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**TEXAS CAPITAL BANK SELLS RESIDENTIAL MORTGAGE LENDING DIVISION
TO TRANSNATIONAL FINANCIAL NETWORK, INC.**

DALLAS, October 18, 2006 - Texas Capital Bank announced today the sale of its residential mortgage lending division (RML) to Transnational Financial Network, Inc. (AMEX: TFN), a wholesale residential mortgage lender. The professionals in the RML division provide home loans from 27 offices in 18 states.

Under the terms of the agreement, Texas Capital will initially receive 1.13 million shares of TFN stock with an additional 869,355 subject to earn-out provisions. The Bank will refer mortgage clients to TFN as appropriate. Also, the Bank's mortgage warehouse division, which is not part of the sale, will provide a warehouse line to TFN, providing a seamless transition and proven back-office support. Texas Capital Bank will continue to offer mortgage loans directly to its private clients.

The sale will allow Texas Capital Bank to continue to focus on its highly successful core business – business and private client banking - and will enable TFN to expand its geographical presence and triple its production.

“We have a great deal of respect for the RML team and believe the potential they bring to the experienced, growth-oriented team at TFN will benefit all of us going forward,” said Jody Grant, chairman of Texas Capital Bank. “In turn, the Bank will direct its energy and capital investments in areas that are more aligned with the core bank and have greater ROI potential.”

The change will be transparent to clients who previously obtained mortgage loans from Texas Capital Bank or are in the process of doing so. Questions may be directed to Eugene Barham at 972.560.4510 or Eugene.Barham@TexasCapitalBank.com.

Texas Capital Bank is a commercial bank that delivers highly personalized financial services to businesses and private clients. With headquarters in Dallas, the bank has \$3 billion in assets as of year-end 2005. It has full-service offices in Austin, Dallas, Fort Worth, Houston and San Antonio. The bank is the primary subsidiary of Texas Capital Bancshares (NASDAQ: TCBI), which is included in the Russell 2000 Index. For further information, please visit www.texascapitalbank.com.

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