

CODE OF BUSINESS CONDUCT AND ETHICS
FOR
ALL EMPLOYEES, OFFICERS AND DIRECTORS
OF
FIRST FINANCIAL BANKSHARES, INC.
AND
ALL SUBSIDIARIES

MESSAGE FROM OUR PRESIDENT AND CHIEF EXECUTIVE OFFICER

To all Employees:

First Financial Bankshares, Inc. (FFIN) and its subsidiary companies are founded on our commitment to the highest ethical principles and standards. We value honesty and integrity above all else. Upholding these commitments is essential to our continued success.

The law and the ethical principles and standards that comprise this code of conduct must guide our actions. This code is not intended to be a complete listing of detailed instructions for every conceivable situation. Instead, it is intended to help you develop a working knowledge of the laws and regulations that affect your job.

Adhering to this code is essential. I have personally taken the time to study it carefully and I encourage you to do the same.

Ultimately, our most valuable asset is our reputation. Complying with the principles and standards contained in this code is the starting point for protecting and enhancing that reputation. Thank you for your commitment!

F. Scott Dueser
President and Chief Executive Officer

HELPFUL PHONE NUMBERS

Compliance Officer

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Introduction

All of our employees, officers and directors shall read and use this code of conduct to ensure that each business decision follows our commitment to the highest ethical standards and the law. Adherence to this code and to our other official policies is essential to maintaining and furthering our reputation for fair and ethical practices among our customers, shareholders, employees and communities.

This code summarizes certain laws and the ethical policies that apply to all of our employees, officers and directors. Several provisions in this code refer to more detailed policies that either (1) concern more complex company policies or legal provisions or (2) apply to select groups of individuals within our Company. If these detailed policies are applicable to you, it is important that you read, understand, and be able to comply with them. If you have questions as to whether any detailed policies apply to you, contact your immediate supervisor, your applicable Bank President or our compliance officer.

Situations that involve ethics, values and violations of certain laws are often very complex. No single code of conduct can cover every business situation that you will encounter. Consequently, we have implemented the compliance procedures outlined in the sections of this code entitled “Administration of the Code” and “Asking for Help and Reporting Concerns.” The thrust of our procedures is ***when in doubt, ask***. If you do not understand a provision of this code, are confused as to what actions you should take in a given situation, or wish to report a potential violation of the law or this code, you should follow those compliance procedures. Those procedures will generally direct you to talk to either your immediate supervisor, your applicable Bank President or our compliance officer. There are few situations that cannot be resolved if you discuss them with these persons in an open and honest manner.

Please note that this code is not an employment contract and does not modify the employment relationship between us and you. We do not create any contractual or legal rights or guarantees by issuing this Code of Business Conduct and Ethics, and we reserve the right to amend, alter and terminate our policies at any time and for any reason.

Compliance with Laws

First and foremost, our policy is to behave in an ethical manner and comply with all laws, rules and government regulations that apply to our business. In particular, we are a financial holding company and are subject to extensive supervision by state and federal banking regulators. Because we are committed to maintaining the safety and soundness of our subsidiary depository institutions, we take our obligation to comply with state and federal banking laws very seriously. These laws, and especially those dealing with our relationships with (and disclosures to) customers who hold accounts or request loans, are very complicated and cannot be completely summarized in this code. Although we address several important legal issues in this code, we cannot anticipate every possible situation or cover every issue in detail. It is your responsibility to know and follow the law and conduct yourself in an ethical manner. It is also your responsibility to report any violations of the law or this code. You may report such violations by following the compliance procedures contained in the section of the code entitled “Asking for Help and Reporting Concerns.”

The financial records of our customers and the relationships between us and our customers are confidential. Unless your job description authorizes you to make public disclosures, you may not divulge financial information or records of any customer to anyone outside our Company. To the extent required by law, we will cooperate with government agencies in their legitimate requests for information. If you receive a request from any third party to release information concerning our customers, you should forward that request to your applicable Bank President or our Chief Financial Officer.

Antitrust Laws

Antitrust laws are designed to ensure a fair and competitive marketplace by prohibiting various types of anticompetitive behavior. Some of the most serious antitrust offenses occur between competitors, such as agreements to fix prices or to divide customers, territories or markets. Accordingly, it is important to avoid discussions with our competitors regarding pricing, terms and conditions, costs, marketing plans, customers and any other proprietary or confidential information.

We cannot be a party to any unlawful agreements, whether oral or written. We cannot have informal discussions or exchange information with a competitor that could be construed in any way, shape or form to violate antitrust laws. If you believe that a conversation with a competitor enters an inappropriate area, end the conversation at once.

Whenever any question arises as to application of antitrust laws, you should consult with your applicable Bank President (who may contact legal counsel, if necessary) and any agreements with possible antitrust implications should be made only with the prior approval of your applicable Bank President.

Anticorruption Laws

Conducting business with governments is not the same as conducting business with private parties. What may be considered an acceptable practice in the private business sector may be improper or illegal when dealing with government officials. Improper or illegal payments to government officials are strictly prohibited. “Government officials” includes employees of any government anywhere in the world, even low-ranking employees or employees of government-controlled entities, as well as political parties and candidates for political office. If you deal with such persons or entities, you should consult with our compliance officer to be sure that you understand these laws before providing anything of value to a government official. For example, if you are associated with obtaining deposits from city, county or school boards, you must not make any payment or subsidy to a government official, other than political contributions in accordance with political contribution laws.

If you are involved in transactions with foreign government officials, you must comply not only with the laws of the country with which you are involved but also with the U.S. Foreign Corrupt Practices Act. This act makes it illegal to pay, or promise to pay, money or anything of value to any non-U.S. government official for the purpose of directly or indirectly obtaining or retaining business. This ban on illegal payments and bribes also applies to agents or intermediaries who use funds for purposes prohibited by the statute. You must have approval from our Chief Financial Officer before making any payment or gift to a foreign government official.

Conflicts of Interest

All of us must be able to perform our duties and exercise judgment on behalf of our Company without influence or impairment, or the appearance of influence or impairment, due to any activity, interest or relationship that arises outside of work. Put more simply, when our loyalty to our Company is affected by actual or potential benefit or influence from an outside source, a conflict of interest exists. We should all be aware of any potential influences that impact or appear to impact our loyalty to our Company. In general, you should avoid situations where your personal interests conflict, or appear to conflict, with those of our Company.

Any time you believe a conflict of interest may exist, you must disclose the potential conflict of interest to your immediate supervisor, your applicable Bank President or our compliance officer.

It is not possible to describe every potential conflict of interest, but some situations that could cause a conflict of interest for employees and their dependent family members (not applicable to non-employee directors) include:

- Doing business with family members
- Having a financial interest in another company with whom we do business
- Taking a second job

- Managing your own business
- Serving as a director of another business
- Being a leader in some organizations
- Diverting a business opportunity from our Company to another company

Doing Business with Family Members

A conflict of interest may arise if a dependent member of an employee's family works for a supplier, customer or other third party with whom we do business. It also may be a conflict if a dependent member of an employee's family has a significant financial interest in a supplier, customer or other third party with whom we do business. A "significant financial interest" is defined below. Before doing business on our behalf with an organization in which a dependent member of an employee's family works or has a significant financial interest, an employee must disclose the situation to our compliance officer or applicable Bank President and discuss it with them. Document the approval if it is granted.

Employment of family members is restricted in accordance with the Company's Human Resource policy entitled "Employment of Relatives."

Ownership in Other Businesses

Our investments can cause a conflict of interest. In general, you should not own, directly or indirectly, a significant financial interest in any company that does business with us or seeks to do business with us, including customers and vendors. You also should not own a significant financial interest in any of our competitors.

Two tests determine if a "significant financial interest" exists:

- You or a dependent member of your family owns more than 10% of the outstanding stock of a business or you or a dependent member of your family has or shares discretionary authority with respect to the decisions made by that business, or
- The investment represents more than 5% of your total assets or of a dependent family member's total assets.

If you or a dependent member of your family has a significant financial interest in a company with whom we do business or propose to do business, that transaction must be approved by our Company's or the applicable Bank subsidiary's Board of Directors prior to the transaction.

Notwithstanding the foregoing, non-employee directors of our Company and their dependent family members may have significant financial interests in or be affiliates of suppliers, customers, competitors and third parties with whom we do business or propose to do business. However, a director must:

- disclose any such relationship promptly after the director becomes aware of it,

- remove himself or herself from any Board discussion or decision that directly impacts the relationship between our Company and any such company, and
- obtain prior approval of the Company's or the applicable Bank subsidiary's Board of Directors for any transaction of which the director is aware between our Company and any such company.

Outside Employment

Sometimes our employees desire to take additional part-time jobs or do other work after hours, such as consulting or other fee-earning services. This kind of work does not in and of itself violate our code. However, the second job must be strictly separated from your job with us, and must not interfere with your ability to devote the time and effort needed to fulfill your duties to us as our employee. You cannot engage in any outside activity that causes competition with us or provides assistance to our competitors or other parties (such as suppliers) with whom we regularly do business. You should avoid outside activities that embarrass or discredit us. Outside work may never be done on Company time and must not involve the use of our supplies or equipment.

Before engaging in a second line of work, you should disclose your plans to your immediate supervisor or applicable Bank President to confirm that the proposed activity is not contrary to our best interests.

Service on Boards

For employees and their dependent family members (not applicable to non-employee directors), serving as a director of another corporation may create a conflict of interest. Being a director or serving on a standing committee of some organizations, including government agencies, also may create a conflict.

Before accepting an appointment to the board or a committee of any organization whose interests may conflict with our Company's interests, you must discuss it with your immediate supervisor, applicable Bank President or our compliance officer and obtain their approval.

Business Opportunities

Business opportunities relating to the kinds of products and services we usually sell or the activities we typically pursue that arise during the course of your employment or through the use of our property or information belong to us. Similarly, other business opportunities that fit into our strategic plans or satisfy our commercial objectives that arise under similar conditions also belong to us. You may not direct these kinds of business opportunities to our competitors, to other third parties or to other businesses with whom you are affiliated.

Reposessed Assets

The Company will not sell or make available in any way to employees, officers, directors, or their dependent family members any assets held by our Trust company or reposessed by a subsidiary bank.

Loans

From time to time, our employees, officers (with the exception of senior vice presidents and executive officers), directors, principal shareholders and their related parties may look to us for their credit needs. Under appropriate circumstances, these parties can be among our valued customers. However, we must exercise great care in making or renewing loans to them, granting lines of credit or otherwise extending (or arranging for the extension of credit) in any manner whatsoever. When we extend credit to employees or insiders, we must do so (1) at arm's length, (2) on substantially the same terms (including interest rates and collateral), and following credit underwriting procedures that are no less stringent than usual and (3) in a way that does not involve more than the normal risk of repayment or other unfavorable features to us.

Extensions of credit to our employees who are not also our officers and directors must be approved by our loan committee. If a director or any of their affiliates or dependent family members seeks an extension of credit from us, our board of directors must approve the transaction, with all interested directors abstaining from the board's deliberations and recusing themselves from voting. We must retain all records of loans to affiliated persons, as required by law, and we may occasionally be required to make public disclosure of these loans. There are a number of additional lending criteria we must meet when extending credit to certain insiders.

Senior vice presidents, executive officers and their dependent family members are prohibited from borrowing at their own bank but are encouraged to borrow from the other banks in the holding Company or a correspondent bank. All borrowings at a correspondent bank or subsidiary bank, must be reported to the applicable bank Board of Directors within 10 days of the borrowing. The secretary will then report it at the next bank Board of Directors meeting.

Gifts and Entertainment

We are dedicated to treating fairly and impartially all persons and firms with whom we do business. Therefore, our employees, including dependent family members, must not give or receive gifts, entertainment or gratuities that could influence or be perceived to influence business decisions. Misunderstandings can usually be avoided by conduct that makes clear that our Company conducts business on an ethical basis and will not seek or grant special considerations.

Accepting Gifts and Entertainment

You should never solicit a gift or favor from those with whom we do business. You may not accept gifts of cash or cash equivalents or any gift greater than \$250 in value.

You may accept novelty or promotional items or modest gifts related to commonly recognized occasions, such as a promotion, holiday, wedding or retirement, if:

- this happens only occasionally
- the gift was not solicited

- disclosure of the gift would not embarrass our Company or the people involved
- the value of the gift is of reasonable value and does not exceed \$250.

You may accept an occasional invitation to a sporting activity, entertainment or meal if

- there is a valid business purpose involved
- this happens only occasionally
- the activity is of reasonable value and not lavish.

Giving Gifts and Entertaining

Gifts of nominal value and reasonable entertainment for customers, potential customers and other third parties with whom we do business are permitted. However, any gift or entertainment must

- support our Company's legitimate business interests
- be reasonable and customary, not lavish or extravagant
- not embarrass our Company or the recipient if publicly disclosed.

Under no circumstances can any bribe, kickback, or illegal payment or gift of cash or cash equivalents be made. Also, special rules apply when dealing with government employees. These are discussed in this code under "Compliance with Laws – Anticorruption Laws."

Fair Dealing

We have built a reputation as a trustworthy and ethical member of our community and our industry. We are committed to maintaining the highest levels of integrity and fairness within our Company. When we fail to negotiate, perform or market in good faith, we may seriously damage our reputation and lose the loyalty of our customers. You must conduct business honestly and fairly and not take unfair advantage of anyone through any misrepresentation of material facts, manipulation, concealment, abuse of privileged information, fraud or other unfair business practice.

Securities Laws and Insider Trading

For our policy related to securities laws and insider trading, you should refer to the "Policy Prohibiting Insider Trading and Unauthorized Disclosure of Information to Others." In addition, a supplemental policy should be referred to for certain restricted persons, as defined, in the "Supplemental Policy Concerning Trading in Company Securities by Designated Persons."

Responding to Inquiries from the Press and Others

Our Company is subject to laws that govern the timing of our disclosures of material information to the public and others. Only certain designated employees may discuss our Company with the news media, securities analysts and investors. All inquiries from outsiders regarding financial or other information about our Company should be referred to our Chief Financial Officer.

Political Activity

We will fully comply with all political contribution laws. Our funds may not be used for contributions of any kind to any political party or committee or to any candidate or holder of any government position (national, state or local) unless such contribution is permitted by law and complies with our Company policy. Please contact our compliance officer or your applicable Bank President to determine whether a specific Company contribution is permitted.

It is against our policy for you to solicit funds from Company employees on behalf of a political candidate during the work day. We do allow officers and directors to solicit funds for banking industry political action committees from our employees, officers and directors. It is also against our policy to reimburse an employee for any political contributions or expenditures. Outside normal office hours, you are free to participate in political campaigns on behalf of candidates or issues of your choosing, as well as make personal political contributions including to our banking industry political action committee.

Safeguarding Corporate Assets

We have a responsibility to protect Company assets entrusted to us from loss, theft, misuse and waste. Company assets and funds may be used only for business purposes and may never be used for illegal purposes. Incidental personal use of telephones, fax machines, copy machines, personal computers, e-mail and similar equipment is generally allowed if it is occasional, there is no significant added cost to us, it does not interfere with your work responsibilities and is not related to an illegal activity or outside business. If you become aware of theft, waste or misuse of our assets or funds or have any questions about your proper use of them, you should speak immediately with your immediate supervisor, your applicable Bank President or our compliance officer.

It is also important that you protect the confidentiality of Company information. Confidential or proprietary information includes all information that is not generally known to the public and is helpful to the Company, or would be helpful to competitors. Proprietary information should be kept secure, with access limited to those who have a need to know in order to do their jobs.

Our business relations are built on trust, and our customers and suppliers count on that trust. If you learn information from them that is not otherwise public, you should keep that information confidential also.

We should all be sensitive to the impact of comments made over the internet through public forums such as chat rooms and bulletin boards. In such forums, you may not post any information about the Company including comments about our products, stock performance, operational strategies, financial results, customers or competitors, even in response to a false statement or question. This applies whether you are at work or away from the office. Our Company owns all e-mail messages that are sent from or received through the Company's systems. We may monitor your messages and may be required to disclose them in the case of litigation or governmental inquiry.

Accuracy of Company Records

All information you record or report on our behalf, whether for our purposes or for third parties, must be done accurately and honestly. All of our records (including accounts and financial statements) must be maintained in reasonable and appropriate detail, must be kept in a timely fashion, and must appropriately reflect our transactions. Falsifying records or keeping unrecorded funds and assets is a severe offense and may result in prosecution or loss of employment. When a payment is made, it can only be used for the purpose spelled out in the supporting document.

Information derived from our records is provided to our shareholders and investors as well as government agencies. Thus, our accounting records must conform not only to our internal control and disclosure procedures but also to generally accepted accounting principles and other laws and regulations, such as those of the Internal Revenue Service and the Securities and Exchange Commission. Our public communications and the reports we file with the Securities and Exchange Commission and other government agencies should contain information that is full, fair, accurate, timely and understandable in light of the circumstances surrounding disclosure.

Our internal and external auditing functions help ensure that our financial books, records and accounts are accurate. Therefore, you should provide our accounting department, internal auditing staff, audit committee and independent public accountants with all pertinent information that they may request. We encourage open lines of communication with our audit committee, accountants and auditors and require that all our personnel cooperate with them. It is unlawful for you to fraudulently influence, induce, coerce, manipulate or mislead our independent public accountants for the purpose of making our financial statements misleading.

If you are unsure about the accounting treatment of a transaction or believe that a transaction has been improperly recorded or you otherwise have a concern or complaint regarding an accounting matter, our internal accounting controls, or an audit matter, you should confer with our Chief Financial Officer, or you may submit your concern, on an anonymous basis, to the Chairman of our Audit Committee by calling the toll free number 1.866.396.0557.

See procedures to be followed under the section entitled “Asking for Help and Reporting Concerns.”

Record Retention

Our records should be retained or discarded in accordance with our record retention policies and all applicable laws and regulations. From time to time we are involved in legal proceedings that may require us to make some of our records available to third parties. Our legal counsel will assist us in releasing appropriate information to third parties and provide you (or your immediate supervisor) with specific instructions. It is a crime to alter, destroy, modify or conceal documentation or other objects that are relevant to a government investigation, or otherwise obstruct, influence or impede an official proceeding. The law applies equally to all of our records, including formal reports as well as informal data such as e-mail, expense reports and internal memos. If the existence of a subpoena, pending government investigation or other legal proceeding is known or reported to you, you should immediately contact our compliance officer and you must retain all records that may pertain to that matter.

Administration of the Code

Distribution

All of our directors will receive a copy of this code when they become a director of our Company or of a subsidiary of the Company. All officers and employees will be provided a copy to read upon employment. A copy of the code and updates are posted on the Company’s intranet website.

Role of Supervisors and Officers

Supervisors and officers have important roles under this code and are expected to demonstrate their personal commitment to this code by fostering a workplace environment that promotes compliance with the code and by ensuring that employees under their supervision participate in our Company’s compliance training programs.

Reporting Violations

All employees are obliged to report violations of this code or the law and to cooperate in any investigations into such violations. See “Asking for Help and Reporting Concerns” for procedures to be followed for reporting possible violations of this code. We prefer that you give your identity when reporting violations, to allow the Company to contact you in the event further information is needed to pursue an investigation, and your identity will be maintained in confidence to the extent practicable under the circumstances and consistent with enforcing this code. However, you may anonymously report violations as described below.

Investigations

We will initiate a prompt investigation following any credible indication that a breach of law or this code may have occurred. We will also initiate appropriate corrective action as we deem necessary, which may include notifying appropriate authorities.

Disciplinary Action

If you violate any provision of this code, you may be subject to disciplinary action, up to and including discharge. Please be aware that we may seek civil remedies from you and if your violation results in monetary loss to us, you may be required to reimburse us for that loss. If you are involved in a violation, the fact that you reported the violation, together with the degree of cooperation displayed by you and whether the violation is intentional or unintentional, will be given consideration in our investigation and any resulting disciplinary action.

No Retaliation

We will not retaliate against anyone who, in good faith, notifies us of a possible violation of law or this code, nor will we tolerate any harassment or intimidation of any employee who reports a suspected violation.

Approvals

Any request for an approval under this code from any employee or non-executive officer must be submitted in writing to your applicable Bank President who has authority to make such decision. Any request for an approval under this code from a director or an executive officer must be submitted in writing to the Company's board of directors which has authority to make such decision. The approval for a director or executive officer will be promptly disclosed to the extent required by law or regulation.

Asking for Help and Reporting Concerns

We take this code seriously and consider its enforcement to be among our highest priorities. We also acknowledge that we operate in a complex environment. That's why we encourage open communication. ***When in doubt, ask.*** Whenever you have a question or concern, are unsure about what the appropriate course of action is, or if you believe that a potential violation of the law or this code has occurred:

- You should talk with your immediate supervisor or applicable Bank subsidiary President. He or she may have the information you need, or may be able to refer the matter to an appropriate source, including legal counsel as circumstances warrant.
- If you are uncomfortable talking with your immediate supervisor or applicable Bank subsidiary President, you may also contact any manager in our Company with whom you feel comfortable, the Human Resources Director, our Compliance Officer or our Chief Financial Officer.

- In addition, if you have concerns or complaints about accounting or audit matters or our internal accounting controls or any other matter, you may confer with your immediate supervisor, the controller associated with your subsidiary Bank or our Chief Financial Officer, or you may submit your concern or complaint, on an anonymous basis, to the Chairman of our Audit Committee by calling the toll free number 1.866.396.0557.