Texas Capital

Promises Kept

Texas Capital’s Transformation


Texas Capital

Soon after being appointed President & CEO of Texas Capital in 2021, I announced a historically bold strategy designed to transform Texas Capital into the flagship financial services firm headquartered in Texas, defined by banking the best clients in our markets.

Today, I am pleased to report on our success. Over the past four years, we achieved the goals we set for ourselves in 2021, proving what many people have heard me say: When we commit to doing something, we do it. I am proud to announce that Texas Capital delivered the most successful bank transformation in the past 20 years, thanks to the resolute work of our team and the trust our clients have placed in us.

Throughout this transformation, we structurally elevated our earnings power, improving core return on average assets (ROAA) to 1.30%, marking the achievement of our 1.10% target. This improvement is the largest organic increase of ROAA for any commercial bank greater than $20 billion in assets in the United States since Q3 2021[1]. Our success is significantly higher than that of comparable firms that announced transformations[2], with our ROAA improvement to date of 73 basis points (bps) versus our peers' median improvement of 3bps[3]. Through the firm's full range of sophisticated, differentiated products and services across investment banking, treasury solutions and private banking, we are no longer over-dependent on loan growth to drive earnings. Since Q3 2021, LTM (last 12 months) adjusted fee income, excluding businesses that were sold or that wound down, grew by 84%, the largest rate of organic growth in the banking industry[1].

Importantly, throughout the entire transformation, we maintained our exceptionally strong capital and liquidity position to support our clients in all market conditions. Today, our balance sheet has never been stronger. Our ratio of tangible common equity to tangible assets of 10.25% is a record high for the firm and has improved 247bps since Q3 2021, the most of any commercial bank in the industry[1]. Since announcing our strategic transformation, we remained steadfast in our commitment to clients, regulators and stockholders alike. This disciplined approach reinforced trust across our stockholder base while allowing us to deliver results. Over the past four years, we outperformed the regional banking index (KRX) by 23%[4], a testament to the strength of our platform and the value of our strategy.

These results position Texas Capital as a trusted financial partner without equal in our state. By pairing a comprehensive suite of tailored, best-in-class products and services with the personalized support that only a Texas-based firm can deliver, we ensure our clients have access to the expertise and tools they need to thrive. We take immense pride in reporting that our firm accomplished or exceeded the many goals we set four years ago, but the proudest achievement of our transformation is the caliber of clients who trust Texas Capital to play a primary role in pursuit of their own worthwhile endeavors, and our ability to effectively support them across the entirety of their lifecycles.

We will continue to earn the right to be the first call for the best businesses in every industry we serve. I am grateful for the trust our clients place in Texas Capital and for the hard work and fortitude of our team that makes our firm what it is today.

Sincerely,

Rob C. Holmes
Chairman, President & Chief Executive Officer

Note: *See Texas Capital Bancshares, Inc. Earnings Presentations and Earnings Releases for non-GAAP measures at texascapital.com*

[1] Major exchange-traded U.S. commercial banks with greater than $20bn in total assets, excluding P.R.-headquartered banks, merger targets and banks that closed a whole bank acquisition since 2020; Source: S&P Capital IQ Pro; peer data as of most recent available quarter as of 10/17/2025

[2] Major exchange-traded U.S. regional commercial banks that have publicly announced medium- to long-term transformation plans

[3] Change in return on average assets from announcement of transformation to most recent quarter or the quarter before M&A announcement for banks that have been sold or merged; Source: S&P Capital IQ Pro; Peer data as of most recent available quarter as of 10/17/2025

[4] Total Shareholder Return, inclusive of dividends reinvested, from 9/2/2021 close to 9/30/2025 close; Source: Bloomberg

INVESTMENT PRODUCTS:	NOT FDIC-INSURED	MAY LOSE VALUE	NO BANK GUARANTEE

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 "believes," "projects," "expects," "may," "estimates," "should," "plans," "targets," "intends" "could," "would," "anticipates," "potential," "confident," "optimistic" or the negative thereof, or other variations thereon, or comparable terminology, or by discussions of strategy, objectives, estimates, trends, guidance, expectations and future plans.

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. Numerous risks and other 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. While there can be no assurance that any list of risks is complete, important risks and other factors that could cause actual results to differ materially from those contemplated by forward-looking statements include, but are not limited to: economic or business conditions in Texas, the United States or globally that impact TCBI or its customers; negative credit quality developments arising from the foregoing or other factors, including recent trade policies and their impact on our customers; increased or expanded competition from banks and other financial service providers in TCBI's markets; TCBI's ability to effectively manage its liquidity and maintain adequate regulatory capital to support its businesses; TCBI's ability to pursue and execute upon growth plans, whether as a function of capital, liquidity or other limitations; TCBI's ability to successfully execute its business strategy, including its strategic plan and developing and executing new lines of business and new products and services and potential strategic acquisitions; the extensive regulations to which TCBI is subject and its ability to comply with applicable governmental regulations, including legislative and regulatory changes; TCBI's ability to effectively manage information technology systems, including third-party vendors, cyber or data privacy incidents or other failures, disruptions or security breaches; TCBI's ability to use technology to provide products and services to its customers; risks related to the development and use of artificial intelligence; changes in interest rates, including the impact of interest rates on TCBI's securities portfolio and funding costs, as well as related balance sheet implications stemming from the fair value of our assets and liabilities; the effectiveness of TCBI's risk management processes strategies and monitoring; fluctuations in commercial and residential real estate values, especially as they relate to the value of collateral supporting TCBI's loans; the failure to identify, attract and retain key personnel and other employees; adverse developments in the banking industry and the potential impact of such developments on customer confidence, liquidity and regulatory responses to these developments, including in the context of regulatory examinations and related findings and actions; negative press and social media attention with respect to the banking industry or TCBI, in particular; claims, litigation or regulatory investigations and actions that TCBI may become subject to; severe weather, natural disasters, climate change, acts of war, terrorism, global or other geopolitical conflicts, or other external events, as well as related legislative and regulatory initiatives; and the risks and factors more fully described in TCBI's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and 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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Texas Capital Bancshares, Inc. (NASDAQ®: TCBI), a member of the Russell 2000® Index and the S&P MidCap 400®, is the parent company of Texas Capital Bank ("TCB"). Texas Capital is the collective brand name for TCB and its separate, non-bank affiliates and wholly owned subsidiaries. Texas Capital is a full-service financial services firm that delivers customized solutions to businesses, entrepreneurs and individual customers. Founded in 1998, the institution is headquartered in Dallas with offices in Austin, Houston, San Antonio and Fort Worth, and has built a network of clients across the country. With the ability to service clients through their entire lifecycles, Texas Capital has established commercial banking, consumer banking, investment banking and wealth management capabilities. All services are subject to applicable laws, regulations and service terms. Deposit and lending products and services are offered by TCB. For deposit products, member FDIC. For more information, please visit texascapital.com.