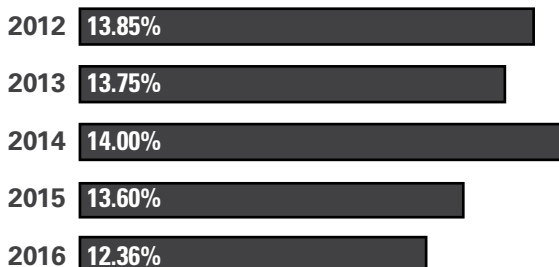
## NET INCOME GROWTH (in thousands)



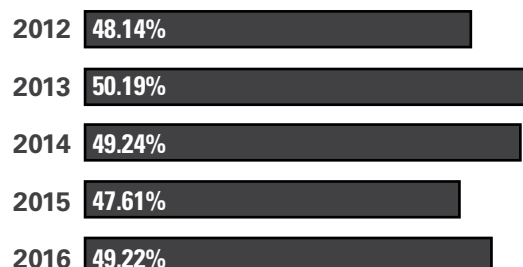
## KEY RATIOS

	2016	2015
Return On Avg. Assets	1.59%	1.61%
Return On Avg. Equity	12.36%	13.60%
Year-End Equity/Assets	12.30%	12.08%
Efficiency	49.22%	47.61%

## RETURN ON AVERAGE EQUITY



## EFFICIENCY RATIO





## SELECTED FINANCIAL DATA

INTHOUSANDS (except for share data)

YEAR-END	TOTAL ASSETS	SHAREHOLDERS' EQUITY	NET INCOME	BASIC EARNINGS (PER SHARE)	CASH DIVIDENDS (PER SHARE)	STOCK DIVIDENDS AND SPLITS	YEAR-END BOOK VALUE (PER SHARE)	YEAR-END MARKET VALUE (PER SHARE)
2007	\$3,070,309	\$335,495	\$49,490	\$0.80	\$0.42	–	\$5.39	\$12.55
2008	\$3,212,385	\$368,782	\$53,164	\$0.86	\$0.45	–	\$5.91	\$18.41
2009	\$3,279,456	\$415,702	\$53,797	\$0.86	\$0.46	–	\$6.66	\$18.08
2010	\$3,776,367	\$441,688	\$59,659	\$0.96	\$0.46	–	\$7.03	\$17.09
2011	\$4,120,531	\$508,537	\$68,369	\$1.09	\$0.48	3/2 split	\$8.08	\$16.72
2012	\$4,502,012	\$556,963	\$74,225	\$1.18	\$0.50	–	\$8.84	\$19.51
2013	\$5,222,208	\$587,647	\$78,868	\$1.24	\$0.52	–	\$9.18	\$33.06
2014	\$5,848,202	\$681,537	\$89,559	\$1.40	\$0.55	2/1 split	\$10.63	\$29.88
2015	\$6,665,070	\$804,986	\$100,381	\$1.55	\$0.62	–	\$12.20	\$30.17
2016	\$6,809,931	\$837,885	\$104,774	\$1.59	\$0.70	–	\$12.68	\$45.20
<b>Ten-Year Compound Growth Rate</b>	9.10%	10.78%	8.57%	7.95%	5.76%	–	10.11%	12.47%

Adjusted for stock dividends and splits

### 2015 COMMON STOCK MARKET VALUE AND DIVIDEND DATA

QUARTER	HIGH	LOW	CLOSE	DIVIDENDS
Fourth	\$36.51	\$29.56	\$30.17	\$0.16
Third	\$36.20	\$29.21	\$31.78	\$0.16
Second	\$35.32	\$27.16	\$34.64	\$0.16
First	\$30.17	\$24.46	\$27.64	\$0.14

### 2016 COMMON STOCK MARKET VALUE AND DIVIDEND DATA

QUARTER	HIGH	LOW	CLOSE	DIVIDENDS
Fourth	\$46.70	\$35.05	\$45.20	\$0.18
Third	\$37.06	\$30.95	\$36.44	\$0.18
Second	\$34.50	\$27.72	\$32.79	\$0.18
First	\$30.75	\$24.12	\$29.58	\$0.16

### NET INTEREST MARGIN

2012	4.28%
2013	4.22%
2014	4.20%
2015	4.12%
2016	4.08%

### RETURN ON AVERAGE ASSETS

2012	1.75%
2013	1.64%
2014	1.65%
2015	1.61%
2016	1.59%

## ABILENE REGION

Abilene | Clyde | Moran | Albany | Odessa | Eastland | Ranger | Rising Star | Cisco | Sweetwater | Merkel | Trent | Roby



**RONALD D. BUTLER II**  
Chairman and CEO



**MARELYN SHEDD**  
President

**MAIN OFFICE**  
400 Pine St.  
Abilene, TX 79601

325.627.7000



**KIRBY N. ANDREWS**  
President, Sweetwater  
Division

**MAIN OFFICE**  
201 Elm St.  
Sweetwater, TX 79556

325.235.6600



**DAVID W. BAILEY**  
President, Eastland Division

**MAIN OFFICE**  
201 E. Main St.  
Eastland, TX 76448

254.629.6100

## SENIOR OFFICERS

**Ronald D. Butler II**  
Chairman and CEO

**Marelyn Shedd**  
President

**Kirby N. Andrews**  
President, Sweetwater Division

**David W. Bailey**  
President, Eastland Division

**Tim Collard**  
Executive Vice President  
Commercial Lending

**Rodney Foster**  
Executive Vice President  
Senior Lending Officer  
Sweetwater

**Monica Houston**  
Executive Vice President  
Retail Banking and Training

**Janet O'Dell**  
Executive Vice President  
Mortgage Loan Officer

**Charles E. Tenneson**  
Executive Vice President  
CFO and Chief Operations Officer

**Rick Waldraff**  
Executive Vice President  
Senior Lender / Commercial  
Lending

**Michael Wolverton**  
Executive Vice President  
Consumer Lending

**Jeff Adams**  
Senior Vice President

**Debbie Anthony**  
Senior Vice President

**Vanessa Faz**  
Senior Vice President

**Patty Fuentes**  
Senior Vice President

**Jim Goldston**  
Senior Vice President

**Tony Gorman**  
Senior Vice President

**Jennifer Harper**  
Senior Vice President

**Evan Harris**  
Senior Vice President

**Candi Kanady**  
Senior Vice President

**Bobby Martin**  
Senior Vice President

**Marshall Morris**  
Senior Vice President

**Daniel Neely**  
Senior Vice President

**Corie O'Connor**  
Senior Vice President

**Ryan Parrish**  
Senior Vice President

**Mark Pierce**  
Senior Vice President

**Fernando Quintana**  
Senior Vice President

**Steve Simmel**  
Senior Vice President

**Britt Stuart**  
Senior Vice President

**Dennis Tarrant**  
Senior Vice President

**Steve Waller**  
Senior Vice President

**Gary West**  
Senior Vice President

IN THOUSANDS	ASSETS	LOANS	DEPOSITS	NET INCOME	RETURN ON AVG. ASSETS	EFFICIENCY RATIO
Dec. 31, 2015	\$2,615,211	\$990,602	\$1,175,019	\$36,813	1.51%	41.22%
Dec. 31, 2016	\$2,401,229	\$981,633	\$1,312,625	\$38,214	1.73%	42.18%

## ABILENE Day of Service

In Abilene, employees split into teams to clean, paint and landscape 4 local senior centers, collect more than 3,000 lbs. of groceries donated by 4 supermarkets, deliver gifts to 322 nursing home residents at 6 facilities, deliver care packages to the homes of local veterans, complete yard work and home repair at 20 residences and present the Bank's Fraud Prevention program to 97 foster grandparents.





## ABILENE REGION (CONTINUED)

### REGIONAL DIRECTORS

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**Ronald D. Butler II**  
Chairman and CEO

**Marelyn Shedd**  
President

**Kirby N. Andrews**  
President, Sweetwater Division

**David W. Bailey**  
President, Eastland Division

**J. Michael Alexander**  
President  
James M. Alexander & Co.

**Katie Alford**  
President and CEO  
Community Foundation of Abilene

**Donna J. Boatright**  
CEO  
Rolling Plains Memorial Hospital

**Jeff Branson**  
General Partner  
Williamson-Branson Real Estate

**Tucker S. Bridwell**  
President  
Mansefeldt Investment Corp.

**Louis Brooks, Jr.**  
Rancher

**Paul Cannon**  
Shareholder, President  
McMahon, Surovik, Suttle, P.C.

**David Copeland, CPA**  
President, SIPCO, Inc. and  
Shelton Family Foundation

**Joe Crawford**  
President  
Abilene Aero, Inc.

**Doug Crawley**  
Rancher, Real Estate

**Mike Denny**  
President  
Batjer and Associates

**Murray Edwards**  
Principal  
The Edwards Group

**Jim Farrar**  
Attorney

**Allan D. Frizzell**  
Executive Vice President  
Enrich Oil Corporation

**Jim Keffer**  
President  
EBAA Iron Sales, Inc.

**Tim Lancaster**  
President and CEO  
Hendrick Health System

**Jay Lawrence**  
President  
MAL Enterprises, Inc.

**Ronnie Ledbetter**  
Owner  
Ledbetter Insurance Agency

**J.V. Martin**  
Retired  
First Financial Bank President

**Kirk Massey**  
Investments

**Larry May**  
May & Hrbacek CPAs

**Stanley Morris, Jr.**  
Investments

**Mike T. Perry**  
Insurance, Investments

**Thomas L. Rees, Jr.**  
Rees, Rees & Fuller Attorneys

**Dale Squiers, RPh**  
Owner  
Dalsan Enterprises

**Leigh Taliaferro, M.D.**  
Physician

### EASTLAND Day of Service

Eastland employees conducted a coat and blanket drive, delivered Meals on Wheels in 3 markets and hosted lunch for local caretakers, home-health agencies and pastors and presented the Bank's Understanding Financial Exploitation of the Elderly program to help prevent crimes against the elderly.



### SWEETWATER Day of Service

The Sweetwater staff partnered with SNAP (Senior Nutrition Activities Program) to deliver more than 50 meals to the homebound. They also visited the homes of 7 senior citizens to complete much needed home projects such as cleaning, landscaping and minor repairs. They even watered the dog!



## CLEBURNE REGION

Cleburne | Burlleson | Alvarado | Midlothian | Waxahachie



**TOM O'NEIL**  
Chairman, President and CEO

### MAIN OFFICE

200 N Ridgway Dr.  
Cleburne, TX 76033

817.774.5100

### SENIOR OFFICERS

**Tom O'Neil**  
Chairman, President and CEO

**Derece Howell**  
Executive Vice President  
Chief Operations Officer

**Duane Thomas**  
Executive Vice President  
Senior Lender

**Alecia Bland**  
Senior Vice President

**Kim Hamilton**  
Senior Vice President

**Russell Phillips**  
Senior Vice President

**Lisa Roye**  
Senior Vice President

**Chris Schjetnan**  
Senior Vice President

**Stacey Sloan**  
Senior Vice President

### REGIONAL DIRECTORS

**Tom O'Neil**  
Chairman, President and CEO

**Ray Beavers**  
Retired  
General Manager and CEO  
United Cooperative Services

**Ronald D. Butler II**  
First Financial Bankshares, Inc.

**Robert Childress III**  
Childress Engineers

**Mark Hill**  
Utility Construction Consultant

**Tim Lyness**  
Lyness Construction, LP

**Dr. Joe Martin**  
Cleburne Eye Clinic

**Jack Scott**  
Bell-Scott Insurance Group

IN THOUSANDS	ASSETS	LOANS	DEPOSITS	NET INCOME	RETURN ON AVG. ASSETS	EFFICIENCY RATIO
Dec. 31, 2015	\$401,160	\$217,286	\$352,744	\$6,899	1.70%	50.67%
Dec. 31, 2016	\$523,789	\$206,104	\$475,887	\$7,108	1.68%	50.62%

### CLEBURNE Day of Service

Cleburne employees packed 710 bags with more than 7,000 food items and delivered them through 17 Meals on Wheels routes in 5 markets.





## CONROE REGION

Conroe | Montgomery | Magnolia | Willis | Tomball | Cut and Shoot | Huntsville | New Waverly



### SAM W. BAKER

Chairman, President and CEO

#### MAIN OFFICE

1800 W. White Oak Terrace  
Conroe, TX 77304

936.760.1888



### ROBERT PATE

President, Huntsville Division

#### MAIN OFFICE

33 SH 75 North  
Huntsville, TX 77320

936.295.2224

## SENIOR OFFICERS

### Sam W. Baker

Chairman, President and CEO

### Robert Pate

President, Huntsville Division

### G. Bart Griffith

Executive Vice President  
Chief Lending Officer

### Lee Warren

Executive Vice President  
Chief Operations Officer

### Andrew Cantu

Executive Vice President

### Jed Crow

Executive Vice President

### Michelle Murray

Executive Vice President  
Treasury Management

### Chris Baughman

Senior Vice President

### Bobby Brennan

Senior Vice President  
Mortgage Loan Officer

### Heidi Carney

Senior Vice President  
Professional & Executive Lending

### Terry Doak

Senior Vice President

### Shawn Knox

Senior Vice President

### Anthony Olivieri

Senior Vice President

## REGIONAL DIRECTORS

### Sam W. Baker

Chairman, President and CEO

### Robert Pate

President, Huntsville Division

### Donnie Buckalew

Buckalew Chevrolet

### John J. Certa, Jr.

Owner  
Team Auto Group

### Casey Collum

Owner  
Empire Truss, Ltd.

### Chris De Milliano

Operations Manager  
Steely Lumber Company

### Candyce F. Dixon

CPA

### Dan Dominey

DBD Interest

### F. Scott Dueser

First Financial Bankshares, Inc.

### Robert C. Ernst, Jr.

Owner  
Ernst Jewelers

### J. Bruce Hildebrand, CPA

First Financial Bankshares, Inc.

### Curtis Montgomery, M.D.

Physician

### Johnny Peet, Jr., M.D.

Physician

### John Sebastian

Conroe Golf Cars

### Lloyd Tisdale

Investments

IN THOUSANDS	ASSETS	LOANS	DEPOSITS	NET INCOME	RETURN ON AVG. ASSETS	EFFICIENCY RATIO
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Dec. 31, 2015	\$585,010	\$405,759	\$488,708	*	*	*
Dec. 31, 2016	\$587,180	\$409,404	\$486,174	\$7,964	1.35%	55.59%

\*First Bank, NA., Conroe was acquired on July 31, 2015.

## CONROE Day of Service

Employees in Conroe and Huntsville visited 5 local senior centers and retirement facilities cooking and serving more than 100 hamburgers to the residents. They also presented the *Understanding Financial Exploitation of the Elderly* program.



## FORT WORTH REGION



**MARTIN J. NOTO, JR.**  
President and CEO

### MAIN OFFICE

1000 Forest Park Blvd.  
Fort Worth, TX 76110

817.410.4970

### SENIOR OFFICERS

**Martin J. Noto, Jr.**  
President and CEO

**Les Mariotti**  
Executive Vice President  
Chief Operations Officer

**Mike Hopkins**  
Senior Vice President

### REGIONAL DIRECTORS

**Murray Edwards**  
Chairman of the Board  
Principal, The Edwards Group

**Martin J. Noto, Jr.**  
President and CEO

**Larry Anfin**  
Past CEO  
Coors Distributing of Fort Worth

**Smith A. Brownlie III**  
CPA and Co-Founder  
Brownlie & Braden

**Ronald D. Butler II**  
First Financial Bankshares, Inc.

**Mary Lee Cruz**  
Founding Partner  
E Source, Inc.

**Stephen Kimmel**  
Chief Financial Officer  
Cook Children's Health  
Care System

**Matt Morris**  
President  
Gus Bates Insurance

**Paul Poston**  
President  
Wellington Insurance

**George Robertson**  
Chairman & CEO  
Emist Innovations, Inc.

IN THOUSANDS	ASSETS	LOANS	DEPOSITS
Dec. 31, 2015	\$48,534	\$46,371	\$10,977
Dec. 31, 2016	\$63,736	\$48,566	\$40,956

### FORT WORTH Day of Service

Our Fort Worth team partnered with Tarrant Area Food Bank to sort 10,200 lbs. of food products that will help provide 8,500 meals in the community.





## HEREFORD REGION



**MIKE MAULDIN**  
Chairman, President and CEO

**MAIN OFFICE**  
212 E. Third St.  
Hereford, TX 79045

806.363.8200

### SENIOR OFFICERS

**Mike Mauldin**  
Chairman, President and CEO

**Tim Laws**  
Executive Vice President  
Chief Lending Officer

**Robert de la Cruz**  
Senior Vice President

### REGIONAL DIRECTORS

**Mike Mauldin**  
Chairman, President and CEO

**Ronald D. Butler II**  
First Financial Bankshares, Inc.

**Steve Lewis, D.V.M.**  
Manager and Sr. Partner  
Hereford Veterinary Clinic

**Kade Matthews**  
Ranching and Investments

**Sally Noyce**  
Human Resources Manager  
Quality Distillers Grain  
Panhandle Express

**Jerry Stevens**  
Owner, Stevens 5-Star Car  
and Truck Center

**Johnny E. Trotter**  
President and CEO  
Livestock Investors, Ltd.

IN THOUSANDS	ASSETS	LOANS	DEPOSITS	NET INCOME	RETURN ON AVG. ASSETS	EFFICIENCY RATIO
Dec. 31, 2015	\$176,125	\$136,007	\$148,152	\$3,056	1.78%	45.04%
Dec. 31, 2016	\$186,220	\$131,493	\$156,834	\$3,524	1.88%	45.75%

### HEREFORD Day of Service

Team Hereford cooked and served 175 hamburger meals to residents of a local retirement facility and presented the *Understanding Financial Exploitation of the Elderly* program.



## MINERAL WELLS REGION



**KENNETH A. WILLIAMSON**  
Chairman, President and CEO

**MAIN OFFICE**  
1900 E. Hubbard St.  
Mineral Wells, TX 76067

940.327.5400

### SENIOR OFFICERS

**Kenneth A. Williamson**  
Chairman, President and CEO

**Les Mariotti**  
Executive Vice President  
Chief Operations Officer

**Brad Seay**  
Executive Vice President  
Lending

**Scott Petty**  
Senior Vice President  
Lending

### REGIONAL DIRECTORS

**Kenneth A. Williamson**  
Chairman, President and CEO

**Spencer Baum, D.D.S.**  
Baum Dental Clinic

**Ronald D. Butler II**  
First Financial Bankshares, Inc.

**George Gault**  
Attorney  
Gault & Gault

**Terry L. Murphy**  
President and CEO  
Murphy and Murphy, Inc.

**David Ramsey, M.D.**  
Family Practice Center

IN THOUSANDS	ASSETS	LOANS	DEPOSITS	NET INCOME	RETURN ON AVG. ASSETS	EFFICIENCY RATIO
Dec. 31, 2015	\$268,950	\$125,474	\$224,932	\$4,871	1.88%	39.11%
Dec. 31, 2016	\$261,002	\$127,061	\$216,020	\$4,666	1.80%	38.94%

### MINERAL WELLS Day of Service

Employees partnered with Meals on Wheels to deliver meals to 13 routes. They also held a bake sale with proceeds going to a local senior citizen center where they presented the *Understanding Financial Exploitation of the Elderly* program.



## SAN ANGELO REGION



**MICHAEL L. BOYD**  
Chairman and CEO



**CHRIS EVATT**  
President

### MAIN OFFICE

301 W. Beauregard Ave.  
San Angelo, TX 76903

325.659.5900

### SENIOR OFFICERS

**Michael L. Boyd**  
Chairman and CEO

**Chris Evatt**  
President

**Jim Davidson**  
Executive Vice President  
Chief Operations Officer

**Chuck Shore**  
Executive Vice President

**Edward Carrasco**  
Senior Vice President

**Pat Cottle**  
Senior Vice President

**Cindy George**  
Senior Vice President

**Lindy Jordan**  
Senior Vice President

**Wes Masters**  
Senior Vice President

**Spencer Murphy**  
Senior Vice President

**Reba Priddy**  
Senior Vice President

**Luke Uherik**  
Senior Vice President

### REGIONAL DIRECTORS

**Michael L. Boyd**  
Chairman and CEO

**Honorable Marilyn Aboussie**  
Chief Justice, Retired

**Ronald D. Butler II**  
First Financial Bankshares, Inc.

**W. Dan Cravy, M.D.**  
Physician

**Doug Eakman**  
Owner  
Pecos Street Pharmacy

**Steve Eustis**  
Commercial Real Estate

**Ron Giddiens**  
Investments  
Partner, D&G Consulting

**David F. Lupton**  
President  
Angelo Glass & Mirror  
Company, Inc.

**Mary Jane Steadman**  
Attorney  
Real Estate Investment  
Management

IN THOUSANDS	ASSETS	LOANS	DEPOSITS	NET INCOME	RETURN ON AVG. ASSETS	EFFICIENCY RATIO
Dec. 31, 2015	\$693,612	\$228,742	\$629,255	\$11,347	1.66%	34.18%
Dec. 31, 2016	\$709,804	\$217,614	\$636,952	\$11,818	1.74%	34.66%

### SAN ANGELO Day of Service

In San Angelo, employees delivered lunch and aided Meals for the Elderly with packaging frozen meals and snack bags for clients.





## SOUTHEAST REGION

Orange | Vidor | Mauriceville | Newton | Port Arthur | Beaumont



**STEPHEN LEE**  
CEO and President

**MAIN OFFICE**  
812 N. 16TH St.  
Orange, TX 77630  
800.300.8904

### SENIOR OFFICERS

- Stephen Lee**  
CEO and President
- Blaine Callier**  
Senior Vice President  
Commercial Lender
- Kim Dickerson**  
Senior Vice President  
Chief Operations Officer
- Robert Kocot**  
Senior Vice President  
Commercial Lender
- Cindi LaChance**  
Senior Vice President  
Mortgage Loan Officer
- Curt Leger**  
Senior Vice President  
Commercial Lender
- Joe Love**  
Senior Vice President  
Commercial Lender

### REGIONAL DIRECTORS

- Tommy Gunn**  
Chairman of the Board  
Attorney at Law
- Stephen Lee**  
CEO and President
- Dr. Ray Callas**  
Managing Partner  
Anesthesia Associates, PLLC
- Tanya Cavness**  
Re/Max Affiliate  
Tanya Cavness Team
- F. Scott Dueser**  
First Financial Bankshares, Inc.
- Jim Gilliam**  
President  
Bates & Company
- J. Bruce Hildebrand, CPA**  
First Financial Bankshares, Inc.
- Chad Mason**  
Vice President  
Mason Construction
- Paul Peveto**  
Cloeren Inc & CFO Consulting
- Mike Poutra**  
Co-Owner  
Dominion Forms
- Walter G. Riedel, III**  
President and CEO  
Nelda C. and H.J. Lutchter  
Stark Foundation
- Ross Smith**  
President  
Akrotex, Inc.  
Owner  
Sabine River Ford, Inc.
- Kevin Williams**  
President  
Cypress Bayou Industrial  
Owner  
American Industrial Minerals, Inc.
- Jim Wimberly**  
Attorney at Law

IN THOUSANDS	ASSETS	LOANS	DEPOSITS	NET INCOME	RETURN ON AVG. ASSETS	EFFICIENCY RATIO
Dec. 31, 2015	\$481,821	\$359,657	\$406,573	\$7,355	1.48%	50.56%
Dec. 31, 2016	\$492,064	\$374,478	\$410,933	\$7,655	1.52%	50.25%

### SOUTHEAST REGION Day of Service

Employees in Orange partnered with Nutrition and Services for Seniors to prepare, package and deliver meals to local senior citizens.



## SOUTHLAKE REGION

Southlake | Trophy Club | Keller | Bridgeport | Boyd | Decatur | Grapevine



**MARK L. JONES**  
Chairman, President and CEO

### MAIN OFFICE

151 W. Southlake Blvd.  
Southlake, TX 76092

817.410.2915

### SENIOR OFFICERS

**Mark L. Jones**  
Chairman, President and CEO

**F. Mills Shallene**  
Wise County Market President

**Les Mariotti**  
Executive Vice President  
Chief Operations Officer

**J. Sean Shope**  
Executive Vice President  
Commercial Lender

**Ryan Wall**  
Executive Vice President  
Consumer Lender

**Dickie W. Greenwood**  
Senior Vice President

**Steve Sims**  
Senior Vice President

**Ryan Sonntag**  
Senior Vice President

**Tracie Talkington**  
Senior Vice President

### REGIONAL DIRECTORS

**Mark L. Jones**  
Chairman, President and CEO

**Ronald D. Butler II**  
First Financial Bankshares, Inc.

**Traci Bernard, BSN, RN**  
President  
Texas Health Harris Methodist  
Hospital, Southlake

**William Ray Cook, Jr., CPA**  
Cook, McDonald & Co.

**Martin Schelling**  
Conifer Real Estate

**J. Gary Shelton**  
Grocer  
Real Estate Investor

**Stan Stephens**  
President  
Stephens Pneumatics, Inc.  
Tankheads, Inc.

**Terry Wilkinson**  
Wyndham Properties, Ltd.

IN THOUSANDS	ASSETS	LOANS	DEPOSITS	NET INCOME	RETURN ON AVG. ASSETS	EFFICIENCY RATIO
Dec. 31, 2015	\$401,773	\$325,606	\$353,257	\$6,366	1.59%	55.38%
Dec. 31, 2016	\$452,258	\$359,417	\$400,763	\$7,200	1.72%	54.89%

### SOUTHLAKE Day of Service

Southlake employees served a local senior housing development for low income and disabled seniors by preparing and serving meals, providing arts and crafts and performing yard and handyman work. Wise County employees delivered meals to area residents, completed yard work and cleaning at their homes and mowed a local cemetery not maintained by the county.



## STEPHENVILLE REGION

Stephenville | Granbury | Glen Rose | Acton



**TRENT B. SWEARENGIN**  
Chairman, President and CEO

### MAIN OFFICE

2201 W. South Loop  
Stephenville, TX 76401

254.965.5036

### SENIOR OFFICERS

**Trent B. Swarengin**  
Chairman, President and CEO

**Doyle Cooper**  
Glen Rose Market President

**Bart Rodgers**  
Granbury Market President

**Dereece Howell**  
Executive Vice President  
Chief Operations Officer

**Robert Lemons**  
Executive Vice President

**Blayne Baley**  
Senior Vice President

**Doug Dobbins**  
Senior Vice President

**Donna Feller**  
Senior Vice President

**Vickie Pettit**  
Senior Vice President

**Trent Tidwell**  
Senior Vice President

**Matt Ward**  
Senior Vice President  
Regional Consumer Lending  
Manager

### REGIONAL DIRECTORS

**Trent B. Swarengin**  
Chairman, President and CEO

**Keith Brown**  
Prime Building Components, LLC

**Ronald D. Butler II**  
First Financial Bankshares, Inc.

**Walter W. Hardin III**  
Real Estate Investments

**Doug Montgomery**  
Texstar Ford

**John Moore**  
Craft Associates, Inc.

**Ron Pack**  
Ranching and Investments

**Bill Parham**  
Boucher Morgan & Young CPAs

**John Terrill**  
Attorney

**Michael B. Williams**  
M W Supply, Inc.

IN THOUSANDS	ASSETS	LOANS	DEPOSITS	NET INCOME	RETURN ON AVG. ASSETS	EFFICIENCY RATIO
Dec. 31, 2015	\$481,880	\$294,996	\$425,440	\$7,623	1.60%	44.25%
Dec. 31, 2016	\$502,509	\$299,175	\$436,213	\$8,514	1.77%	48.02%

### STEPHENVILLE Day of Service

Employees in Stephenville and Granbury served lunch at local senior centers while presenting the *Understanding Financial Exploitation of the Elderly* program and partnered with Meals on Wheels to deliver meals to 3 routes. Glen Rose employees volunteered at the Somervell County Food Bank to stock shelves, clean and landscape.





## WEATHERFORD REGION

Weatherford | Aledo | Willow Park | Brock



### JAY GIBBS

Chairman and CEO



### JUSTIN HOOPER

President

### MAIN OFFICE

101 College Park Dr.  
Weatherford, TX 76086

817.596.0307

## SENIOR OFFICERS

### Jay Gibbs

Chairman and CEO

### Justin Hooper

President

### Les Mariotti

Executive Vice President  
Chief Operations Officer

### John Good

Senior Vice President

### Lori Hill

Senior Vice President

### Kent Hudson

Senior Vice President

### Jimmie Sue Lawson

Senior Vice President

## REGIONAL DIRECTORS

### Jay Gibbs

Chairman and CEO

### Jamie Adams

Senior Vice President  
Briggs Freeman  
Sotheby's Realty

### Ronald D. Butler II

First Financial Bankshares, Inc.

### James D. Eggleston

Partner  
Eggleston King LLP

### Nan Kingsley

President  
Bluestem Studios, Inc.

### Kevin R. Lackey

President and CEO  
Freedom Power Sports

### Stephen E. Milliken

C.D. Hartnett Company

### Mike White, O.D.

Therapeutic Optometrist

IN THOUSANDS	ASSETS	LOANS	DEPOSITS	NET INCOME	RETURN ON AVG. ASSETS	EFFICIENCY RATIO
Dec. 31, 2015	\$523,256	\$206,348	\$450,946	\$7,973	1.60%	47.28%
Dec. 31, 2016	\$494,353	\$217,275	\$417,407	\$8,392	1.69%	47.68%

## WEATHERFORD Day of Service

Employees conducted a 4-week food drive, partnered with 3 local senior centers and food pantries to cook, clean, sort and organize shelves. They also preformed yard work and presented the *Understanding Financial Exploitation of the Elderly* program.





Left to Right: Jana Haynes, Troy Fore, Kami Graves, Bobby Brennan, Janet O'Dell, Wes Masters, Tammie Harding, Cindi LaChance, Ryan Craig

## First Financial Mortgage

2016 was an exceptional year for First Financial Mortgage. We exceeded \$500 million in total loan originations, which represents a 38% increase from 2015. We helped 2,273 families and individuals with their home financing needs, and we are most proud of that accomplishment. Interest rates ended the year higher, but remain at historic lows. The housing market in Texas continues to be a bright spot for the economy and First Financial Mortgage has a full menu of products to handle the needs of all home buyers. Looking forward, First Financial Mortgage is well-positioned in some of the fastest growing areas of the state providing many growth opportunities for our company.

### SENIOR OFFICERS

---

**Troy Fore**  
President

**Ryan Craig**  
Executive Vice President

**Kami Graves**  
Executive Vice President

**Tammie Harding**  
Executive Vice President

**Janet O'Dell**  
Executive Vice President

**Bobby Brennan**  
Senior Vice President

**Jana Haynes**  
Senior Vice President

**Cindi LaChance**  
Senior Vice President

**Wes Masters**  
Senior Vice President



Left to Right: Jeff Casey, Larry Williams, Michael Cole, Kay Berry, Thomas S. Limerick, Kevin Pilgrim, Charles L. VanDeweel II, David Weems

## First Technology Services, Inc.

### SENIOR OFFICERS

**Thomas S. Limerick**  
Chairman, President and CEO

**Jeff Casey**  
Executive Vice President  
Chief Digital Officer

**Kay Berry**  
Senior Vice President  
Deposit Operations

**Kevin Pilgrim**  
Senior Vice President  
IT Operations

**Charles L. VanDeweel, II**  
Senior Vice President  
Software Development

**David Weems**  
Senior Vice President  
Chief Operations Officer

**Larry Williams**  
Senior Vice President  
Technical Architecture

**Michael Cole**  
Vice President  
Chief Information Security Officer

### DIRECTORS

**Thomas S. Limerick**  
Chairman, President and CEO  
First Technology Services, Inc.  
Executive Vice President and CIO  
First Financial Bankshares, Inc.

**April Anthony**  
Chief Executive Officer  
Encompass Home Health  
Homecare Homepage

**Michael L. Boyd**  
Chairman and CEO  
First Financial Bank,  
San Angelo Region

**Ronald D. Butler II**  
Executive Vice President  
Chief Administrative Officer  
First Financial Bankshares, Inc.,  
Chairman and CEO  
First Financial Bank, Abilene Region

**F. Scott Dueser**  
Chairman of the Board,  
President and CEO  
First Financial Bankshares, Inc.

**Jay Gibbs**  
Chairman and CEO  
First Financial Bank,  
Weatherford Region

**Ron Giddiens**  
Investments  
Partner, D&G Consulting

**J. Bruce Hildebrand**  
Executive Vice President and  
Chief Financial Officer  
First Financial Bankshares, Inc.

**Tim Lancaster**  
President and CEO  
Hendrick Health System

**Les Mariotti**  
Executive Vice President and Cashier  
First Financial Bank, FortWorth Region  
First Financial Bank, MineralWells Region  
First Financial Bank, Southlake Region  
First Financial Bank, Weatherford Region

**Trent B. Swearingin**  
Chairman, President and CEO  
First Financial Bank,  
Stephenville Region

**Tony Wormington**  
Retired President  
Jack Henry and Associates, Inc.







Back Left to Right: David Byrd, Wayne Chowning, Lon Biebighauser, Konrad S. Halbert, Barbara Hill  
 Front: Left to Right David Castleberry, Kirk W. Thaxton, Bradley D. Brown

## First Financial Trust & Asset Management Company

First Financial Trust & Asset Management Company again delivered favorable results in 2016. Total assets under management at year-end had a book value of \$3.37 billion, a 10.3 percent increase from \$3.06 billion at the end of 2015. The market value of the assets totaled \$4.37 billion, a gain of 13.0 percent from \$3.87 billion. Our revenues were impacted by the significant market drop in the first quarter as well as lower oil and gas prices, which resulted in a \$296,000 reduction in oil and gas management fees. For the year, total fee income increased 2.0 percent to \$19.6 million from \$19.2 million in 2015, and net earnings after tax decreased 3.5 percent to \$7.2 million from \$7.5 million.

The trust company's investment performance remained strong. Our Core Domestic Equity portfolio led the way with a return of 14.5 percent, followed by our Equity Income portfolio with 12.9 percent and our Core Diversified portfolio with 12.5 percent. Our Taxable and Tax-Exempt Fixed-Income portfolios outpaced their respective benchmarks.

We are excited to announce that we have contracted with FIS, the world's largest global provider of financial technology solutions, and will be converting to a new accounting platform in 2017. This new platform will improve online access, statements and tax reporting for our customers and provide additional technology solutions to assist them with meeting their financial goals.

### Trust Assets (in millions)



### Trust Fees (in millions)



### Trust Net Income (in millions)



### SENIOR OFFICERS

**Kirk W. Thaxton**  
 Chairman, President and CEO

**David Byrd**  
 Executive Vice President  
 Manager, San Angelo

**David Castleberry**  
 Executive Vice President  
 Manager, Stephenville

**Wayne Chowning**  
 Executive Vice President  
 Manager, Sweetwater

**Konrad S. Halbert**  
 Executive Vice President  
 Manager, Fort Worth

**Barbara Hill**  
 Executive Vice President  
 Manager, Odessa

**Matt Melbourne**  
 Executive Vice President  
 Manager, Operations

**Lon Biebighauser**  
 Senior Vice President  
 Manager, Operations

**Bradley D. Brown**  
 Senior Vice President  
 Manager, Beaumont/Orange

**Christopher N. Montoya**  
 Senior Vice President  
 Manager, Equities

**David B. Pitzer**  
 Senior Vice President  
 Manager, Real Property

**Bill Rowe**  
 Senior Vice President  
 Manager, Fixed Income

### SENIOR OFFICERS (continued)

**Randy Spiva**  
 Senior Vice President  
 Manager, Oil & Gas

### DIRECTORS

**Kirk W. Thaxton**  
 Chairman, President and CEO  
 First Financial Trust & Asset  
 Management Company, N.A.

**Sarah Campbell**  
 Portfolio Manager

**David Copeland, CPA**  
 President  
 Shelton Family Foundation

**F. Scott Dueser**  
 Chairman of the Board,  
 President and CEO  
 First Financial Bankshares, Inc.

**Jay Lawrence**  
 President  
 MAL Enterprises, Inc.

**David F. Lupton**  
 President  
 Angelo Glass & Mirror  
 Company, Inc.

**Dr. Michael Owen**  
 Physician

**Bill Parham**  
 Boucher Morgan & Young CPAs

**Walter G. Riedel, III**  
 President and CEO  
 Nelda C. and H.J. Lutchter  
 Stark Foundation

### ADVISORY DIRECTOR

**John L. Beckham**  
 Beckham Rector and  
 Eargle LLP



Left to Right: Tony Gorman, Rick Howard, Monica Houston, Brandon Barker, Frank Gioia, Jeff Casey, Brandon Harris, Mike Wolverton, Daniel Neely

## Line Of Business Executives

In 2016, First Financial formalized and strengthened core lines of business by identifying experts who are responsible for driving key lines of business strategies, processes and talent recruitment across the entire company. This approach aligns corporate goals and objectives with the day-to-day operations of the Company, maximizing growth and profit opportunities. We have dynamic leaders who support our entire organization in consumer lending, treasury management, customer service, human resources, retail banking, training and brokerage services.

### SENIOR OFFICERS

---

**Jeff Casey**

Executive Vice President  
Chief Digital Officer

**Monica Houston**

Executive Vice President  
Retail Banking and Training

**Michael Wolverton**

Executive Vice President  
Consumer Lending

**Frank Gioia**

Senior Vice President  
Call Center

**Tony Gorman**

Senior Vice President  
Human Resources

**Brandon Harris**

Senior Vice President  
Appraisal Services

**Daniel Neely**

Senior Vice President  
Treasury Management

**Brandon Barker**

Co-Manager  
First Financial Brokerage Services

**Rick Howard**

Co-Manager  
First Financial Brokerage Services



Back: Randy Roewe, Luke Longhofer, Marna Yerigan, Michele P. Stevens, Lawrence B. Kentz, Kirk W. Thaxton, J. Bruce Hildebrand  
 Front: Thomas S. Limerick, Ronald D. Butler II, F. Scott Dueser, Gary S. Gragg

## Corporate Information

### OFFICERS:

**F. Scott Dueser**  
 Chairman of the Board,  
 President and CEO

**Ronald D. Butler II**  
 Executive Vice President  
 Chief Administrative Officer

**J. Bruce Hildebrand, CPA**  
 Executive Vice President  
 Chief Financial Officer

**Gary S. Gragg**  
 Executive Vice President  
 Lending

**Thomas S. Limerick**  
 Executive Vice President  
 Chief Information Officer

**Luke Longhofer**  
 Executive Vice President  
 Lending

**Randy Roewe**  
 Executive Vice President  
 Chief Risk Officer

**Marna Yerigan**  
 Executive Vice President  
 Lending

**Lawrence B. Kentz**  
 Senior Vice President  
 Chief Compliance Officer

**Michele P. Stevens**  
 Senior Vice President  
 Advertising and Marketing

### ANNUAL MEETING

Tuesday, April 25, 2017  
 Abilene Civic Center  
 1100 N. Sixth St.  
 Abilene, TX 79601  
 10:30 a.m.

### CORPORATE OFFICE

400 Pine St.  
 Abilene, TX 79601  
 325.627.7155  
 800.588.7000  
[www.ffin.com](http://www.ffin.com)

### CORPORATE MAILING ADDRESS

P.O. Box 701  
 Abilene, TX 79604

### COMMON STOCK LISTING

The NASDAQ Global Select  
 Market Symbol: FFIN

### INDEPENDENT PUBLIC AUDITORS

Ernst & Young LLP

### FOR FINANCIAL AND INVESTOR INFORMATION:

J. Bruce Hildebrand, CPA  
 Executive Vice President  
 Chief Financial Officer  
 325.627.7155

### TRANSFER AGENT

Continental Stock Transfer &  
 Trust Company  
 212.509.4000

### ADDRESS SHAREHOLDER INQUIRIES TO:

Continental Stock Transfer &  
 Trust Company  
 17 Battery Place  
 8th Floor  
 New York, NY 10004

### CONTINENTAL STOCK TRANSFER & TRUST COMPANY WEBSITE

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Certain statements contained in this annual report 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 "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 or saving 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 and Filings" on the Company's website or by writing or calling the Company at 325.627.7155. Except as otherwise stated in this annual report, the Company does not undertake any obligation to update publicly or revise any forward-looking statements because of new information, future events or otherwise. Note: Market share data is calculated from June 30, 2016, deposit information compiled by the Federal Deposit Insurance Corporation.





Back: Murray Edwards, April Anthony, Ron Giddiens, F. Scott Dueser, Tucker S. Bridwell, Kade Matthews, David Copeland  
 Front: Johnny E. Trotter, Tim Lancaster, Ross H. Smith, Steven L. Beal

## Board Of Directors

### COMMITTEES:

1. **Executive Committee:** F. Scott Dueser, Chairman
2. **Audit Committee:** David Copeland, Chairman
3. **Compensation Committee:** Steven Beal, Chairman
4. **Nominating/Corporate Governance Committee:**  
Tucker S. Bridwell, Chairman

BOARD MEMBER	YEAR	COMMITTEE
<b>F. Scott Dueser</b> Chairman of the Board, President and CEO First Financial Bankshares, Inc.	1991	1
<b>April Anthony</b> CEO Encompass Home Health Homecare Homebase	2015	2
<b>Steven L. Beal</b> Retired President and COO Concho Resources Inc.	2010	1, 3, 4
<b>Tucker S. Bridwell, CPA*</b> President Mansefeldt Investment Corp.	2007	1, 4
<b>David Copeland, CPA</b> President, SIPCO, Inc. and Shelton Family Foundation	1998	1, 2, 4
<b>Murray Edwards</b> Principal, The Edwards Group	2006	1, 2, 4
<b>Ron Giddiens</b> Investments Partner, D&G Consulting	2009	2
<b>Tim Lancaster</b> President and CEO Hendrick Health System	2013	2
<b>Kade Matthews</b> Ranching and Investments	1998	3
<b>Ross H. Smith</b> President, Akrotex, Inc. Owner, Sabine River Ford, Inc.	2014	3
<b>Johnny E. Trotter</b> President and CEO Livestock Investors, Ltd.	2003	1, 3, 4

\* Lead Director

**FIRST FINANCIAL BANKSHARES, INC.<sup>TM</sup>**