Texas Capital

2026

A LOOK AHEAD

A MESSAGE FROM OUR CHAIRMAN, PRESIDENT & CEO

ROB C. HOLMES

I am proud to report that Texas Capital completed the bold transformation we began in 2021 to build the flagship financial services firm headquartered in Texas. Throughout this transformation, we structurally enhanced our earnings profile, positioned ourselves with the strongest balance sheet in our firm's history and built a full suite of differentiated products across corporate and investment banking, commercial banking, treasury solutions and private banking. Today, we are fully equipped to meet the needs of the best clients in our state and across the nation as we enter 2026.

OUR PLATFORM IN 2026

Now, we serve our clients through a fully integrated technology platform that brings together core services designed to meet our clients' needs. Our agile, cloud-native technology infrastructure allows us to onboard clients as fast as any firm in the nation. We continue to make investments in automation, data and artificial intelligence to empower our bankers to deliver our full suite of financial solutions to clients with greater precision, speed and insight.

We are the employer of choice for top-tier bankers in Texas and beyond. While we continue to attract talent to our Dallas headquarters and Austin, Fort Worth, Houston and San Antonio offices, in 2025 we opened an office in Los Angeles. This year, we expect to open an office in Chicago, and to officially connect Y'all Street to Wall Street, with an office in New York.

Our Treasury Services platform offers clients a comprehensive suite of industry-leading treasury management and payments solutions. As a result of investments we made over the past four years, we are able to provide real-time, 24/7 payment technologies and fully embedded treasury management tools within clients' enterprise management systems — helping clients operate faster with greater control and visibility over their liquidity.

Our investment banking business has traded more than $330 billion in securities since inception, marking a milestone in the growth of our markets, public finance and corporate access capabilities. If you have not seen our Dallas-based sales and trading floor, we welcome you to visit. We believe it is without peer in Texas, particularly after adding equity sales and trading and equity capital markets capabilities in 2025, supported by a rapidly growing equity research team that covers more than 100 companies. Our loan syndication team also ranked second nationally for credit facilities of $100 million or less last year[1] — evidence of our firm's growing relevance in middle market finance. Texas Capital now provides our clients with a full range of merger and acquisition services, capital markets, private credit, rate hedging and foreign exchange solutions.

We continue to grow our commercial banking business, with C&I loans up 24% over the past three years, approximately two times faster than the industry and four times our Texas peers. We address our clients' capital needs by remaining focused on delivering solutions that

enable your success, from the world's largest companies to the clients of our SBA lending platform, which ended the year as one of the top five most active SBA lenders in Texas[2]. Our Private Bank continues to accelerate as well, with assets under management more than doubling since 2020.

We remain committed to maintaining the strength of our balance sheet, ensuring we can support our clients through every market environment. Our ratio of tangible common equity to tangible assets places us in the top quartile among peers, and first when compared to the largest U.S. financial institutions[3].

Above all, our firm is defined by our clients, whether on Main Street, Wall Street or Y'all Street. Many of Texas' leading businesses now engage with us across multiple lines of business, and more than 90% of clients choose Texas Capital for multiple products or services. While driving immense value for all of our stakeholders, in 2025 we outperformed the regional banking index by 33%[4] and exceeded the goals we established when we announced our go-forward strategy in 2021 — validating our conviction that Texas deserves a Texas-based financial services partner that delivers best-in-class capabilities with local insight and commitment.

NAVIGATING A TIME OF EXTRAORDINARY UNCERTAINTY

We are focused on positioning our firm to be prepared and resilient in an environment that is rapidly changing, often in surprising ways — and on helping our clients do the same.

The U.S. economy — still mostly strong but some unusual patterns: America's economy is growing at a moderate pace but creating fewer jobs than expected given the current growth rates. Booming investment in data centers is fueling strong growth in industries that support them, like semiconductors as well as electrical and HVAC equipment, but orders and employment in the manufacturing sector had been falling for much of 2025. Homebuilding, commercial real estate and other interest rate-sensitive sectors have been experiencing recession-like conditions for three years, reflecting borrowing costs that remain relatively high compared to the beginning of the decade. In an October 2025 survey of more than 600 Texas business leaders that we conducted in partnership with the Texas Business Journals, the share of leaders who reported that demand in their industry is falling year over year was about even with the number who reported demand in their industry is growing. Smaller businesses reported weaker conditions than the largest firms in the survey did, suggesting that business headwinds are stronger for the companies most impacted by them.

Looking ahead to this year, 45% of leaders expressed a positive or somewhat positive outlook for the U.S. economy, compared to 42% with a negative or somewhat negative outlook. This result was marginally weaker than a year earlier, but still stronger than in recent past surveys. Of firms that expect growth, most predict modest organic revenue growth expected by expanding the scope of their business. Approximately half of respondents expect to increase their capital spending and staff headcount in 2026, lower than in any recent year. Buildout and staff training for new technology adoption, including AI, are the leading investment priorities for next year. In our conversations with clients, CEOs and CFOs who had put some key strategic decisions on hold early in 2025 — in many cases due to uncertainty over tariff policies — have re-accelerated their decision-making and moved ahead on new priorities.

A fast-changing environment in Washington: Tariffs and policy uncertainty are the top macro concerns of leaders in our survey. Negative tariff effects have been less severe than many feared because the president has reached relatively benign deals with some trading partners, while most other countries have engaged in limited retaliation against the United States. Thankfully, actual tariffs are mostly below the high levels initially announced. Even with more tariff certainty, trends toward more nationalistic industrial policies and a less integrated world economy seem likely to continue. The administration has carried out business-friendly deregulation for some industries while pursuing policies that could be perceived as less business-friendly than expected in others. The regulatory environment has improved significantly in financial services, impacting the competitive landscape in Texas and allowing our bankers to devote more attention to serving our clients. Policies on AI, digital assets and most areas of technology have been more favorable than anticipated.

Inflation, interest rates and the Federal Reserve: Inflation remained higher than Federal Reserve decision-makers had anticipated throughout 2025. Markets expect two more quarter-point cuts in the Fed funds rate by the end of 2026, though President Trump's appointment of a new Federal Reserve chair could create expectations for more aggressive rate cutting. Expectations for looser monetary policy might push inflation rates back upward. The range of possible paths for interest rates over the next couple years is as wide as we have seen in decades. Financial markets, meanwhile, remain in full "risk-on" mode. There have been observed underwriting lapses in certain cases this year across banks, private credit and equity investors. While these have not manifested in larger systemic issues yet, we expect, for the market, prudent underwriting and risk tolerance adherence will be back in vogue this year.

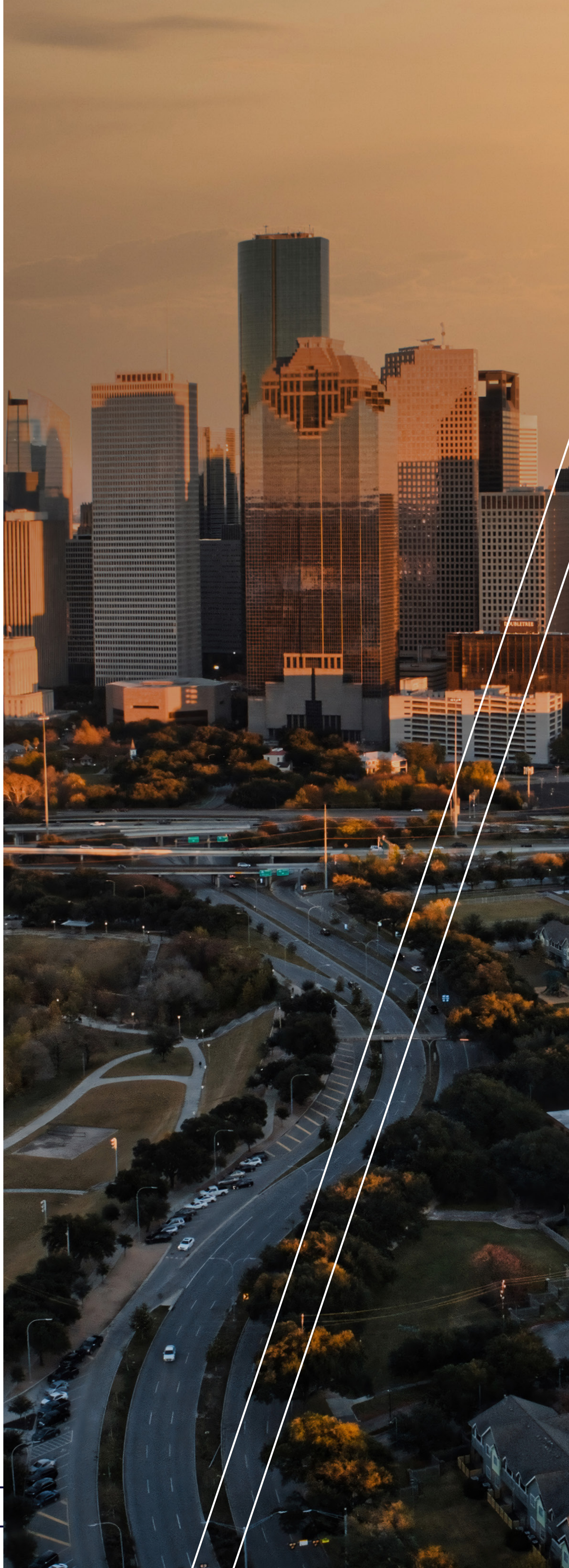
Artificial intelligence: Businesses across the world accelerated their adoption of AI in 2025. AI seems to be reducing demand for entry-level talent in some industries. On the other hand, large companies — which probably lead smaller ones in AI adoption on average — are growing staff more than smaller firms, suggesting many firms are using AI to explore new avenues to enable growth rather than to complete the same tasks with fewer people. In our view, companies that support their AI investments with well-designed internal data capabilities, define their workflows for large efficiency improvements and ensure that their staff becomes effective AI users will create large competitive advantages over peers. The markets may overestimate the near-term changes AI will bring to business and society, but it appears likely that many will underestimate the longer-term changes. We also believe firms should think carefully about how to make "no-regrets" decisions around AI, since regulations could change in unpredictable ways in the future.

Payments systems on the brink of change: Stablecoins are poised to become a significant part of the consumer payments landscape over the next several years and are already having a noticeable impact on cross-border payments for institutions. Digital liabilities like stablecoins represent a fundamental evolution in how value is stored and transferred, not merely a technological novelty. These next-generation liabilities demand new frameworks for liquidity management, reserve requirements and regulatory compliance that traditional deposit structures were not designed to handle. Functioning as tokenized digital money backed by U.S. Treasury bills and other short-term assets, they promise cheaper, faster, programmable payments that operate in conjunction with traditional payment rails. Scale and interoperability will be critical to success, and thoughtful regulation will determine their ultimate viability. We are confident in our readiness to adapt. Texas Capital's real-time payments (RTP) infrastructure for sending and receiving payments is already live, and we expect RTP to evolve toward 24/7 availability to remain competitive. Tether and Coinbase, the two largest stablecoin issuers, are already major purchasers in the Treasury market, underscoring the importance of working with financial partners who understand and are actively shaping this rapidly shifting environment. We stand prepared to meet client demands and embrace innovation as payments continue to transform.

Demographic transformation: America's aging population, along with the administration's immigration policies, are likely to result in near-zero growth in the working-age population and will likely soon cause labor force shrinkage. The economy's current soft patch is holding back labor demand to some degree, but businesses will probably experience tight labor markets in coming years and will face great pressure to automate business processes.

Geopolitical uncertainty: The president's engagement with China and Middle Eastern nations has reduced tensions in those regions to a greater extent than most expected early last year. With these issues still unresolved, U.S. businesses will continue to face uncertainties arising from geopolitics: an increasingly multipolar world; a weakening European Union; dangerous regimes in Russia, Iran and North Korea; a Chinese Communist Party determined to supplant the U.S. as the world's leading power, both in terms of military strength and computing capacity; U.S.-Chinese decoupling; and a breakdown of longstanding international relations patterns that will make global economic affairs much less predictable.

The Texas miracle — alive and well: We are confident that the Texas economy will continue to outperform America's economy as a whole. The migration of people and businesses to Texas from less business-friendly states remained strong in 2025, but below the pace from 2020 to 2024. One of the most remarkable stories of 2025 has been the rise of Y'all Street, a Texas-based global financial hub that promises to make Texas into the premier state for financial services of all kinds. Texas now hosts the newly approved Texas Stock Exchange (TXSE) and New York Stock Exchange (NYSE) Texas and the soon-to-be NASDAQ Texas exchange; ongoing construction of the second-largest offices for two top Wall Street banks; and a booming community of private equity, credit, real estate and asset management firms. In early



2025, Texas passed new laws that will enable the state to challenge Delaware as the best location for incorporating a business, which we believe will provide even more support for Texas to continue its leading position as the best place in the country to base a corporate headquarters, to list a company's stock and to do business in general.

As always, I am grateful for the trust you place in Texas Capital and to our team for their resolute commitment to earning your trust and enabling your success every day. Our firm is prepared to serve our clients through any challenge that 2026 presents. We hope Texas Capital will be your first call.

With my best wishes for your success in the new year,

Rob C. Holmes

Chairman, President & Chief Executive Officer
Texas Capital Bancshares, Inc. and Texas Capital

[1] Source: Refinitiv LPC; Q3 2025 Traditional Middle Market Bookrunner (by volume)
[2] Source: U.S. Small Business Administration 7(a) and 504 Lender Report as of 9/30/2025
[3] Large U.S. Financial Services includes G-SIBs (U.S. globally systematically important banks; includes JPM, BAC, C and WFC) and Category II, III and IV banks with total assets greater than $200bn as of 9/30/2025
[4] Source: Bloomberg; Total Shareholder Return, inclusive of dividends reinvested, from 9/2/2021 close to 12/16/2025 close

Written as of 12/31/2025

Texas Capital

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