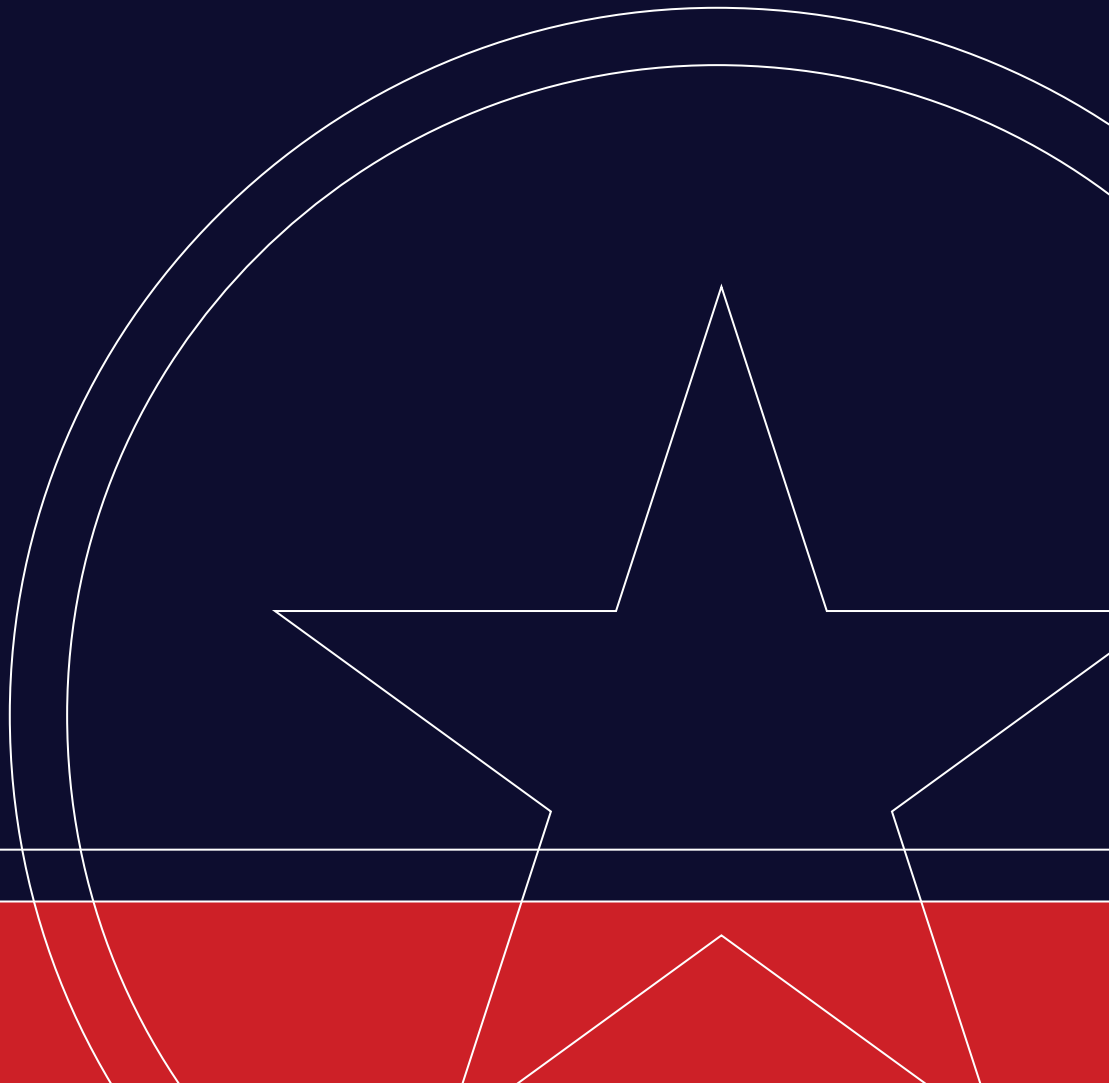


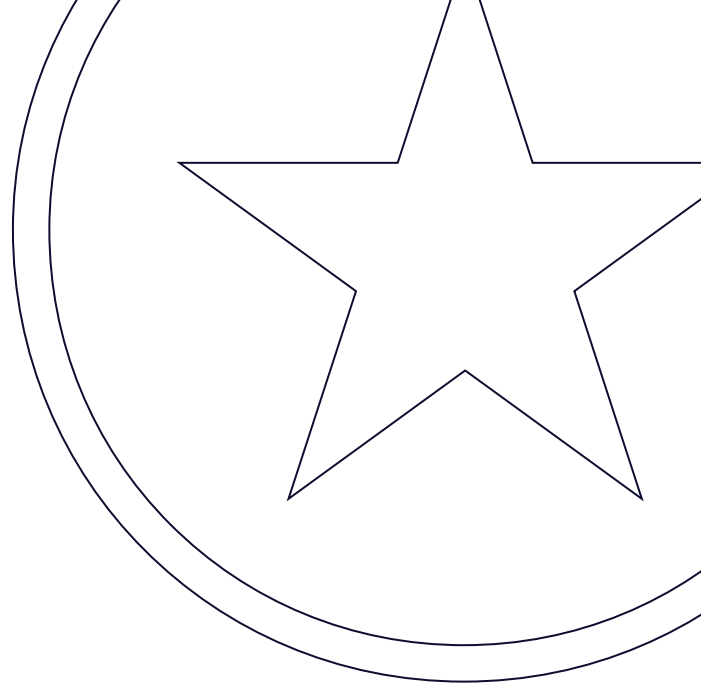
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A LOOK AHEAD

WITH A MESSAGE FROM OUR CEO
ROB C. HOLMES







The past year has confirmed the core convictions I have had since joining Texas Capital Bank as President and Chief Executive Officer two years ago: Texas businesses are resilient, innovative, and poised for strong growth over the coming decade. The future of our state is bright, and our Bank is well-positioned to serve the best clients in all our markets, grow with our clients, and become the premier financial services firm in Texas.

I am honored to share my reflections on the Bank's year just ended, and on new opportunities and unfamiliar challenges all business leaders face as we look ahead to 2023.

Texas Capital Bank is a full-service bank headquartered in Texas. We serve businesses across all sectors and remain committed to helping build the economy of our state. Nearly a year and a half ago I announced a new strategy that focused on building the best team of financial professionals in Texas, delivering seamless service and execution, and providing the widest, most relevant range

of products possible. It is our goal to ensure that Texas Capital Bank is a trusted partner to our clients throughout their entire life cycle.

Transformation and growth

I am proud to report that Texas Capital Bank has achieved tremendous progress in the ongoing enterprise-wide transformation of our business launched in 2021.

Our leadership team, which we have reshaped over the past two years, is comprised of world-class executives. Everyone on Texas Capital Bank's Operating Committee is a high-energy, client-obsessed, collaborative business builder. They embody our core values of candor, transparency, trust, and accountability, and are committed to our mission and strategy every day.

We did all we set out to do in 2022 and, thanks to the hard work and tenacity of our employees, we have results to prove it. We have reorganized

our entire organization to optimize client delivery. We now serve our clients through industry vertical teams with domain-specific expertise. We have also greatly strengthened the Bank's balance sheet, which means we are prepared to support the best clients in our markets for years to come, through whatever economic conditions arise.

We are ahead of plan in expanding our products and services, starting with one of the quickest investment banking launches in history. We have fully built out our mergers and acquisitions, underwriting, and syndication teams, and are moving fast to develop our municipal finance team. Our sales and trading desk provides real-time market insights to clients across sectors, and our financial professionals have won numerous M&A mandates. While we still have work to do, our Bank is now a Texas-based institution offering a suite of top-tier investment banking services fully competitive with the premier Wall Street banks.

Our treasury services business has reached parity in capabilities with the nation's largest banks while continuing to provide high-touch local service. Our treasury team offers digital client onboarding, state-of-the-art technology, and a promise to address clients' needs with the urgency, excellence, and customized service they deserve. We can now serve any Texas-based business and are positioned to grow with them as their needs evolve.

We have tripled our number of private wealth advisors since 2021, empowered them with best-in-class technology, and increased assets under management despite last year's bear markets. Our mortgage finance business, which touches 5% of all U.S. mortgages nationally, and our real estate business have broadened the range of products we offer to many of the state's leading single family and multifamily developers, supporting them through the housing market downturn of the past year.

We have carried out an aggressive, targeted hiring program, nearly doubling our Bank's headcount and more than tripling our client-facing staff. We have built out our Strengthening Talent for

Accelerated Results (STARS) training program for emerging professionals, one of the few programs of its kind in Texas, and launched, what I believe will be, a transformational leadership development framework focused on firm-wide systems for talent development, decision-making, and execution. Our message to current and potential employees is clear: The best financial professionals no longer have to leave Texas to achieve high-caliber career goals.

I am grateful to our employees for their inspiring commitment throughout the Bank's continuing transformation, and I am also grateful to our clients for granting us the privilege of working with them. The Bank's net promoter scores — measuring whether clients would recommend us to others — are among the highest in all markets we serve. *Newsweek* recognized us as the most trusted bank in America in 2022 based on a survey conducted with market research firm Statista. Our transformation success is also visible in financial terms: Commercial loans have doubled as a share of our balance sheet with a strong, diversified mix of clients.



Navigating in uncharted times

Our Bank's unique position in Texas means we have a great line of sight into what's happening in our state's economy. In October 2022, in partnership with *The Business Journals*, we conducted a survey of more than 600 business leaders across the state's major metro areas to explore how macro challenges will affect Texas firms.



INFLATION

Our survey showed that the galloping inflation of 2021 to 2022 was the most significant factor impacting Texas businesses of all sizes in 2022 and is their top macroeconomic concern for 2023. Although inflation rates have been trending down since last summer, we believe inflation is likely to remain sticky, and we doubt current forecasts that year-over-year inflation rates will fall back to the Federal Reserve's 2% target by early 2024. Deglobalization and the war in Ukraine will remain potent inflationary forces. Households still hold more than \$1.5 trillion in excess cash, supporting high consumer spending despite the Fed's interest rate hikes. Federal spending is still running at historically high levels. And, most important for the longer term, demographics ensure that businesses will continue to face tight labor markets throughout the 2020s.

Policymakers have limited confidence in their own projections, as reflected in the wide spread of inflation forecasts during the Fed's own press releases. Chairman Jerome Powell famously said last year, "We now understand better how little we understand about inflation." In our view, our state's best businesses will prepare for ongoing cost pressures and substantially improve how they attract, train, and retain talent in what is likely to be a labor-starved future.



INTEREST RATES

Both the market and the Federal Reserve have consistently underestimated the peak level that the Fed funds rate will reach during the current cycle

of rate increases. The Fed recently predicted a peak rate just over 5%, which we think again may be an underestimate. We believe interest rates may well remain at peak levels longer than markets expect, which could pose financial challenges to many companies. Higher-for-longer rates make good cash management more mission-critical than it's ever been. Higher-for-longer rates increase the importance of interest rate and foreign exchange hedging, and intensify pressures on companies with poorly structured balance sheets. Our bankers are highly sought after because today's uncertainty makes sound, expert advice more important than ever.



THE U.S. ECONOMY

The nation is experiencing severe downturns in key sectors like housing, commercial real estate, and technology, and in my view, 2023 may well experience a recession. Six in 10 executives we surveyed said they're "negative" or "somewhat negative" on the national outlook — a better indicator than backward-looking data. We believe new housing starts will fall further, mortgage originations will be significantly below their 2021 level, and home prices are likely to decline around 15 to 20% from peak levels. Lower-quality office and retail property will experience distress. Formerly go-go tech companies will keep announcing layoffs.



TECHNOLOGY-DRIVEN BUSINESS DISRUPTION

How cutting-edge companies manage cash collection, disbursement, and borrowing has never changed as fast as it's changing now. Advances in blockchain and other financial technologies are making rapid progress, despite the meltdown of crypto. Cyber threats keep worsening. The best companies will distance themselves from weaker competitors by adapting effectively to these vast disruptions and identifying opportunities among them.



TEXAS

Companies around the world are more inclined than ever to invest in places with growth-friendly policies, great infrastructure, deep talent pools, and good records on public safety and rule of law. Our state's edge has only grown in recent years, as Texas has remained open for business while coastal states have doubled down on policies that have contributed to high costs of living and adverse environments for business. Our survey shows that Texas businesses are far more optimistic of our state's economy than of the U.S economy as a whole. Sixty percent are "positive" or "somewhat positive" on the Texas outlook for 2023, while just 20% are "negative" or "somewhat negative." Half of the businesses we surveyed intend to increase capital spending in 2023, and 60% aim to increase staff. Among Texas metros, Dallas-Fort Worth executives are especially bullish on Texas. Austin executives are positive, too, though they report greater challenges with real estate costs than their peers elsewhere in the state. We believe Texas will far outperform most other states for business investment, population growth, and housing market resilience.



Earning trust every day.





EARNING TRUST EVERY DAY

I am so humbled and proud that Texas Capital Bank's message of purpose and commitment has resonated with employees and clients to a greater extent than I could have ever imagined. Our employees have locked arms and embraced the opportunity to build a truly world-class financial institution here in Texas. Our focus on building a financial services firm that puts clients first, holds itself to the highest standards, and invests in the communities where we are privileged to do business has struck a chord among business leaders throughout our state. We believe we are building something unique in Texas, and people want to be a part of it.

We are committed to our strategy. We will keep doing what we say we are going to do. We are determined to earn the right of having the first call from the state's best businesses in every industry we serve. We will continue to earn our clients' trust every day.

I wish you all the best for a healthy and prosperous 2023.



Sincerely,

Rob C. Holmes

*President and Chief Executive Officer
Texas Capital Bancshares, Inc.,
and Texas Capital Bank*

Forward-Looking Statements

This communication contains "forward-looking statements" within the meaning of and pursuant to the Private Securities Litigation Reform Act of 1995 regarding, among other things, TCBI's financial condition, results of operations, business plans and future performance. These statements are not historical in nature and may often be identified by the use of words such as "expect," "estimate," "anticipate," "plan," "may," "will," "forecast," "could," "should," "projects," "targeted," "continue," "become," "intend" and similar expressions.

Because forward-looking statements relate to future results and occurrences, they are subject to inherent and various uncertainties, risks, and changes in circumstances that are difficult to predict, may 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. Several factors, many of which are beyond management's control, could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. These factors include, but are not limited to, credit quality and risk, the COVID-19 pandemic, industry and technological changes, cyber incidents or other failures, disruptions or security breaches, interest rates, commercial and residential real estate values, economic conditions, including inflation, recession, the threat of recession, and market conditions in Texas, the United States or globally, including governmental and consumer responses to those economic and market conditions, fund availability, accounting estimates and risk management processes, the transition away from the London Interbank Offered Rate (LIBOR), legislative and regulatory changes, ratings or interpretations, business strategy execution, key personnel, competition, mortgage markets, fraud, environmental liability and severe weather, natural disasters, acts of war, terrorism, global conflict or other external events.

These and other factors that could cause actual results for TCBI on a consolidated basis to differ materially from those described in the forward-looking statements, including a discussion of the risks and uncertainties that may affect TCBI's business, can be found in TCBI's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and in other documents and filings with the SEC. The information contained in this communication speaks only as of its date. Except to the extent required by applicable law or regulation, we disclaim any obligation to update such factors or to publicly announce the results of any revisions to any of the forward-looking statements included herein to reflect future events or developments.

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About Texas Capital Bank

Texas Capital Bank delivers highly personalized financial services to businesses, the individuals and families who run them, and other members of our communities. We are headquartered in Texas and work with clients throughout the state and across the country. Texas Capital Bank is a wholly owned subsidiary of Texas Capital Bancshares, Inc. (NASDAQ®: TCBI).

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