

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended March 31, 2024

☐ Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from _____ to _____

Commission file number 001-34657

TEXAS CAPITAL BANCSHARES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of incorporation or organization)

75-2679109
(I.R.S. Employer Identification Number)

2000 McKinney Avenue
Suite 700
Dallas TX USA
(Address of principal executive offices)

75201
(Zip Code)

214 / 932-6600
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	TCBI	Nasdaq Stock Market
5.75% Non-Cumulative Perpetual Preferred Stock Series B, par value \$0.01 per share	TCBIO	Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On April 17, 2024, the number of shares set forth below was outstanding with respect to each of the issuer's classes of common stock:

Common Stock, par value \$0.01 per share 46,653,108

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Texas Capital Bancshares, Inc.
Form 10-Q
Quarter Ended March 31, 2024

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PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
TEXAS CAPITAL BANCSHARES, INC.
CONSOLIDATED BALANCE SHEETS - UNAUDITED

<i>(in thousands except share data)</i>	March 31, 2024	December 31, 2023
Assets		
Cash and due from banks	\$ 167,985	\$ 200,493
Interest bearing cash and cash equivalents	3,148,157	3,042,357
Available-for-sale debt securities	3,491,510	3,225,892
Held-to-maturity debt securities	849,283	865,477
Equity securities	73,487	51,825
Investment securities	4,414,280	4,143,194
Loans held for sale	37,750	44,105
Loans held for investment, mortgage finance	4,153,313	3,978,328
Loans held for investment	16,677,691	16,362,230
Less: Allowance for credit losses on loans	263,962	249,973
Loans held for investment, net	20,567,042	20,090,585
Premises and equipment, net	49,899	32,366
Accrued interest receivable and other assets	793,976	801,670
Goodwill and intangibles, net	1,496	1,496
Total assets	\$ 29,180,585	\$ 28,356,266
Liabilities and Stockholders' Equity		
Liabilities:		
Non-interest bearing deposits	\$ 8,478,215	\$ 7,328,276
Interest bearing deposits	15,475,822	15,043,563
Total deposits	23,954,037	22,371,839
Accrued interest payable	32,352	33,234
Other liabilities	413,711	392,904
Short-term borrowings	750,000	1,500,000
Long-term debt	859,823	859,147
Total liabilities	26,009,923	25,157,124
Stockholders' equity:		
Preferred stock, \$ 0.01 par value, \$ 1,000 liquidation value:		
Authorized shares - 10,000,000		
Issued shares - 300,000 at March 31, 2024 and December 31, 2023	300,000	300,000
Common stock, \$ 0.01 par value:		
Authorized shares - 100,000,000		
Issued shares - 51,420,680 and 51,142,979 at March 31, 2024 and December 31, 2023, respectively	514	511
Additional paid-in capital	1,044,669	1,045,576
Retained earnings	2,457,222	2,435,393
Treasury stock - 4,434,405 and 3,905,067 shares at cost at March 31, 2024 and December 31, 2023, respectively	(251,857)	(220,334)
Accumulated other comprehensive loss, net of taxes	(379,886)	(362,004)
Total stockholders' equity	3,170,662	3,199,142
Total liabilities and stockholders' equity	\$ 29,180,585	\$ 28,356,266

See accompanying notes to consolidated financial statements.

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TEXAS CAPITAL BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF INCOME AND OTHER
COMPREHENSIVE INCOME - UNAUDITED

	Three Months Ended March 31,	
(in thousands except per share data)	2024	2023
Interest income		
Interest and fees on loans	\$ 330,879	\$ 297,438
Investment securities	32,144	25,292
Interest bearing cash and cash equivalents	54,355	62,436
Total interest income	417,378	385,166
Interest expense		
Deposits	175,600	120,094
Short-term borrowings	12,783	14,744
Long-term debt	13,986	14,983
Total interest expense	202,369	149,821
Net interest income	215,009	235,345
Provision for credit losses	19,000	28,000
Net interest income after provision for credit losses	196,009	207,345
Non-interest income		
Service charges on deposit accounts	6,339	5,022
Wealth management and trust fee income	3,567	3,429
Brokered loan fees	1,911	1,895
Investment banking and advisory fees	18,424	14,564
Trading income	4,712	4,204
Other	6,366	8,289
Total non-interest income	41,319	37,403
Non-interest expense		
Salaries and benefits	128,727	128,670
Occupancy expense	9,737	9,619
Marketing	6,036	9,044
Legal and professional	16,195	14,514
Communications and technology	21,114	17,523
Federal Deposit Insurance Corporation insurance assessment	8,421	2,170
Other	12,163	12,487
Total non-interest expense	202,393	194,027
Income before income taxes	34,935	50,721
Income tax expense	8,793	12,060
Net income	26,142	38,661
Preferred stock dividends	4,313	4,313
Net income available to common stockholders	\$ 21,829	\$ 34,348
Other comprehensive income/(loss)		
Change in unrealized gain/(loss)	\$ (42,343)	\$ 42,953
Amounts reclassified into net income	19,708	12,973
Other comprehensive income/(loss)	(22,635)	55,926
Income tax expense/(benefit)	(4,753)	11,745
Other comprehensive income/(loss), net of tax	(17,882)	44,181
Comprehensive income	\$ 8,260	\$ 82,842
Basic earnings per common share	\$ 0.46	\$ 0.71
Diluted earnings per common share	\$ 0.46	\$ 0.70

See accompanying notes to consolidated financial statements.

TEXAS CAPITAL BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY - UNAUDITED

	Preferred Stock		Common Stock		Additional	Retained	Treasury Stock		Accumulated Other Comprehensive	Total
(in thousands except share data)	Shares	Amount	Shares	Amount	Paid-in Capital	Earnings	Shares	Amount	Income/(Loss)	
Balance at December 31, 2022		300,000			1,025,593	2,263,502	(2,083,535	115,310	(3,055,351
(audited)	300,000	\$	50,867,298	\$ 509	\$	\$) \$) \$	(418,943)	\$
Comprehensive income:										
Net income	—	—	—	—	—	38,661	—	—	—	38,661
Change in other comprehensive income/(loss), net of taxes	—	—	—	—	—	—	—	—	44,181	44,181
Total comprehensive income										82,842
Stock-based compensation expense recognized in earnings	—	—	—	—	8,438	—	—	—	—	8,438
Preferred stock dividend	—	—	—	—	—	(4,313)	—	—	—	(4,313)
Issuance of stock related to stock-based awards	—	—	80,008	—	(2,126)	—	—	—	—	(2,126)
Repurchase of common stock	—	—	—	—	—	—	(1,011,909	(60,218	—	(60,218)
Balance at March 31, 2023		300,000			1,031,905	2,297,850	(3,095,444	175,528	(3,079,974
(audited)	300,000	\$	50,947,306	\$ 509	\$	\$) \$) \$	(374,762)	\$
Comprehensive income:										
Net income	—	—	—	—	—	26,142	—	—	—	26,142
Change in other comprehensive income/(loss), net of taxes	—	—	—	—	—	—	—	—	(17,882)	(17,882)
Total comprehensive income										8,260
Stock-based compensation expense recognized in earnings	—	—	—	—	8,026	—	—	—	—	8,026
Preferred stock dividend	—	—	—	—	—	(4,313)	—	—	—	(4,313)
Issuance of stock related to stock-based awards	—	—	277,701	3	(8,933)	—	—	—	—	(8,930)
Repurchase of common stock	—	—	—	—	—	—	(529,338)	(31,523	—	(31,523)
Balance at December 31, 2023		300,000			1,045,576	2,435,393	(3,905,067	220,334	(3,199,142
(audited)	300,000	\$	51,142,979	\$ 511	\$	\$) \$) \$	(362,004)	\$
Comprehensive income:										
Net income	—	—	—	—	—	26,142	—	—	—	26,142
Change in other comprehensive income/(loss), net of taxes	—	—	—	—	—	—	—	—	(17,882)	(17,882)
Total comprehensive income										8,260
Stock-based compensation expense recognized in earnings	—	—	—	—	8,026	—	—	—	—	8,026
Preferred stock dividend	—	—	—	—	—	(4,313)	—	—	—	(4,313)
Issuance of stock related to stock-based awards	—	—	277,701	3	(8,933)	—	—	—	—	(8,930)
Repurchase of common stock	—	—	—	—	—	—	(529,338)	(31,523	—	(31,523)
Balance at March 31, 2024		300,000			1,044,669	2,457,222	(4,434,405	251,857	(3,170,662
(audited)	300,000	\$	51,420,680	\$ 514	\$	\$) \$) \$	(379,886)	\$

See accompanying notes to consolidated financial statements.

TEXAS CAPITAL BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Three Months Ended March 31,	
	2024	2023
Operating activities		
Net income	\$ 26,142	\$ 38,661
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Provision for credit losses	19,000	28,000
Depreciation and amortization	10,906	8,683
Net gain recognized on investment securities	(4,034)	(1,734)
Stock-based compensation expense	8,534	8,438
Proceeds from sales and repayments of loans held for sale	15,605	8,749
Changes in operating assets and liabilities:		
Accrued interest receivable and other assets	48,253	(28,286)
Accrued interest payable and other liabilities	(28,586)	(44,308)
Net cash provided by operating activities	95,820	18,203
Investing activities		
Purchases of available-for-sale debt securities	(596,610)	(849,391)
Proceeds from sales of available-for-sale debt securities	—	56,923
Proceeds from maturities, redemptions and pay-downs of available-for-sale debt securities	317,717	45,716
Proceeds from maturities, redemptions and pay-downs of held-to-maturity debt securities	17,064	17,489
Sales/(purchases) of equity securities, net	(17,628)	2,487
Originations of loans held for investment, mortgage finance	(16,389,564)	(14,897,110)
Proceeds from pay-offs of loans held for investment, mortgage finance	16,214,579	14,926,573
Net increase in loans held for investment, excluding mortgage finance loans	(335,475)	(837,100)
Purchase of premises and equipment, net	(20,043)	(1,363)
Net cash used in investing activities	(809,960)	(1,535,776)
Financing activities		
Net increase/(decrease) in deposits	1,582,198	(677,183)
Issuance of stock related to stock-based awards	(8,930)	(2,126)
Preferred dividends paid	(4,313)	(4,313)
Repurchase of common stock	(31,523)	(60,218)
Net increase/(decrease) in short-term borrowings	(750,000)	898,858
Net cash provided by financing activities	787,432	155,018
Net increase/(decrease) in cash and cash equivalents	73,292	(1,362,555)
Cash and cash equivalents at beginning of period	3,242,850	5,012,260
Cash and cash equivalents at end of period	\$ 3,316,142	\$ 3,649,705
Supplemental disclosures of cash flow information		
Cash paid during the period for interest	\$ 267,955	\$ 142,623
Cash paid/(refunded) during the period for income taxes	(909)	451
Transfers of loans from held for investment to held for sale	9,250	—

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

(1) Operations and Summary of Significant Accounting Policies

Organization and Nature of Business

Texas Capital Bancshares, Inc. ("TCBI" or the "Company"), a Delaware corporation, was incorporated in 1996 and commenced banking operations in 1998. The consolidated financial statements include the accounts of TCBI and its wholly owned subsidiary, Texas Capital Bank (the "Bank"), a full-service financial services firm that delivers customized solutions to businesses, entrepreneurs and individual customers. The Company is headquartered in Dallas, with primary banking offices in Austin, Dallas, Fort Worth, Houston and San Antonio, and has built a network of clients across the country.

Basis of Presentation

The Company's accounting and reporting policies conform to accounting principles generally accepted in the United States ("GAAP") and to generally accepted practices within the banking industry. Certain prior period balances have been reclassified to conform to the current period presentation.

The consolidated interim financial statements are unaudited, and certain information and disclosures in the notes to consolidated unaudited financial statements that are presented in accordance with GAAP have been condensed or omitted. In the opinion of management, the interim financial statements include all normal and recurring adjustments and the disclosures made present a fair presentation of the Company's financial position and results of operations. The consolidated financial statements have been prepared in accordance with GAAP for interim financial information and the instructions to Form 10-Q adopted by the U.S. Securities and Exchange Commission ("SEC"). Accordingly, the financial statements and the notes to the consolidated unaudited financial statements required by GAAP for complete annual financial statements do not include all of the information and should be read in conjunction with the consolidated financial statements, and notes thereto, for the year ended December 31, 2023, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K"). Operating results for the interim periods disclosed herein are not necessarily indicative of the results that may be expected for a full year or any future period.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The allowance for credit losses, the fair value of financial instruments and the status of contingencies are particularly susceptible to significant change.

(2) Earnings Per Share

The following table presents the computation of basic and diluted earnings per share:

(in thousands except share and per share data)	Three Months Ended March 31,	
	2024	2023
Numerator:		
Net income	\$ 26,142	\$ 38,661
Preferred stock dividends	4,313	4,313
Net income available to common stockholders	\$ 21,829	\$ 34,348
Denominator:		
Basic earnings per common share—weighted average common shares	47,278,681	48,264,121
Effect of dilutive outstanding stock-settled awards	432,511	616,604
Dilutive earnings per common share—weighted average diluted common shares	47,711,192	48,880,725
Basic earnings per common share	\$ 0.46	\$ 0.71
Diluted earnings per common share	\$ 0.46	\$ 0.70
Anti-dilutive outstanding stock-settled awards	127,145	252,308

(3) Investment Securities

The following is a summary of the Company's investment securities:

<i>(in thousands)</i>	Amortized Cost(1)	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
March 31, 2024				
Available-for-sale debt securities:				
U.S. Treasury securities	\$ 401,652	\$ —	\$ (16,099)	\$ 385,553
U.S. government agency securities	125,000	—	(19,230)	105,770
Residential mortgage-backed securities	3,312,491	6,977	(331,542)	2,987,926
CRT securities	13,427	—	(1,166)	12,261
Total available-for-sale debt securities	3,852,570	6,977	(368,037)	3,491,510
Held-to-maturity debt securities:				
Residential mortgage-backed securities	849,283	—	(112,172)	737,111
Total held-to-maturity debt securities	849,283	—	(112,172)	737,111
Equity securities				73,487
Total investment securities(2)			\$	4,414,280
December 31, 2023				
Available-for-sale debt securities:				
U.S. Treasury securities	\$ 651,112	\$ —	\$ (14,639)	\$ 636,473
U.S. government agency securities	125,000	—	(18,408)	106,592
Residential mortgage-backed securities	2,782,734	540	(312,442)	2,470,832
CRT securities	13,636	—	(1,641)	11,995
Total available-for-sale debt securities	3,572,482	540	(347,130)	3,225,892
Held-to-maturity securities:				
Residential mortgage-backed securities	865,477	—	(101,633)	763,844
Total held-to-maturity securities	865,477	—	(101,633)	763,844
Equity securities				51,825
Total investment securities(2)			\$	4,143,194

(1) Excludes accrued interest receivable of \$ 10.4 million and \$ 9.5 million at March 31, 2024 and December 31, 2023, respectively, related to available-for-sale debt securities and \$ 1.4 million and \$ 1.4 million at March 31, 2024 and December 31, 2023, respectively, related to held-to-maturity debt securities that is recorded in accrued interest receivable and other assets on the consolidated balance sheets.

(2) Includes available-for-sale debt securities and equity securities at estimated fair value and held-to-maturity debt securities at amortized cost.

Debt Securities

The Company did not sell any available-for-sale debt securities in the first quarter of 2024. In the first quarter of 2023, the Company sold U.S. Treasury securities with an amortized cost of \$ 56.4 million and realized a gain of \$ 489,000 .

The amortized cost and estimated fair value as of March 31, 2024, excluding accrued interest receivable, of available-for-sale and held-to-maturity debt securities are presented below by contractual maturity. Actual maturities may differ from contractual maturities of mortgage-backed securities because borrowers may have the right to call or prepay obligations with or without prepayment penalties.

<i>(in thousands)</i>	Available-for-sale		Held-to-maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	\$ —	\$ —	\$ —	\$ —
Due after one year through five years	451,652	429,431	—	—
Due after five years through ten years	105,716	88,977	—	—
Due after ten years	3,295,202	2,973,102	849,283	737,111
Total	\$ 3,852,570	\$ 3,491,510	\$ 849,283	\$ 737,111

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The table below presents the weighted average yields for the Company's available-for-sale debt securities for the three months ended March 31, 2024. Weighted average yields are calculated based on amortized cost on a tax-exempt basis assuming a 21% tax rate, where applicable.

	U.S. Treasury securities	U.S. government agency securities	Residential mortgage-backed securities	CRT securities
Due within one year	— %	— %	— %	— %
Due after one year through five years	2.71	1.00	—	—
Due after five years through ten years	—	1.21	1.23	5.45
Due after ten years	—	—	3.32	—
Total	2.71 %	1.13 %	3.31 %	5.45 %

The following table discloses the Company's available-for-sale debt securities that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 or more months:

(in thousands)	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
March 31, 2024						
U.S. Treasury securities	\$ —	\$ —	\$ 385,553	\$ (16,099)	\$ 385,553	\$ (16,099)
U.S. government agency securities	—	—	105,771	(19,230)	105,771	(19,230)
Residential mortgage-backed securities	395,176	(4,230)	2,291,560	(327,312)	2,686,736	(331,542)
CRT securities	—	—	12,261	(1,166)	12,261	(1,166)
Total	\$ 395,176	\$ (4,230)	\$ 2,795,145	\$ (363,807)	\$ 3,190,321	\$ (368,037)
December 31, 2023						
U.S. Treasury securities	\$ —	\$ —	\$ 636,473	\$ (14,639)	\$ 636,473	\$ (14,639)
U.S. government agency securities	—	—	106,592	(18,408)	106,592	(18,408)
Residential mortgage-backed securities	910,999	(19,751)	1,501,340	(292,691)	2,412,339	(312,442)
CRT securities	—	—	11,995	(1,641)	11,995	(1,641)
Total	\$ 910,999	\$ (19,751)	\$ 2,256,400	\$ (327,379)	\$ 3,167,399	\$ (347,130)

At March 31, 2024, the Company had 112 available-for-sale debt securities in an unrealized loss position, comprised of 10 U.S. Treasury securities, five U.S. government agency securities, 95 residential mortgage-backed securities and two CRT securities. The unrealized losses on the available-for-sale debt securities were the result of changes in market interest rates compared to the date the securities were acquired rather than the credit quality of the issuers or underlying loans. The Company does not currently intend to sell and based on current conditions it does not believe it is likely that the Company will be required to sell these available-for-sale debt securities before recovery of the amortized cost of such securities in an unrealized loss position and has therefore recorded the unrealized losses related to this portfolio in accumulated other comprehensive income/(loss), net ("AOCI"). Held-to-maturity securities consist of government guaranteed securities for which no loss is expected. At March 31, 2024 and December 31, 2023, no allowance for credit losses was established for available-for-sale or held-to-maturity debt securities.

At March 31, 2024 and December 31, 2023, debt securities with carrying values of approximately \$ 1.5 million and \$ 1.6 million, respectively, were pledged to secure certain customer deposits.

Equity Securities

Equity securities consist of investments that qualify for consideration under the regulations implementing the Community Reinvestment Act and investments in exchange traded funds. The following is a summary of unrealized and realized gains/(losses) recognized on equity securities included in other non-interest income on the consolidated statements of income and other comprehensive income:

(in thousands)	Three Months Ended March 31,	
	2024	2023
Net gains/(losses) recognized during the period	\$ 4,034	\$ 1,245
Less: Realized net gains/(losses) recognized on securities sold	312	(596)
Unrealized net gains/(losses) recognized on securities still held	\$ 3,722	\$ 1,841

(4) Loans and Allowance for Credit Losses on Loans

Loans are summarized by portfolio segment as follows:

<i>(in thousands)</i>	March 31, 2024	December 31, 2023
Loans held for investment⁽¹⁾:		
Commercial	\$ 10,383,184	\$ 10,410,766
Mortgage finance	4,153,313	3,978,328
Commercial real estate	5,822,461	5,500,774
Consumer	549,963	530,948
Gross loans held for investment	20,908,921	20,420,816
Unearned income (net of direct origination costs)	(77,917)	(80,258)
Total loans held for investment	20,831,004	20,340,558
Allowance for credit losses on loans	(263,962)	(249,973)
Total loans held for investment, net	\$ 20,567,042	\$ 20,090,585
Loans held for sale:		
Mortgage loans, at fair value	\$ 700	\$ 706
Non-mortgage loans, at lower of cost or fair value	37,050	43,399
Total loans held for sale	\$ 37,750	\$ 44,105

(1) Excludes accrued interest receivable of \$ 114.0 million and \$ 118.1 million at March 31, 2024 and December 31, 2023, respectively, that is recorded in accrued interest receivable and other assets on the consolidated balance sheets.

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The following tables summarize gross loans held for investment by year of origination and internally assigned credit grades:

													Revolving lines of					
(in thousands)	2024		2023		2022		2021		2020		2019 and prior		Revolving lines of credit		credit converted to term loans		Total	
March 31, 2024																		
Commercial																		
(1-7) Pass	\$	259,505	\$	1,520,538	\$	1,318,364	\$	273,069	\$	121,851	\$	279,527	\$	6,133,867	\$	15,177	\$	9,921,898
(8) Special mention		—		41,444		89,022		33,634		274		8,444		72,605		—		245,423
(9) Substandard - accruing		—		21,802		48,945		16,246		17,859		3,478		27,017		—		135,347
(9+) Non-accrual		—		12,835		3,204		—		1,891		23,159		39,427		—		80,516
Total commercial	\$	259,505	\$	1,596,619	\$	1,459,535	\$	322,949	\$	141,875	\$	314,608	\$	6,272,916	\$	15,177	\$	10,383,184
Mortgage finance																		
(1-7) Pass	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	4,153,313	\$	—	\$	4,153,313
(8) Special mention		—		—		—		—		—		—		—		—		—
(9) Substandard - accruing		—		—		—		—		—		—		—		—		—
(9+) Non-accrual		—		—		—		—		—		—		—		—		—
Total mortgage finance	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	4,153,313	\$	—	\$	4,153,313
Commercial real estate																		
(1-7) Pass	\$	25,635	\$	783,034	\$	1,765,387	\$	1,104,942	\$	462,880	\$	996,932	\$	261,278	\$	25,810	\$	5,425,898
(8) Special mention		—		1,019		240,303		268		24,416		72,393		—		—		338,399
(9) Substandard - accruing		—		—		12,545		17,127		—		17,143		—		—		46,815
(9+) Non-accrual		—		—		—		—		—		11,349		—		—		11,349
Total commercial real estate	\$	25,635	\$	784,053	\$	2,018,235	\$	1,122,337	\$	487,296	\$	1,097,817	\$	261,278	\$	25,810	\$	5,822,461
Consumer																		
(1-7) Pass	\$	15,677	\$	28,709	\$	53,989	\$	77,692	\$	45,897	\$	113,642	\$	212,667	\$	—	\$	548,273
(8) Special mention		—		—		—		—		689		—		—		17		706
(9) Substandard - accruing		—		—		—		—		—		—		—		—		—
(9+) Non-accrual		—		—		—		—		—		984		—		—		984
Total consumer	\$	15,677	\$	28,709	\$	53,989	\$	77,692	\$	46,586	\$	114,626	\$	212,667	\$	17	\$	549,963
Total	\$	300,817	\$	2,409,381	\$	3,531,759	\$	1,522,978	\$	675,757	\$	1,527,051	\$	10,900,174	\$	41,004	\$	20,908,921
Gross charge-offs	\$	—	\$	6,731	\$	311	\$	3,512	\$	—	\$	232	\$	83	\$	—	\$	10,869

							Revolving lines of			
(in thousands)	2023	2022	2021	2020	2019	2018 and prior	Revolving lines of credit	credit converted to term loans	Total	
December 31, 2023										
Commercial										
(1-7) Pass	\$ 1,546,257	\$ 1,408,672	\$ 279,266	\$ 144,699	\$ 142,301	\$ 157,808	\$ 6,284,464	\$ 16,580	\$ 9,980,047	
(8) Special mention	22,148	118,991	35,619	285	823	13,385	40,647	89	231,987	
(9) Substandard - accruing	12,477	50,876	9,334	18,547	—	78	38,372	—	129,684	
(9+) Non-accrual	9,395	34,229	340	2,085	15,080	7,840	79	—	69,048	
Total commercial	\$ 1,590,277	\$ 1,612,768	\$ 324,559	\$ 165,616	\$ 158,204	\$ 179,111	\$ 6,363,562	\$ 16,669	\$ 10,410,766	
Mortgage finance										
(1-7) Pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,978,328	\$ —	\$ 3,978,328	
(8) Special mention	—	—	—	—	—	—	—	—	—	
(9) Substandard - accruing	—	—	—	—	—	—	—	—	—	
(9+) Non-accrual	—	—	—	—	—	—	—	—	—	
Total mortgage finance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,978,328	\$ —	\$ 3,978,328	
Commercial real estate										
(1-7) Pass	\$ 561,801	\$ 1,689,325	\$ 1,042,953	\$ 419,703	\$ 317,480	\$ 559,026	\$ 575,928	\$ 28,175	\$ 5,194,391	
(8) Special mention	—	136,801	32,937	24,440	34,181	22,833	7,895	—	259,087	
(9) Substandard - accruing	—	2,232	—	—	—	28,573	4,141	—	34,946	
(9+) Non-accrual	—	—	12,350	—	—	—	—	—	12,350	
Total commercial real estate	\$ 561,801	\$ 1,828,358	\$ 1,088,240	\$ 444,143	\$ 351,661	\$ 610,432	\$ 587,964	\$ 28,175	\$ 5,500,774	
Consumer										
(1-7) Pass	\$ 31,876	\$ 56,425	\$ 78,096	\$ 47,423	\$ 14,141	\$ 102,691	\$ 199,171	\$ —	\$ 529,823	
(8) Special mention	—	—	—	—	—	—	100	41	141	
(9) Substandard - accruing	—	—	—	—	—	984	—	—	984	
(9+) Non-accrual	—	—	—	—	—	—	—	—	—	
Total Consumer	\$ 31,876	\$ 56,425	\$ 78,096	\$ 47,423	\$ 14,141	\$ 103,675	\$ 199,271	\$ 41	\$ 530,948	
Total	\$ 2,183,954	\$ 3,497,551	\$ 1,490,895	\$ 657,182	\$ 524,006	\$ 893,218	\$ 11,129,125	\$ 44,885	\$ 20,420,816	
Gross charge-offs	\$ 8,364	\$ 5,090	\$ 25,578	\$ —	\$ 15,243	\$ 883	\$ 698	\$ 871	\$ 56,727	

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The following table details activity in the allowance for credit losses on loans. As discussed in Note 1 - Operations and Summary of Significant Accounting Policies in the Company's 2023 Form 10-K, in the second quarter of 2023, changes were made to certain estimates used in the Company's current expected credit loss model which resulted in adjustments being made to the Company's portfolio segments. As a result, prior period balances in the table below have been reclassified to conform to the current period presentation of portfolio segments. Allocation of a portion of the allowance to one category does not preclude its availability to absorb losses in other categories.

(in thousands)	Commercial	Mortgage Finance	Commercial Real Estate	Consumer	Total
Three Months Ended March 31, 2024					
Beginning balance	\$ 171,437	\$ 4,173	\$ 71,829	\$ 2,534	\$ 249,973
Provision for credit losses on loans	19,976	1,825	2,786	166	24,753
Charge-offs	7,544	—	3,325	—	10,869
Recoveries	105	—	—	—	105
Net charge-offs (recoveries)	7,439	—	3,325	—	10,764
Ending balance	\$ 183,974	\$ 5,998	\$ 71,290	\$ 2,700	\$ 263,962
Three Months Ended March 31, 2023					
Beginning balance	\$ 185,303	\$ 10,745	\$ 54,268	\$ 3,153	\$ 253,469
Provision for credit losses on loans	34,380	(3,345)	(3,810)	144	27,369
Charge-offs	20,732	—	—	—	20,732
Recoveries	819	—	—	3	822
Net charge-offs (recoveries)	19,913	—	—	(3)	19,910
Ending balance	\$ 199,770	\$ 7,400	\$ 50,458	\$ 3,300	\$ 260,928

The Company recorded a \$ 24.8 million provision for credit losses on loans for the three months ended March 31, 2024, compared to \$ 27.4 million for the same period of 2023. The \$ 24.8 million provision for credit losses on loans resulted primarily from increases in criticized and non-accrual loans, growth in loans held for investment and \$ 10.8 million in net charge-offs recorded during the three months ended March 31, 2024. Net charge-offs of \$ 10.8 million were recorded during the three months ended March 31, 2024, compared to net charge-offs of \$ 19.9 million during the same period of 2023. Criticized loans totaled \$ 859.5 million at March 31, 2024, compared to \$ 738.2 million at December 31, 2023.

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. At March 31, 2024, the Company had \$ 47.1 million in collateral-dependent commercial loans, collateralized by business assets, \$ 11.3 million in collateral-dependent commercial real estate loans, collateralized by real estate, and \$ 1.0 million in collateral-dependent consumer loans, collateralized by real estate.

The table below provides an age analysis of gross loans held for investment:

(in thousands)	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Total Past Due	Non-accrual(1)	Current	Total	Non-accrual With No Allowance
March 31, 2024								
Commercial	\$ 3,340	\$ 759	\$ 3,406	\$ 7,505	\$ 80,516	\$ 10,295,163	\$ 10,383,184	\$ 14,889
Mortgage finance	—	—	—	—	—	4,153,313	4,153,313	—
Commercial real estate	—	—	268	268	11,349	5,810,844	5,822,461	—
Consumer	689	—	—	689	984	548,290	549,963	984
Total	\$ 4,029	\$ 759	\$ 3,674	\$ 8,462	\$ 92,849	\$ 20,807,610	\$ 20,908,921	\$ 15,873

(1) As of March 31, 2024, \$ 1.3 million of non-accrual loans were earning interest income on a cash basis compared to \$ 358,000 as of December 31, 2023. Additionally, \$ 18,000 of interest income was recognized on non-accrual loans for the three months ended March 31, 2024 compared to none for the same period in 2023, respectively. Accrued interest of \$ 487,000 and \$ 1.5 million was reversed during the three months ended March 31, 2024 and March 31, 2023, respectively.

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Modifications to Borrowers Experiencing Financial Difficulty

The table below details gross loans held for investment as of March 31, 2024 and March 31, 2023 made to borrowers experiencing financial difficulty that were modified during the three months ended March 31, 2024 and March 31, 2023 by type of modification granted and the financial effect of those modifications:

										Financial Statement Impact		
				Payment Deferral and Term Extension	Interest Rate Reduction and Term Extension			Percentage of Loans Held for Investment		Interest Rate Reduction	Term Extension (in months)	Payment Deferrals
(\$ in thousands)	Payment Deferral	Term Extension				Total						
Three Months Ended March 31, 2024												
Commercial	\$ 11,575	\$ 300	\$ —	\$ —	\$ 11,875		0.06	%		— %	12	\$ 3,650
Total	\$ 11,575	\$ 300	\$ —	\$ —	\$ 11,875		0.06	%				
Three Months Ended March 31, 2023												
Commercial	\$ 31,431	\$ 1,800	\$ 3,477	\$ 14,933	\$ 51,641		0.26	%		0.70 %	6 to 36	\$ 4,723
Total	\$ 31,431	\$ 1,800	\$ 3,477	\$ 14,933	\$ 51,641		0.26	%				

The table below details loans that experienced a default during the three months ended March 31, 2024, subsequent to being granted a modification in the prior twelve months. Default is defined as movement to nonperforming status, foreclosure or charge-off, whichever occurs first.

(in thousands)	Payment Deferral	Payment Deferral and Term Extension	Total
Three Months Ended March 31, 2024			
Commercial	\$ 3,129	\$ 1,756	\$ 4,885
Total	\$ 3,129	\$ 1,756	\$ 4,885

The table below provides an age analysis of gross loans held for investment as of March 31, 2024 made to borrowers experiencing financial difficulty that were modified in the prior twelve months:

(in thousands)	30-89 Days Past Due	90+ Days Past Due	Non-Accrual	Current	Total
March 31, 2024					
Commercial	\$ 259	\$ —	\$ 12,463	\$ 34,253	\$ 46,975
Commercial real estate	—	—	—	18,581	18,581
Total	\$ 259	\$ —	\$ 12,463	\$ 52,834	\$ 65,556

(5) Short-Term Borrowings and Long-Term Debt

The table below presents a summary of short-term borrowings:

(in thousands)	March 31, 2024	December 31, 2023
Federal Home Loan Bank borrowings	750,000	1,500,000
Total short-term borrowings	\$ 750,000	\$ 1,500,000

The table below presents a summary of long-term debt:

(in thousands)	March 31, 2024	December 31, 2023
Bank-issued floating rate senior unsecured credit-linked notes due 2024	\$ 200,000	\$ 199,499
Bank-issued 5.25 % fixed rate subordinated notes due 2026	174,522	174,457
Company-issued 4.00 % fixed rate subordinated notes due 2031	371,895	371,785
Trust preferred floating rate subordinated debentures due 2032 to 2036	113,406	113,406
Total long-term debt	\$ 859,823	\$ 859,147

(6) Financial Instruments with Off-Balance Sheet Risk

The table below presents the Company's financial instruments with off-balance sheet risk, as well as the activity in the allowance for off-balance sheet credit losses related to those financial instruments. As discussed in Note 1 - Operations and Summary of Significant Accounting Policies in the Company's 2023 Form 10-K, in the second quarter of 2023, changes were made to certain estimates used in the Company's current expected credit loss model which resulted in adjustments being made to the Company's portfolio segments. As a result, prior period balances in the table below have been reclassified to conform to the current period presentation of portfolio segments.

(in thousands)	Commercial	Mortgage Finance	Commercial Real Estate	Consumer	Total
Three Months Ended March 31, 2024					
Beginning balance	\$ 36,040	\$ 6	\$ 10,147	\$ 169	\$ 46,362
Provision for off-balance sheet credit losses	(3,728)	28	(2,048)	(5)	(5,753)
Ending balance	\$ 32,312	\$ 34	\$ 8,099	\$ 164	\$ 40,609
Three Months Ended March 31, 2023					
Beginning balance	\$ 16,550	\$ —	\$ 5,222	\$ 21	\$ 21,793
Provision for off-balance sheet credit losses	1,335	—	(711)	7	631
Ending balance	\$ 17,885	\$ —	\$ 4,511	\$ 28	\$ 22,424

(in thousands)	March 31, 2024	December 31, 2023
Commitments to extend credit - period end balance	\$ 9,470,887	\$ 9,749,085
Standby letters of credit - period end balance	551,421	595,079

(7) Regulatory Ratios and Capital

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory (and possibly additional discretionary) actions by regulators that, if undertaken, could have a direct material adverse effect on the Company's and the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of the Company's and the Bank's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Company's and the Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

The Basel III Capital Rules adopted by U.S. federal banking agencies, among other things, (i) establish the capital measure called "Common Equity Tier 1" ("CET1"), (ii) specify that Tier 1 capital consists of CET1 and "Additional Tier 1 Capital" instruments meeting stated requirements, (iii) requires that most deductions/adjustments to regulatory capital measures be made to CET1 and not to other components of capital and (iv) define the scope of the deductions/adjustments to the capital measures.

Additionally, the Basel III Capital Rules require that the Company maintain a 2.5 % capital conservation buffer comprised of CET1, with respect to each of CET1, Tier 1 and total capital to risk-weighted asset ratios. A financial institution with a conservation buffer of less than the required amount is subject to limitations on capital distributions, including dividend payments and stock repurchases, and certain discretionary bonus payments to executive officers. No dividends were declared or paid on the Company's common stock during the three months ended March 31, 2024 or during 2023. On January 17, 2024, the Company's board of directors authorized a new share repurchase program under which the Company could repurchase up to \$ 150.0 million in shares of its outstanding common stock, which is set to expire on January 31, 2025. During the three months ended March 31, 2024, the Company repurchased 529,338 shares of its common stock for an aggregate price, including excise tax expense, of \$ 31.5 million, at a weighted average price of \$ 59.27 per share.

In February 2019, the federal bank regulatory agencies issued a final rule (the "2019 CECL Rule") that revised certain capital regulations to account for changes to credit loss accounting under GAAP. The 2019 CECL Rule included a transition option that allows banking organizations to phase in, over a three-year period, the day-one adverse effects of adopting the new accounting standard related to the measurement of current expected credit losses on their regulatory capital ratios (three-year transition option). In March 2020, the federal bank regulatory agencies issued an interim final rule that maintains the three-year transition option of the 2019 CECL Rule and also provides banking organizations that were required under GAAP to implement CECL before the end of 2020 the option to delay for two years an estimate of the effect of CECL on regulatory capital, relative to the incurred loss methodology's effect on regulatory capital, followed by a three-year transition period (five-year transition option). The Company adopted CECL on January 1, 2020 and has elected to utilize the five-year transition option.

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Because the Bank had less than \$ 15.0 billion in total consolidated assets as of December 31, 2009, it is allowed to continue to classify the trust preferred securities, all of which were issued prior to May 19, 2010, as Tier 1 capital.

At the beginning of each of the last five years of the life of the Bank-issued fixed rate subordinated notes due 2026, the amount that is eligible to be included in Tier 2 capital is reduced by 20% of the original amount of the notes (net of redemptions). In 2024, the amount of the notes that qualify as Tier 2 capital has been reduced by 80%.

The table below summarizes the Company's and the Bank's actual and required capital ratios under the Basel III Capital Rules and other standards. As shown in the table below, the Company's and Bank's capital ratios exceeded the regulatory definition of well capitalized as of March 31, 2024 and December 31, 2023. The ratios presented below include the effects of the election to utilize the five-year CECL transition described above.

(dollars in thousands)	Minimum Capital Required(2)	Capital Required to be Well Capitalized	March 31, 2024		December 31, 2023		
			Capital Amount	Ratio	Capital Amount	Ratio	
The Company							
CET1 capital (to risk-weighted assets)	7.00 %	N/A \$	3,251,260	12.38 %	\$ 3,264,609	12.65 %	
Tier 1 capital (to risk-weighted assets)	8.50 %	6.00 %	3,661,260	13.95 %	3,674,609	14.24 %	
Total capital (to risk-weighted assets)	10.50 %	10.00 %	4,368,943	16.64 %	4,405,575	17.07 %	
Tier 1 capital (to average assets)(1)	4.00 %	N/A	3,661,260	12.40 %	3,674,609	12.21 %	
The Bank							
CET1 capital (to risk-weighted assets)	7.00 %	6.50 %	3,612,873	13.84 %	3,599,919	14.01 %	
Tier 1 capital (to risk-weighted assets)	8.50 %	8.00 %	3,612,873	13.84 %	3,599,919	14.01 %	
Total capital (to risk-weighted assets)	10.50 %	10.00 %	3,948,661	15.13 %	3,959,100	15.41 %	
Tier 1 capital (to average assets)(1)	4.00 %	5.00 %	3,612,873	12.30 %	3,599,919	12.00 %	

(1) The Tier 1 capital ratio (to average assets) is not impacted by the Basel III Capital Rules; however, the Federal Reserve Board and the FDIC may require the Company and the Bank, respectively, to maintain a Tier 1 capital ratio (to average assets) above the required minimum.

(2) Percentages represent the minimum capital ratios plus, as applicable, the fully phased-in 2.5% CET1 capital buffer under the Basel III Capital Rules.

(8) Stock-Based Compensation

The Company has long-term incentive plans under which stock-based compensation awards are granted to employees and directors by the Company's board of directors or its designated committee. Grants are subject to vesting requirements and may include, among other things, nonqualified stock options, stock appreciation rights, restricted stock units ("RSUs"), restricted stock and performance units, or any combination thereof.

The table below summarizes the Company's stock-based compensation expense:

(in thousands)	Three Months Ended March 31,	
	2024	2023
Stock-settled awards:		
RSUs	\$ 8,026	\$ 8,438
Cash-settled units	508	—
Total	\$ 8,534	\$ 8,438

(in thousands except period data)	March 31, 2024
Unrecognized compensation expense related to unvested stock-settled awards	\$ 32,201
Weighted average period over which expense is expected to be recognized, in years	2.0

(9) Fair Value Disclosures

The Company determines the fair market values of its assets and liabilities measured at fair value on a recurring and nonrecurring basis using the fair value hierarchy as prescribed in Accounting Standards Codification 820, Fair Value Measurements and Disclosures. See Note 1 - Operations and Summary of Significant Accounting Policies in our 2023 Form 10-K for information regarding the fair value hierarchy and a description of the methods and significant assumptions used by the Company in estimating its fair value disclosures for financial statements.

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Assets and liabilities measured at fair value are as follows:

(in thousands)	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
March 31, 2024			
Available-for-sale debt securities:(1)			
U.S. Treasury securities	\$ 385,553	\$ —	\$ —
U.S. government agency securities	—	105,770	—
Residential mortgage-backed securities	—	2,987,926	—
CRT securities	—	—	12,261
Equity securities(1)(2)	57,421	16,066	—
Mortgage loans held for sale(3)	—	700	—
Loans held for investment(4)	—	—	30,467
Derivative assets(5)	—	11,613	—
Securities sold not yet purchased(6)	34,705	—	—
Derivative liabilities(5)	—	85,030	—
Non-qualified deferred compensation plan liabilities(7)	19,966	—	—
December 31, 2023			
Available-for-sale debt securities:(1)			
U.S. Treasury securities	\$ 636,473	\$ —	\$ —
U.S. government agency securities	—	106,592	—
Residential mortgage-backed securities	—	2,470,832	—
CRT securities	—	—	11,995
Equity securities(1)(2)	40,661	11,164	—
Mortgage loans held for sale(3)	—	706	—
Loans held for investment(4)	—	—	38,341
Derivative assets(5)	—	32,944	—
Securities sold not yet purchased(6)	10,602	—	—
Derivative liabilities(5)	—	70,917	—
Non-qualified deferred compensation plan liabilities(7)	20,387	—	—

(1) Available-for-sale debt securities and equity securities are measured at fair value on a recurring basis, generally monthly.

(2) Equity securities consist of investments that qualify for consideration under the regulations implementing the Community Reinvestment Act and investments in exchange traded funds.

(3) Loans held for sale are measured at fair value on a recurring basis, generally monthly.

(4) Includes certain collateral-dependent loans held for investment for which a specific allocation of the allowance for credit losses is based upon the fair value of the loan's underlying collateral. These loans held for investment are measured on a nonrecurring basis, generally annually or more often as warranted by market and economic conditions.

(5) Derivative assets and liabilities are measured at fair value on a recurring basis, generally quarterly.

(6) Securities sold not yet purchased are measured at fair value on a recurring basis, generally monthly.

(7) Non-qualified deferred compensation plan liabilities represent the fair value of the obligation to the employee, which generally corresponds to the fair value of the invested assets, and are measured at fair value on a recurring basis, generally monthly.

Level 3 Valuations

The following table presents a reconciliation of the level 3 fair value category measured at fair value on a recurring basis:

(in thousands)	Net Gains/(Losses)					
	Balance at Beginning of Period	Purchases / Additions	Sales / Reductions	Realized	Unrealized	Balance at End of Period
Three Months Ended March 31, 2024						
Available-for-sale debt securities:(1)						
CRT securities	\$ 11,995	\$ —	\$ (209)	\$ —	\$ 475	\$ 12,261
Three Months Ended March 31, 2023						
Available-for-sale debt securities:(1)						
CRT securities	\$ 11,861	\$ —	\$ —	\$ —	\$ 67	\$ 11,928

(1) Unrealized gains/(losses) on available-for-sale debt securities are recorded in AOCI. Realized gains/(losses) are recorded in other non-interest income on the consolidated statements of income and other comprehensive income/(loss).

CRT securities

The fair value of CRT securities is based on a discounted cash flow model, which utilizes Level 3 inputs, the most significant of which were a discount rate and weighted-average life. At March 31, 2024, the discount rates utilized ranged from 5.43 % to 7.99 % and the weighted-average life ranged from 4.76 years to 7.42 years. On a combined amortized cost weighted-average basis a discount rate of 6.36 % and a weighted-average life of 5.73 years were utilized to determine the fair value of these securities at March 31, 2024. At December 31, 2023, the combined weighted-average discount rate and weighted-average life utilized were 6.57 % and 6.06 years, respectively.

Loans held for investment

Certain collateral-dependent loans held for investment are reported at fair value when, based upon an individual evaluation, the specific allocation of the allowance for credit losses that is deducted from the loan's amortized cost is based upon the fair value of the loan's underlying collateral. The \$ 30.5 million fair value of loans held for investment at March 31, 2024 reported above includes impaired loans with a carrying value of \$ 59.4 million that were reduced by specific allowance allocations totaling \$ 28.9 million based on collateral valuations utilizing Level 3 inputs. The \$ 38.3 million fair value of loans held for investment at December 31, 2023 reported above includes impaired loans with a carrying value of \$ 58.3 million that were reduced by specific allowance allocations totaling \$ 20.0 million based on collateral valuations utilizing Level 3 inputs.

Fair Value of Financial Instruments

A summary of the carrying amounts and estimated fair values of financial instruments is as follows:

(in thousands)	Carrying Amount	Estimated Fair Value			
		Total	Level 1	Level 2	Level 3
March 31, 2024					
Financial assets:					
Cash and cash equivalents	\$ 3,316,142	\$ 3,316,142	\$ 3,316,142	\$ —	\$ —
Available-for-sale debt securities	3,491,510	3,491,510	385,553	3,093,696	12,261
Held-to-maturity debt securities	849,283	737,111	—	737,111	—
Equity securities	73,487	73,487	57,421	16,066	—
Loans held for sale	37,750	37,750	9,250	28,500	—
Loans held for investment, net	20,567,042	20,452,964	—	—	20,452,964
Derivative assets	11,613	11,613	—	11,613	—
Financial liabilities:					
Total deposits	23,954,037	23,953,821	—	—	23,953,821
Short-term borrowings	750,000	750,000	—	750,000	—
Long-term debt	859,823	798,890	—	798,890	—
Securities sold not yet purchased	34,705	34,705	34,705	—	—
Derivative liabilities	85,030	85,030	—	85,030	—
December 31, 2023					
Financial assets:					
Cash and cash equivalents	\$ 3,242,850	\$ 3,242,850	\$ 3,242,850	\$ —	\$ —
Available-for-sale debt securities	3,225,892	3,225,892	636,473	2,577,424	11,995
Held-to-maturity debt securities	865,477	763,844	—	763,844	—
Equity securities	51,825	51,825	40,661	11,164	—
Loans held for sale	44,105	44,105	15,000	29,105	—
Loans held for investment, net	20,090,585	20,050,974	—	—	20,050,974
Derivative assets	32,944	32,944	—	32,944	—
Financial liabilities:					
Total deposits	22,371,839	22,379,452	—	—	22,379,452
Short-term borrowings	1,500,000	1,500,000	—	1,500,000	—
Long-term debt	859,147	801,309	—	801,309	—
Securities sold not yet purchased	10,602	10,602	10,602	—	—
Derivative liabilities	70,917	70,917	—	70,917	—

(10) Derivative Financial Instruments

The notional amounts and estimated fair values of derivative positions outstanding are presented in the following table.

	March 31, 2024			December 31, 2023		
	Notional Amount	Estimated Fair Value		Notional Amount	Estimated Fair Value	
(in thousands)		Asset Derivative	Liability Derivative		Asset Derivative	Liability Derivative
Derivatives designated as hedges						
Cash flow hedges:						
Interest rate contracts:						
Swaps hedging loans	\$ 2,850,000	\$ —	\$ 68,771	\$ 2,850,000	\$ 668	\$ 57,961
Non-hedging derivatives						
Customer-initiated and other derivatives:						
Foreign currency forward contracts	327,276	396	316	4,824	52	31
Interest rate contracts:						
Swaps	5,681,887	72,254	72,254	5,673,822	65,247	69,863
Caps and floors written	1,124,522	127	9,880	637,971	1,654	2,228
Caps and floors purchased	1,124,522	9,880	127	637,971	2,228	1,654
Forward contracts	14,478,341	23,652	22,907	8,665,675	39,123	38,570
Gross derivatives		106,309	174,255		108,972	170,307
Netting adjustment - offsetting derivative assets/liabilities		(36,754)	(36,754)		(37,346)	(37,346)
Netting adjustment - cash collateral received/posted		(57,942)	(52,471)		(38,682)	(62,044)
Net derivatives included on the consolidated balance sheets		\$ 11,613	\$ 85,030		\$ 32,944	\$ 70,917

The Company's credit exposure on derivative instruments is limited to the net favorable value and interest payments by each counterparty. In some cases, collateral may be required from the counterparties involved if the net value of the derivative instruments exceeds a nominal amount. The Company's credit exposure associated with these instruments, net of any collateral pledged, was approximately \$ 11.6 million at March 31, 2024 and approximately \$ 32.9 million at December 31, 2023. Collateral levels are monitored and adjusted on a regular basis for changes in the value of derivative instruments. At March 31, 2024, the Company had \$ 109.5 million in cash collateral pledged to counterparties included in interest bearing cash and cash equivalents on the consolidated balance sheet and \$ 58.7 million in cash collateral received from counterparties included in interest bearing deposits on the consolidated balance sheet. The comparative amounts at December 31, 2023, were \$ 119.0 million in cash collateral pledged to counterparties and \$ 42.3 million cash collateral received from counterparties.

The Company also enters into credit risk participation agreements with financial institution counterparties for interest rate swaps related to loans in which the Company is either a participant or a lead bank. The risk participation agreements entered into by the Company as a participant bank provide credit protection to the financial institution counterparty should the borrower fail to perform on its interest rate derivative contract with that financial institution. The Company is party to 14 risk participation agreements where it acts as a participant bank with a notional amount of \$ 229.0 million at March 31, 2024, compared to 14 risk participation agreements with a notional amount of \$ 230.7 million at December 31, 2023. The maximum estimated exposure to these agreements, assuming 100% default by all obligors, was approximately \$ 6.4 million at March 31, 2024 and \$ 4.5 million at December 31, 2023. The fair value of these exposures was insignificant to the consolidated financial statements at both March 31, 2024 and December 31, 2023. Risk participation agreements entered into by the Company as the lead bank provide credit protection should the borrower fail to perform on its interest rate derivative contract. The Company is party to 16 risk participation agreements where the Company acts as the lead bank having a notional amount of \$ 211.3 million at March 31, 2024, compared to 15 agreements having a notional amount of \$ 204.8 million at December 31, 2023.

Derivatives Designated as Cash Flow Hedges

The Company enters into interest rate derivative contracts that are designated as qualifying cash flow hedges to hedge the exposure to variability in expected future cash flows attributable to changes in a contractually specified interest rate.

During the three months ended March 31, 2024, the Company recorded \$ 27.9 million in unrealized losses to adjust its cash flow hedges to fair value, which was recorded net of tax to AOCI, and reclassified \$ 18.0 million from AOCI as a decrease to interest income on loans. Based on current market conditions, the Company estimates that during the next 12 months, an additional \$ 58.1 million related to active and terminated hedges will be reclassified from AOCI as a decrease to interest income. As of March 31, 2024, the maximum length of time over which forecasted transactions are hedged is 1.92 years.

(11) Accumulated Other Comprehensive Income

The following table provides the change in AOCI by component:

<i>(in thousands)</i>	Cash Flow Hedges		Available-for-Sale Securities		Held-to-Maturity Securities		Total
Three Months Ended March 31, 2024							
Beginning balance	\$	(45,749)	\$	(273,806)	\$	(42,449)	\$ (362,004)
Change in unrealized gain/(loss)		(27,873)		(14,470)		—	(42,343)
Amounts reclassified into net income		18,006		—		1,702	19,708
Total other comprehensive income/(loss)		(9,867)		(14,470)		1,702	(22,635)
Income tax expense/(benefit)		(2,072)		(3,038)		357	(4,753)
Total other comprehensive income/(loss), net of tax		(7,795)		(11,432)		1,345	(17,882)
Ending balance	\$	(53,544)	\$	(285,238)	\$	(41,104)	\$ (379,886)
Three Months Ended March 31, 2023							
Beginning balance	\$	(66,394)	\$	(304,309)	\$	(48,240)	\$ (418,943)
Change in unrealized gain/(loss)		13,528		29,425		—	42,953
Amounts reclassified into net income		11,129		—		1,844	12,973
Total other comprehensive income/(loss)		24,657		29,425		1,844	55,926
Income tax expense/(benefit)		5,179		6,179		387	11,745
Total other comprehensive income/(loss), net of tax		19,478		23,246		1,457	44,181
Ending balance	\$	(46,916)	\$	(281,063)	\$	(46,783)	\$ (374,762)

(12) New Accounting Standards

Accounting Standards Update 2024-01 "Compensation - Stock Compensation (Topic 718) - Scope Application of Profits Interest and Similar Awards" ("ASU 2024-01") clarifies how an entity determines whether a profits interest or similar award is within the scope of Topic 718 or is not a share-based payment arrangement and therefore within the scope of other guidance. ASU 2024-01 provides an illustrative example with multiple fact patterns and also amends certain language in the "Scope" and "Scope Exceptions" sections of Topic 718 to improve its clarity and operability without changing the guidance. Entities can apply the amendments either retrospectively to all prior periods presented in the financial statements or prospectively to profits interest and similar awards granted or modified on or after the date of adoption. If prospective application is elected, an entity must disclose the nature of and reason for the change in accounting principle. ASU 2024-01 is effective January 1, 2025, including interim periods, and is not expected to have a significant impact on our financial statements.

Accounting Standards Update 2024-02 "Codification Improvements" ("ASU 2024-02") amends the Codification to remove references to various concepts statements and impacts a variety of topics in the Codification. The amendments apply to all reporting entities within the scope of the affected accounting guidance, but in most instances the references removed are extraneous and not required to understand or apply the guidance. Generally, the amendments in ASU 2024-02 are not intended to result in significant accounting changes for most entities. ASU 2024-02 is effective January 1, 2025 and is not expected to have a significant impact on our financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Company's financial condition and results of operations for the three months ended March 31, 2024 and 2023 should be read in conjunction with its audited consolidated financial statements and the related notes to the consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K"). Operating results for the three months ended March 31, 2024 are not necessarily indicative of the results for the year ending December 31, 2024 or any future period.

Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of and pursuant to the Private Securities Litigation Reform Act of 1995 regarding, among other things, the Company'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; 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 developing and executing new lines of business and new products and services; 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; elevated or further 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; increased or expanded competition from banks and other financial service providers in TCBI's markets; adverse developments in the banking industry and the potential impact of such developments on customer confidence, liquidity and regulatory responses to these developments, including 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 conflict (including those already reported by the media, as well as others that may arise), 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.

Results of Operations

Selected income statement data and key performance indicators are presented in the table below:

(dollars in thousands except per share data)	Three Months Ended March 31,	
	2024	2023
Net interest income	\$ 215,009	\$ 235,345
Provision for credit losses	19,000	28,000
Non-interest income	41,319	37,403
Non-interest expense	202,393	194,027
Income before income taxes	34,935	50,721
Income tax expense	8,793	12,060
Net income	26,142	38,661
Preferred stock dividends	4,313	4,313
Net income available to common stockholders	\$ 21,829	\$ 34,348
Basic earnings per common share	\$ 0.46	\$ 0.71
Diluted earnings per common share	\$ 0.46	\$ 0.70
Net interest margin	3.03 %	3.33 %
Return on average assets ("ROA")	0.36 %	0.53 %
Return on average common equity ("ROE")	3.03 %	5.06 %
Efficiency ratio(1)	79.0 %	71.1 %
Non-interest income to average earning assets	0.59 %	0.54 %
Non-interest expense to average earning assets	2.89 %	2.78 %

(1) Non-interest expense divided by the sum of net interest income and non-interest income.

Three months ended March 31, 2024 compared to three months ended March 31, 2023

The Company reported net income of \$26.1 million and net income available to common stockholders of \$21.8 million for the three months ended March 31, 2024, compared to net income of \$38.7 million and net income available to common stockholders of \$34.3 million for the same period in 2023. On a fully diluted basis, earnings per common share were \$0.46 for the three months ended March 31, 2024, compared to \$0.70 for the same period in 2023. ROE was 3.03% and ROA was 0.36% for the three months ended March 31, 2024, compared to 5.06% and 0.53%, respectively, for the same period in 2023. The decrease in net income for the three months ended March 31, 2024 compared to the same period in 2023 resulted primarily from a decrease in net interest income and an increase in non-interest expense, partially offset by a decrease in provision for credit losses and an increase in non-interest income.

Details of the changes in the various components of net income are discussed below.

Taxable Equivalent Net Interest Income Analysis - Year to Date(1)

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Average Balance	Revenue / Expense	Yield / Rate	Average Balance	Revenue / Expense	Yield / Rate
<i>(dollars in thousands)</i>						
Assets						
Investment securities(2)	\$ 4,299,368	\$ 32,144	2.77 %	\$ 4,060,456	\$ 25,292	2.31 %
Interest bearing cash and cash equivalents	4,051,627	54,355	5.40 %	5,541,341	62,436	4.57 %
Loans held for sale	51,164	1,184	9.31 %	43,472	938	8.75 %
Loans held for investment, mortgage finance(4)	3,517,707	31,455	3.60 %	3,286,804	37,419	4.62 %
Loans held for investment(3)(4)	16,522,089	298,306	7.26 %	15,598,854	259,240	6.74 %
Less: Allowance for credit losses on loans	249,936	—	—	252,727	—	—
Loans held for investment, net	19,789,860	329,761	6.70 %	18,632,931	296,659	6.46 %
Total earning assets	28,192,019	417,444	5.88 %	28,278,200	385,325	5.45 %
Cash and other assets	1,058,463			1,041,745		
Total assets	\$ 29,250,482			\$ 29,319,945		
Liabilities and Stockholders' Equity						
Transaction deposits	\$ 2,006,493	\$ 16,858	3.38 %	\$ 776,500	\$ 3,853	2.01 %
Savings deposits	11,409,677	136,790	4.82 %	11,195,402	105,707	3.83 %
Time deposits	1,719,325	21,952	5.14 %	1,430,657	10,534	2.99 %
Total interest bearing deposits	15,135,495	175,600	4.67 %	13,402,559	120,094	3.63 %
Short-term borrowings	912,088	12,783	5.64 %	1,242,881	14,744	4.81 %
Long-term debt	859,509	13,986	6.54 %	931,796	14,983	6.52 %
Total interest bearing liabilities	16,907,092	202,369	4.81 %	15,577,236	149,821	3.90 %
Non-interest bearing deposits	8,637,775			10,253,731		
Other liabilities	509,286			436,621		
Stockholders' equity	3,196,329			3,052,357		
Total liabilities and stockholders' equity	\$ 29,250,482			\$ 29,319,945		
Net interest income		\$ 215,075			\$ 235,504	
Net interest margin			3.03 %			3.33 %

(1) Taxable equivalent rates used where applicable.

(2) Yields on investment securities are calculated using available-for-sale securities at amortized cost.

(3) Average balances included non-accrual loans.

(4) In the first quarter of 2024, enhancements were made to our methodology for applying relationship pricing credits to mortgage client loans. To conform to the current period presentation, certain prior period interest income amounts have been reclassified from loans held for investment, mortgage finance to loans held for investment and related yields have been adjusted accordingly.

Volume/Rate Analysis

The following table presents the changes in taxable equivalent net interest income and identifies the changes due to differences in the average volume of earning assets and interest bearing liabilities and the changes due to differences in the average interest rate on those assets and liabilities.

	Three Months Ended March 31, 2024/2023			
	Net	Change Due To(1)		
(in thousands)	Change	Volume	Yield/Rate(2)	
Interest income				
Investment securities	\$ 6,852	\$ 1,376	\$ 5,476	
Interest bearing cash and cash equivalents	(8,081)	(16,973)	8,892	
Loans held for sale	246	168	78	
Loans held for investment, mortgage finance	(5,964)	2,660	(8,624)	
Loans held for investment	39,066	15,514	23,552	
Total interest income	32,119	2,745	29,374	
Interest expense				
Transaction deposits	13,005	6,164	6,841	
Savings deposits	31,083	2,046	29,037	
Time deposits	11,418	2,152	9,266	
Short-term borrowings	(1,961)	(3,967)	2,006	
Long-term debt	(997)	(1,175)	178	
Total interest expense	52,548	5,220	47,328	
Net interest income	\$ (20,429)	\$ (2,475)	\$ (17,954)	

(1) Yield/rate and volume variances are allocated to yield/rate.

(2) Taxable equivalent rates used where applicable assuming a 21% tax rate.

Net Interest Income

Net interest income was \$215.0 million for the three months ended March 31, 2024, compared to \$235.3 million for the same period in 2023. The decrease was primarily due to rising funding costs, partially offset by an increase in yields on average earnings assets.

Average earning assets decreased \$86.2 million for the three months ended March 31, 2024, compared to the same period in 2023, which included a decrease of \$1.5 billion in average interest-bearing cash and cash equivalents, partially offset by increases of \$1.2 billion in average total loans and \$238.9 million in average investment securities. Average interest-bearing liabilities increased \$1.3 billion for the three months ended March 31, 2024, compared to the same period in 2023, primarily due to an increase of \$1.7 billion in average interest-bearing deposits, partially offset by a \$330.8 million decrease in average short-term borrowings. Average non-interest bearing deposits for the three months ended March 31, 2024 decreased to \$8.6 billion from \$10.3 billion for the same period in 2023.

Net interest margin for the three months ended March 31, 2024 was 3.03%, compared to 3.33% for the same period of 2023. The decrease was primarily due to the effect of rising interest rates on funding costs and a shift in earning asset composition, partially offset by higher earning asset yields, also as a result of rising interest rates, compared to the same period in 2023.

The yield on total loans held for investment increased to 6.70% for the three months ended March 31, 2024, compared to 6.46% for the same period in 2023, and the yield on earning assets increased to 5.88% for the three months ended March 31, 2024, compared to 5.45% for the same period in 2023. Total cost of deposits increased to 2.97% for the three months ended March 31, 2024 from 2.06% for the same period in 2023 and total funding costs, including non-interest bearing deposits and stockholders' equity, increased to 2.83% for the three months ended March 31, 2024, compared to 2.10% for the same period in 2023.

Non-interest Income

(in thousands)	Three Months Ended March 31,	
	2024	2023
Service charges on deposit accounts	\$ 6,339	\$ 5,022
Wealth management and trust fee income	3,567	3,429
Brokered loan fees	1,911	1,895
Investment banking and advisory fees	18,424	14,564
Trading income	4,712	4,204
Other	6,366	8,289
Total non-interest income	\$ 41,319	\$ 37,403

Non-interest income increased \$3.9 million during the three months ended March 31, 2024 to \$41.3 million, compared to \$37.4 million for the same period in 2023. The increase was primarily due to an increase in investment banking and advisory fees.

Non-interest Expense

(in thousands)	Three Months Ended March 31,	
	2024	2023
Salaries and benefits	\$ 128,727	\$ 128,670
Occupancy expense	9,737	9,619
Marketing	6,036	9,044
Legal and professional	16,195	14,514
Communications and technology	21,114	17,523
Federal Deposit Insurance Corporation ("FDIC") insurance assessment	8,421	2,170
Other	12,163	12,487
Total non-interest expense	\$ 202,393	\$ 194,027

Non-interest expense for the three months ended March 31, 2024 increased \$8.4 million, compared to the same period in 2023, primarily due to increases in legal and professional expense, communications and technology expense and FDIC insurance assessment resulting from an additional \$3.0 million FDIC special assessment recorded in the first quarter of 2024, partially offset by a decrease in marketing expense. The increase in legal and professional expense in the first quarter of 2024 resulted from a \$5.0 million legal settlement expense, partially offset by declines in professional services.

Analysis of Financial Condition

Loans Held for Investment

The following table summarizes the Company's loans held for investment by portfolio segment. See Note 1 - Operations and Summary of Significant Accounting Policies in the 2023 Form 10-K for details of these portfolio segments.

(in thousands)	March 31, 2024	December 31, 2023
Commercial	\$ 10,383,184	\$ 10,410,766
Mortgage finance	4,153,313	3,978,328
Commercial real estate	5,822,461	5,500,774
Consumer	549,963	530,948
Gross loans held for investment	20,908,921	20,420,816
Unearned income (net of direct origination costs)	(77,917)	(80,258)
Total loans held for investment	\$ 20,831,004	\$ 20,340,558

Total loans held for investment were \$20.8 billion at March 31, 2024, an increase of \$490.4 million from December 31, 2023. The Company experienced loan growth in all loan categories, except for commercial, as it has continued to execute on its long-term strategy. Mortgage finance loans relate to the mortgage warehouse lending operations in which the Company purchases mortgage loan ownership interests that are typically sold within 10 to 20 days and represent 20% and 19% of gross loans held for investment at March 31, 2024 and December 31, 2023, respectively. Volumes fluctuate based on the level of market demand for the product and the number of days between purchase and sale of the loans, which can be affected by changes in overall market interest rates, and tend to peak at the end of each month.

The Company originates a substantial majority of all loans held for investment. The Company also participates in shared national credits, both as a participant and as an agent. As of March 31, 2024, the Company had \$5.2 billion in shared national credits, \$1.1 billion of which the Company administered as agent. All syndicated loans, whether the Company acts as agent or

participant, are underwritten to the same standards as all other loans the Company originates. As of March 31, 2024, approximately \$3.1 million of the Company's shared national credits were on non-accrual.

Portfolio Concentrations

Although more than 50% of the Company's total loan exposure is outside of Texas and more than 50% of deposits are sourced outside of Texas, Texas concentration remains significant. As of March 31, 2024, a majority of the loans held for investment, excluding mortgage finance and other national lines of business, were to businesses with headquarters or operations in Texas. This geographic concentration subjects the Company's loan portfolio to the general economic conditions within this state. The risks created by this concentration have been considered by management in the determination of the appropriateness of the allowance for credit losses.

Non-performing Assets

Non-performing assets include non-accrual loans and leases and repossessed assets. The table below summarizes non-accrual loans by portfolio segment and by type of property securing the credit.

<i>(dollars in thousands)</i>	March 31, 2024	December 31, 2023
Non-accrual loans held for investment		
Commercial:		
Business assets	\$ 65,325	\$ 63,094
Oil and gas properties	2,071	2,543
Accounts receivable and inventory	6,952	—
Machinery and equipment	3,191	3,332
Unsecured	1,743	—
Other	1,234	79
Total commercial	80,516	69,048
Commercial real estate:		
Hotel/motel	11,349	12,350
Total commercial real estate	11,349	12,350
Consumer		
Single family residences	984	—
Total consumer	984	—
Total non-accrual loans held for investment	92,849	81,398
Non-accrual loans held for sale(1)	9,250	—
Other real estate owned ("OREO")	—	—
Total non-performing assets	\$ 102,099	\$ 81,398
Non-accrual loans held for investment to total loans held for investment	0.45 %	0.40 %
Total non-performing assets to total assets	0.35 %	0.29 %
Allowance for credit losses on loans to non-accrual loans held for investment	2.8x	3.1x
Loans held for investment past due 90 days and accruing	\$ 3,674	\$ 19,523
Loans held for investment past due 90 days to total loans held for investment	0.02 %	0.10 %
Loans held for sale past due 90 days and accruing	\$ 147	—

(1) March 31, 2024 includes one non-accrual loan previously reported in loans held for investment that was transferred at fair value to held for sale as of March 31, 2024.

Summary of Credit Loss Experience

The provision for credit losses, comprised of a provision for loans and off-balance sheet credit losses, is a charge to earnings to maintain the allowance for credit losses at a level consistent with management's assessment of expected losses at each balance sheet date. As discussed in Note 1 - Operations and Summary of Significant Accounting Policies in the 2023 Form 10-K, in the second quarter of 2023, changes were made to certain estimates used in the Company's current expected credit loss model which resulted in adjustments being made to the Company's portfolio segments. As a result, prior period balances in the tables below have been reclassified to conform to the current period presentation of portfolio segments.

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The Company recorded a provision for credit losses of \$19.0 million for the three months ended March 31, 2024, compared to a provision of \$28.0 million for the three months ended March 31, 2023. The provision for credit losses for the three months ended March 31, 2024 reflects increases in criticized and non-accrual loans, growth in loans held for investment and \$10.8 million in net charge-offs recorded during the three months ended March 31, 2024. The Company recorded \$10.8 million in net charge-offs during the three months ended March 31, 2024, compared to \$19.9 million in net charge-offs during the same period in 2023. Criticized loans totaled \$859.5 million at March 31, 2024, compared to \$738.2 million at December 31, 2023.

The table below presents key metrics related to the Company's credit loss experience:

	March 31, 2024	March 31, 2023
Allowance for credit losses on loans to total loans held for investment	1.27 %	1.30 %
Allowance for credit losses on loans to average total loans held for investment(1)	1.32 %	1.38 %
Total allowance for credit losses to total loans held for investment	1.46 %	1.41 %
Total provision for credit losses to average total loans held for investment(1)(2)	0.38 %	0.60 %

(1) Ratios are calculated using average balance for the three months ended March 31, 2024 and 2023, respectively.

(2) Ratios are annualized utilizing provision for credit losses for the three months ended March 31, 2024 and 2023, respectively.

The table below details net charge-offs/(recoveries) as a percentage of average total loans by portfolio segment:

	Three Months Ended March 31,			
	2024		2023	
	Net Charge-offs	Net Charge-offs to Average Loans(1)	Net Charge-offs	Net Charge-offs to Average Loans(1)
<i>(dollars in thousands)</i>				
Commercial	\$ 7,439	0.29 %	\$ 19,913	0.79 %
Mortgage finance	—	— %	—	— %
Commercial real estate	3,325	0.24 %	—	— %
Consumer	—	— %	(3)	— %
Total	\$ 10,764	0.22 %	\$ 19,910	0.43 %

(1) Ratios are calculated using net charge-offs for the three months ended March 31, 2024 and 2023, respectively.

Liquidity and Capital Resources

Liquidity

In general terms, liquidity is a measurement of the Company's ability to meet its cash needs. The Company's objectives in managing its liquidity are to maintain the ability to meet loan commitments, repurchase investment securities and repay deposits and other liabilities in accordance with their terms, without an adverse impact on current or future earnings. The Company's liquidity strategy is guided by policies, formulated and monitored by senior management and the Asset and Liability Management Committee ("ALCO"), which take into account the demonstrated marketability of the Company's assets, the sources and stability of its funding and the level of unfunded commitments. The Company regularly evaluates all of its various funding sources with an emphasis on accessibility, stability, reliability and cost-effectiveness. The Company's principal source of funding is customer deposits, supplemented by short-term borrowings, primarily from federal funds purchased and Federal Home Loan Bank ("FHLB") borrowings, which are generally used to fund mortgage finance assets, and long-term debt. The Company also relies on the availability of the mortgage secondary market provided by Ginnie Mae and government sponsored entities to support the liquidity of mortgage finance assets.

The following table summarizes the Company's interest bearing cash and cash equivalents:

<i>(dollars in thousands)</i>	March 31, 2024	December 31, 2023
Interest bearing cash and cash equivalents	\$ 3,148,157	\$ 3,042,357
Interest bearing cash and cash equivalents as a percent of:		
Total loans held for investment	15.1 %	15.0 %
Total earning assets	11.2 %	11.1 %
Total deposits	13.1 %	13.6 %

The Company's goal is to obtain as much of its funding for loans held for investment and other earning assets as possible from customer deposits, which are generated principally through development of long-term customer relationships, with a significant

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focus on treasury management products. In addition, the Company also has access to deposits through brokered channels. The following table summarizes period-end total deposits:

(dollars in thousands)	March 31, 2024		December 31, 2023	
	Balance	% of Total	Balance	% of Total
Customer deposits	\$ 23,351,853	97.5 %	\$ 21,454,568	95.9 %
Brokered deposits	602,184	2.5 %	917,271	4.1 %
Total deposits	\$ 23,954,037	100.0 %	\$ 22,371,839	100.0 %

Estimated uninsured assessable deposits, including accrued interest, were 42% of total deposits at March 31, 2024, compared to 43% of total deposits at December 31, 2023. The uninsured amounts are estimated based on the methodologies and assumptions used for the Bank's regulatory reporting requirements.

The Company has short-term borrowing sources available to supplement deposits and meet its funding needs. Such borrowings are generally used to fund mortgage finance loans, due to their liquidity, short duration and interest spreads available. These borrowing sources include federal funds purchased from downstream correspondent bank relationships (which consist of banks that are smaller than the Bank) and from upstream correspondent bank relationships (which consist of banks that are larger than the Bank), customer repurchase agreements and advances from the FHLB and the Federal Reserve. The following table summarizes short-term borrowings, all of which mature within one year:

(in thousands)	March 31, 2024	December 31, 2023
Repurchase agreements	\$ —	\$ —
FHLB borrowings	750,000	1,500,000
Total short-term and other borrowings	\$ 750,000	\$ 1,500,000

The following table summarizes the Company's short-term borrowing capacities net of balances outstanding:

(in thousands)	March 31, 2024	December 31, 2023
FHLB borrowing capacity relating to loans and pledged securities	\$ 4,053,570	\$ 2,602,092
FHLB borrowing capacity relating to unencumbered securities	4,214,852	3,737,615
Total FHLB borrowing capacity(1)	\$ 8,268,422	\$ 6,339,707
Unused federal funds lines available from commercial banks	\$ 1,158,000	\$ 1,188,000
Unused Federal Reserve borrowings capacity	\$ 4,309,048	\$ 4,094,801
Unused revolving line of credit(2)	\$ 75,000	\$ 100,000

(1) FHLB borrowings are collateralized by a blanket floating lien on certain real estate secured loans, mortgage finance assets and certain pledged securities.

(2) Unsecured revolving, non-amortizing line of credit with maturity date of February 8, 2025. Proceeds may be used for general corporate purposes, including funding regulatory capital infusions into the Bank. The loan agreement contains customary financial covenants and restrictions. No borrowings were made against this line of credit during the three months ended March 31, 2024 or 2023.

The Company has long-term debt outstanding of \$859.8 million as of March 31, 2024, comprised of trust preferred securities, subordinated notes and senior unsecured credit linked notes with maturity dates ranging from September 2024 to December 2036. See Note 5 - Short-Term Borrowings and Long-Term Debt in the accompanying notes to the consolidated financial statements included elsewhere in this report for additional information. The Company may consider raising additional capital, if needed, in public or private offerings of debt or equity securities to supplement deposits and meet its long-term funding needs.

As the Company is a holding company and is a separate operating entity from the Bank, the Company's primary sources of liquidity are dividends received from the Bank and borrowings from outside sources. Banking regulations may limit the amount of dividends that may be paid by the Bank. See Note 7 - Regulatory Ratios and Capital in the accompanying notes to the consolidated financial statements included elsewhere in this report for additional information regarding dividend restrictions and "Liquidity Risks" included in Part I, Item 1A of the 2023 Form 10-K.

Periodically, based on market conditions and other factors, and subject to compliance with applicable laws and regulations and the terms of its existing indebtedness, the Company may repay, repurchase, exchange or redeem outstanding indebtedness, or otherwise enter into transactions regarding debt or capital structure. For example, the Company periodically evaluates and may engage in liability management transactions, including repurchases or redemptions of outstanding subordinated notes, which may be funded by the issuance of, or exchanges of, newly issued unsecured borrowings to actively manage the debt maturity profile and interest cost.

Capital Resources

The Company's equity capital averaged \$3.2 billion for the three months ended March 31, 2024 compared to \$3.1 billion for the same period in 2023. The Company has not paid any cash dividends on common stock since operations commenced and has no plans to do so in the foreseeable future.

On January 17, 2024, the Company's board of directors authorized a new share repurchase program under which the Company may repurchase up to \$150.0 million in shares of its outstanding common stock. Remaining repurchase authorization under the January 18, 2023 share repurchase program was terminated upon authorization of this new program. Any repurchases under the repurchase program will be made in accordance with applicable securities laws from time to time in open market or private transactions. The extent to which the Company repurchases shares, and the timing of such repurchases, will be at management's discretion and will depend upon a variety of factors, including market conditions, our capital position and amount of retained earnings, regulatory requirements and other considerations. The share repurchase program is set to expire on January 31, 2025, and the program may be suspended or discontinued at any time. During the three months ended March 31, 2024, the Company repurchased 529,338 shares of its common stock for an aggregate purchase price, including excise tax expense, of \$31.5 million, at a weighted average price of \$59.27 per share.

For additional information on the Company's capital and stockholders' equity, see Note 7 - Regulatory Ratios and Capital, in the accompanying notes to the consolidated financial statements included elsewhere in this report.

Critical Accounting Estimates

SEC guidance requires disclosure of "critical accounting estimates." The SEC defines "critical accounting estimates" as those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the registrant.

The Company follows financial accounting and reporting policies that are in accordance with accounting principles generally accepted in the United States. The more significant of these policies are summarized in Note 1 - Operations and Summary of Significant Accounting Policies in the notes to the consolidated financial statements included in the Company's 2023 Form 10-K. Not all significant accounting policies require management to make difficult, subjective or complex judgments. However, the policy noted below could be deemed to meet the SEC's definition of a critical accounting policy.

Allowance for Credit Losses

Management considers the policies related to the allowance for credit losses as the most critical to the financial statement presentation. The total allowance for credit losses includes activity related to allowances calculated in accordance with Accounting Standards Codification 326, *Credit Losses*. The allowance for credit losses is established through a provision for credit losses charged to current earnings. The amount maintained in the allowance reflects management's continuing evaluation of the credit losses expected to be recognized over the life of the loans in the Company's portfolio. The allowance for credit losses on loans is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. The allowance for credit losses on off-balance sheet financial instruments is recorded in other liabilities on the consolidated balance sheets. For purposes of determining the allowance for credit losses, the loan portfolio is segregated into pools first by portfolio segment and then by past due status or credit grade. Each pool is assigned a loss estimate, reflecting historical loss rates that incorporate probability of default and severity of losses over the estimated remaining life of the loans. Loans that do not share risk characteristics are evaluated on an individual basis and are not included in the collective (pool) evaluation. Management estimates the allowance balance using relevant available information from internal and external sources relating to past events, current conditions and reasonable and supportable forecasts. Modifications to loss estimates are made to incorporate a reasonable and supportable forecast of future losses at the pool level, as well as any necessary qualitative adjustments using a Portfolio Level Qualitative Factor ("PLQF") and/or a Portfolio Segment Level Qualitative Factor ("SLQF"). A similar process is employed to calculate a reserve assigned to off-balance sheet financial instruments, specifically unfunded loan commitments and letters of credit. Modified loss estimates are assigned based on the balance of the commitments estimated to be outstanding at the time of default. The PLQF and SLQF are utilized to address factors that are not present in historical loss rates and are otherwise unaccounted for in the quantitative process. A reserve is recorded upon origination or purchase of a loan. See "Summary of Credit Loss Experience" above and Note 4 - Loans and Allowance for Credit Losses on Loans in the accompanying notes to the consolidated financial statements included elsewhere in this report for further discussion of the risk factors considered by management in establishing the allowance for credit losses.

Management considers a range of macroeconomic scenarios in connection with the allowance estimation process. Within the various economic scenarios considered as of March 31, 2024, the quantitative estimate of the allowance for credit loss would increase by approximately \$135.1 million under sole consideration of the most severe downside scenario. The quoted sensitivity calculation reflects the sensitivity of the modeled allowance estimate to macroeconomic forecast data, but is absent of qualitative overlays and other qualitative adjustments that are part of the quarterly reserving process and does not necessarily reflect the nature and extent of future changes in the allowance for reasons including increases or decreases in qualitative adjustments, changes in the risk profile and size of the portfolio, changes in the severity of the macroeconomic scenario and the range of scenarios under management consideration.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Market risk represents the potential economic loss on trading and non-trading portfolios and financial instruments due to adverse price movements in markets including interest rates, foreign exchange rates, credit spreads, commodity prices and equity and related implied volatility levels. The Company is subject to market risk primarily through the effect of changes in interest rates on its portfolio of assets held for purposes other than trading and interest rate derivative instruments that are used for managing interest rate risk.

In addition, the Company has exposure to market risk through its trading desk that engages in fixed income and equity securities, derivatives and foreign exchange transactions to support the investing and hedging activities of customers. The Company uses Value-at-Risk ("VaR") as a means to measure, monitor, and limit aggregate market risk on the trading portfolio. VaR is a statistical risk measure estimating potential loss at the 95th percentile based on a one-year history of market risk factors associated with the trading portfolio. VaR provides a consistent cross-asset measure for risk profiles and allows for diversification benefit based on historical correlations across market moves. As of March 31, 2024, the Company's exposure through its trading desk does not pose a significant market risk to the Company. All statistical models involve a degree of uncertainty and VaR is calculated at a statistical confidence interval of the 95th percentile based on one-year daily historic market moves. Larger economic losses are possible, particularly during stressed macroeconomic and market conditions.

The responsibility for managing market risk rests with the ALCO, which operates under policy guidelines established by the Company's board of directors. Oversight of the Company's compliance with the guidelines is the ongoing responsibility of the ALCO, with exceptions reported to the Executive Risk Committee and the board of directors, if necessary, on a quarterly basis.

Interest Rate Risk Management

The Company's interest rate sensitivity as of March 31, 2024 is illustrated in the following table. The table reflects rate-sensitive positions as of March 31, 2024 and is not necessarily indicative of positions on other dates. The table does not take into account the effect of the Company's derivatives designated as cash flow hedges. The balances of interest rate sensitive assets and liabilities are presented in the periods in which they next reprice to market rates or mature and are aggregated to show the interest rate sensitivity gap. The mismatch between repricings or maturities within a time period is commonly referred to as the "gap" for that period. A positive gap (asset sensitive), where interest rate-sensitive assets exceed interest rate sensitive liabilities, generally will result in the net interest margin increasing in a rising rate environment and decreasing in a falling rate environment. A negative gap (liability sensitive) will generally have the opposite results on the net interest margin. Certain variable rate loans have embedded floors which limit the decline in yield on those loans at times when market interest rates are extraordinarily low. The degree of asset sensitivity, spreads on loans and net interest margin may be reduced until rates increase by an amount sufficient to eliminate the effects of floors. The adverse effect of floors as market rates increase may also be offset by the positive gap, the extent to which rates on deposits and other funding sources lag increasing market rates for loans and changes in composition of funding.

(in thousands)	0-3 months		4-12 months		1-3 years		3+ years		Total
Assets									
Interest bearing cash and cash equivalents	\$	3,148,157	\$	—	\$	—	\$	—	3,148,157
Investment securities(1)		86,071		874		385,553		3,941,782	4,414,280
Variable loans		19,253,845		190,265		112,835		284,467	19,841,412
Fixed loans		27,903		93,248		186,062		798,046	1,105,259
Total loans(2)		19,281,748		283,513		298,897		1,082,513	20,946,671
Total interest sensitive assets	\$	22,515,976	\$	284,387	\$	684,450	\$	5,024,295	28,509,108
Liabilities									
Interest bearing customer deposits	\$	13,783,234	\$	—	\$	—	\$	—	13,783,234
CDs		681,487		999,888		10,930		283	1,692,588
Total interest bearing deposits		14,464,721		999,888		10,930		283	15,475,822
Short-term borrowings		750,000		—		—		—	750,000
Long-term debt		313,406		—		174,522		371,895	859,823
Total borrowings		1,063,406		—		174,522		371,895	1,609,823
Total interest sensitive liabilities	\$	15,528,127	\$	999,888	\$	185,452	\$	372,178	17,085,645
GAP	\$	6,987,849	\$	(715,501)	\$	498,998	\$	4,652,117	—
Cumulative GAP	\$	6,987,849	\$	6,272,348	\$	6,771,346	\$	11,423,463	11,423,463
Non-interest bearing deposits									
									8,478,215
Stockholders' equity									3,170,662
Total									\$ 11,648,877

(1) Available-for-sale debt securities and equity securities based on fair market value.

(2) Total loans include gross loans held for investment and loans held for sale.

While a gap interest table is useful in analyzing interest rate sensitivity, an interest rate sensitivity simulation provides a better illustration of the sensitivity of earnings to changes in interest rates. Earnings are also affected by the effects of changing interest rates on the value of funding derived from non-interest bearing deposits and stockholders' equity. Management performs a sensitivity analysis to identify interest rate risk exposure on net interest income. Management also quantifies and measures interest rate risk exposure using a model to dynamically simulate the effect of changes in net interest income relative to changes in interest rates over the next twelve months based on different interest rate scenarios. These are a static rate scenario and "shock test" scenarios, as described below.

These scenarios are based on interest rates as of the last day of a reporting period published by independent sources and incorporate relevant spreads of instruments that are actively traded in the open market. The Federal Reserve's federal funds target affects short-term borrowing; the prime lending rate, SOFR, Bloomberg Short Term Yield Index and other alternative indexes are the basis for most of the variable-rate loan pricing. The 10-year treasury rate is also monitored because of its effect on prepayment speeds for mortgage-backed securities. These are the Company's primary interest rate exposures. Interest rate derivative contracts may be used to manage exposure to adverse fluctuations in these primary interest rate exposures as is discussed in more detail under the heading *Use of Derivatives to Manage Interest Rate and Other Risks* below.

For modeling purposes, the "shock test" scenarios as of March 31, 2024 and March 31, 2023 assume immediate, sustained 100 and 200 basis point increases in interest rates as well as 100 and 200 basis point decreases in interest rates. The Company will continue to evaluate these scenarios as interest rates change.

The Company's interest rate risk exposure model incorporates assumptions regarding the level of interest rate, including indeterminable maturity deposits (non-interest bearing deposits, interest bearing transaction accounts and savings accounts) and loan and security prepayment behaviors for a given level of market rate change. In the current environment of changing short-term rates, deposit pricing can vary by product and customer. These assumptions have been developed through a combination of historical analysis and projection of future expected pricing behavior. Changes in prepayment behavior of mortgage-backed securities and residential and commercial mortgage loans in each rate environment are captured using industry estimates of prepayment speeds for various coupon segments of the portfolio. The impact of these changes is factored into the simulation model results and indicated interest rate sensitivity as follows:

	Annualized Hypothetical Change in Net Interest Income	
	March 31, 2024	March 31, 2023
+ 200 basis points	2.8 %	6.7 %
+ 100 basis points	1.5 %	3.4 %
- 100 basis points	(4.5)%	(4.6)%
- 200 basis points	(9.2)%	(9.3)%

The simulations used to manage market risk are based on numerous assumptions regarding the effect of changes in interest rates on the timing and extent of repricing characteristics, future cash flows and customer behavior. These assumptions are inherently uncertain and, as a result, the model cannot precisely estimate net interest income or precisely predict the impact of higher or lower interest rates on net interest income. Actual results will differ from simulated results due to timing, magnitude and frequency of interest rate changes as well as changes in market conditions, customer behavior and management strategies, among other factors.

Use of Derivatives to Manage Interest Rate and Other Risks

In the ordinary course of business, the Company enters into derivative transactions to manage various risks and to accommodate the business requirements of its customers.

On the date the Company enters into a derivative contract, the derivative is designated as either a fair value hedge, cash flow hedge, net investment hedge, or a designation is not made as it is a customer-related transaction, an economic hedge for asset/liability risk management purposes or another stand-alone derivative created through the Company's operations.

To manage the sensitivity of earnings and capital to interest rate, prepayment, credit, price and foreign currency fluctuations (asset and liability management positions), the Company may enter into derivative transactions. In addition, the Company enters into interest rate and foreign exchange derivative contracts to support the business requirements of its customers (customer-related positions).

For additional information regarding derivatives, see Note 10 - Derivative Financial Instruments in the accompanying notes to the consolidated financial statements included elsewhere in this report.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, with the supervision and participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based upon that evaluation, the Company has concluded that, as of the end of such period, its disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed in the reports that the Company files or submits under the Exchange Act and were effective in ensuring that information required to be disclosed in the reports filed or submitted under the Exchange Act is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(e) and 15d-15(f) under the Exchange Act) during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

The Company is subject to various claims and legal actions that may arise in the ordinary course of conducting its business. Management does not expect the disposition of any of these matters to have a material adverse impact on the Company's financial statements or results of operations.

ITEM 1A. RISK FACTORS

There have been no material changes in the risk factors previously disclosed in the 2023 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company repurchased shares of its common stock in the open market during the three months ended March 31, 2024 as follows:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs(1)
January 2024	—	\$ —	—	\$ 150,000,000
February 2024	112,215	58.23	112,215	143,466,072
March 2024	417,123	59.55	417,123	118,624,951
Total	529,338	\$ 59.27	529,338	\$ 118,624,951

- (1) On January 17, 2024, the Company's board of directors authorized a new share repurchase program under which the Company may repurchase up to \$150.0 million in shares of its outstanding common stock, excluding the effect of excise tax expense incurred on net stock repurchases. Remaining repurchase authorization under the January 18, 2023 share repurchase program was terminated upon authorization of this new program. Any repurchases under the repurchase program will be made in accordance with applicable securities laws from time to time in open market or private transactions. The extent to which the Company repurchases shares, and the timing of such repurchases, will be at management's discretion and will depend upon a variety of factors, including market conditions, our capital position and amount of retained earnings, regulatory requirements and other considerations. The share repurchase program is set to expire on January 31, 2025, and the program may be suspended or discontinued at any time.

ITEM 6. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

.1	Form of 2024 Time-Based Award Agreement pursuant to the Texas Capital Bancshares, Inc. 2022 Long-Term Incentive Plan+*
.2	Form of 2024 Performance-Based Award Agreement pursuant to the Texas Capital Bancshares, Inc. 2022 Long-Term Incentive Plan+*
.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act*
.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act*
.1	Section 1350 Certification of Chief Executive Officer**
.2	Section 1350 Certification of Chief Financial Officer**
1.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
1.SCH	XBRL Taxonomy Extension Schema Document*
1.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
1.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
1.LAB	XBRL Taxonomy Extension Label Linkbase Document*
1.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*
4	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

** Furnished herewith

+ Management contract or compensatory plan arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TEXAS CAPITAL BANCSHARES, INC.

Date: April 18, 2024

/s/ J. Matthew Scurlock

J. Matthew Scurlock

Chief Financial Officer

(Duly authorized officer and principal financial officer)

**AWARD AGREEMENT
UNDER THE
TEXAS CAPITAL BANCSHARES, INC.
2022 LONG-TERM INCENTIVE PLAN**

1. Award of Units. Pursuant to the Texas Capital Bancshares, Inc. 2022 Long-Term Incentive Plan (the “**Plan**”) of Texas Capital Bancshares, Inc., a Delaware corporation and its Subsidiaries (together, the “**Company**”), _____ (the “**Participant**”) as an employee (or Contractor) of the Company, has been granted an Award under the Plan for _____ (_____) Restricted Stock Units (the “**Awarded Units**”), which may be converted into the number of whole shares of Common Stock (in accordance with Section 4 below) equal to the number of vested Awarded Units (determined in accordance with Section 3 below), subject to the terms and conditions of the Plan and this Award Agreement (this “**Agreement**”). The Date of Grant of this Award is _____, 2024. Each Awarded Unit shall be a notional share of Common Stock, with the value of each Awarded Unit being equal to the Fair Market Value of a share of Common Stock at any time.

2. Subject to Plan. This Agreement is subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent inconsistent with the provisions of this Agreement. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan, except as otherwise expressly provided herein. This Agreement is subject to any rules promulgated pursuant to the Plan by the Board or the Committee and communicated to the Participant in writing.

3. Vesting; Forfeiture. Awarded Units which have become vested pursuant to the terms of this Section 3 are collectively referred to herein as “**Vested Units**.” All other Awarded Units are collectively referred to herein as “**Unvested Units**.” The Participant shall be eligible to receive shares of Common Stock with respect to the Vested Units in accordance with Section 4 below. Subject to the provisions of Section 5 and Section 34 below and except as otherwise provided in this Section 3, the Awarded Units will be vested in accordance with the Schedule set forth below, if, as of the date(s) specified in the Schedule, the Participant is employed by (or if the Participant is a Contractor, is providing services to) the Company or its Subsidiaries on such date(s):

Vesting Date	Awarded Units that Become Vested Units on such Date
The one-year anniversary of the Date of Grant	33.3%
The second-year anniversary of the Date of Grant	An additional 33.3%
The third-year anniversary of the Date of Grant	An additional 33.4%

a. Except as otherwise provided by Section 3.b., Section 3.c. and Section 3.d. hereof, immediately upon the Participant's Termination of Service for any reason whatsoever, the Participant shall be deemed to have forfeited all of the Participant's Unvested Units. Similarly, if the Participant provides notice to the Company in accordance with Section 7 hereof that he or she is resigning from employment with the Company for any reason, then the Participant shall be deemed to have forfeited all of the Participant's Unvested Units as of the first day of the Notice Period (as defined in Section 7 hereof).

b. Notwithstanding the foregoing and except as otherwise provided in Section 5 below, in the event that a Change in Control occurs, the acquiror or surviving or resulting corporation assumes the Awarded Units and on or after the date of the Change in Control, the Participant incurs a Termination of Service by the Company (or by its successor following the Change in Control) without Cause or by the Participant for Good Reason, then all Unvested Units shall immediately become Vested Units upon such termination. If the acquiror or surviving or resulting corporation does not assume the Awarded Units in connection with the Change in Control, then Section 12.4 of the Plan shall apply.

c. Notwithstanding the foregoing, if the Participant's employment with the Company or any of its Subsidiaries terminates by reason of the Participant's death or Total and Permanent Disability, all Unvested Units shall immediately become Vested Units upon such termination.

d. Notwithstanding anything to the contrary contained herein and subject to Section 5 and the Non-Compete in this Section 3.d.(i), if at any time after the date the Participant reaches eligible age for retirement (***Retiring Participant***) as outlined in the Company's retirement policy in effect on the date the Retiring Participant provides written notice of his or her intent to retire (the ***Retirement Policy***), the Unvested Units shall not be forfeited upon the Participant's Termination of Service and instead, such Unvested Units shall continue to be subject to the vesting provisions set forth in Section 3.a. as if the Retiring Participant had remained employed by the Company (with shares of Common Stock being delivered pursuant to Section 4 on the original vesting dates). The Retiring Participant acknowledges and agrees that once the Retiring Participant provides written notice to the Company of his or her intent to retire, the Retiring Participant shall no longer be eligible to receive any additional grants under the Plan. Eligible age for retirement shall be based on the Retiring Participant's age plus years of service, in accordance with the Retirement Policy. The Participant further acknowledges, understands, and agrees that the Board retains the right to modify the Company's Retirement Policy at any time.

(i) Non-Competition. During the Restricted Period (as defined herein), the Retiring Participant agrees that he or she shall not, without the Company's prior written consent, directly or indirectly: (i) carry on or engage in Competitive Services within the Restricted Territory on his or her own or on behalf of any Person or any Principal or Representative of any Person, or (ii) own, manage, operate, join, control or participate in the ownership, management, operation or control, of any business, whether in corporate, proprietorship or partnership form or otherwise where such business is engaged in the provision of Competitive Services within the Restricted Territory, except that the Retiring Participant may own publicly traded stock for investment purposes only in any company in which the Participant owns less than 5% of the voting equity.

- (1) For purposes of this Section 3.d.(i), (V) ***Restricted Period*** means the remaining vesting period; (W) ***Restricted Territory*** means the State of Texas, and any other territory where the Company had operations on the retirement date of the Retiring Participant or the date of termination (if the conduct occurs after the Retiring Participant's Termination of Service), as applicable; and (X) ***Competitive Services*** means engaging in the business of wealth management, investment banking and commercial and mortgage banking, including, without limitation, originating, underwriting, closing and selling loans, receiving deposits,

broker-dealer or securities activities, as well as the business of providing any other activities, products, or services of the type conducted, authorized, offered, or provided by the Company as of the date of the Participant's Termination of Service, or during the two (2) years immediately prior to the date of the Participant's Termination of Service; (Y) "**Person**" means any individual or any corporation, partnership, joint venture, limited liability company, association or other entity or enterprise; and (Z) "**Principal or Representative**" means a principal, owner, partner, shareholder, joint venturer, investor, member, trustee, director, officer, manager, employee, agent, representative or consultant.

4. Delivery of Common Stock. The Vested Units shall be converted into the number of whole shares of Common Stock equal to the number of Vested Units and the Company shall electronically register such shares of Common Stock in the Participant's name (or in the name of his or her estate or beneficiary) or deliver certificates for such shares of Common Stock to the Participant in accordance with the following schedule:

a. On the vesting dates set forth in Section 3.a.(i); or

b. If earlier, (i) the date of the Participant's death or Total and Permanent Disability as provided in Section 3.c. of this Agreement, or (ii) the date of the Participant's Termination of Service without Cause or with Good Reason on or after a Change in Control as provided in Section 3.b. of this Agreement.

To the extent an Awarded Unit does not vest in accordance with the provisions of this Agreement, such Awarded Unit shall be forfeited, and no shares of Common Stock shall be delivered with respect to such forfeited Awarded Unit.

5. Forfeiture and Disgorgement.

a. Notwithstanding any provisions in this Agreement to the contrary, in the event the Participant violates the provisions of Sections 3.d.(i), in the case of a Retiring Participant, or 5.b. or the provisions of any agreement between the Company (or any of its Subsidiaries) that contains confidentiality, non-solicitation or other protective or restrictive covenant provisions, then:

(i) the Awarded Units shall immediately cease to vest as of the date of such violation;

(ii) any shares of Common Stock that had not been registered (or delivered) with respect to Awarded Units shall be immediately forfeited, and this Agreement (other than the provisions of this Section 5) will be terminated on the date of such violation; and

(iii) any shares of Common Stock (less any taxes paid by the Participant on such shares of Common Stock) that had been delivered to the Participant (or registered in the Participant's name) with respect to any Vested Units shall be immediately returned to the Company by the Participant.

The Company must deliver written notice of its intent to enforce the provisions of this Section 5.a. at least 15 days prior to the date it intends to enforce the terms of Sections 5.a.(i) and (ii). Both the Company and the Participant agree that upon delivery of written notice under this Section 5.a., neither party will enter into any transaction that will affect the other party's interests in the cash subject to dispute until the expiration of the 15-day notice period.

The provisions of this Section 5 (including, without limitation, the provisions of this Section 5.a. and the provisions of Section 5.b. below) only shall apply to the Awarded Units for the period beginning on the Date of Grant and ending on the anniversary date of the last year of the date the Awarded Units become vested in accordance with the provisions of Section 3 above (regardless of whether the Agreement terminates or expires prior to such date) or (ii) if a Change in Control occurs, the date of the Participant's Termination of Service either by the Company without Cause or by the Participant with Good Reason.

b. The Participant agrees that to protect the Company's Confidential Information, and in consideration for the equity compensation awarded in this Agreement, it is necessary to enter into the Non-Compete covenant in Section 3.d.(i) above as applicable and the following protective covenants, which are ancillary to the enforceable promises between the Company and the Participant (or Retiring Participant as applicable) in this Agreement. By execution of this Agreement (whether by electronic means or handwritten signature), the Participant (or Retiring Participant as applicable) agrees to the following:

(i) Confidential Information.

- (1) Definition of Confidential Information. The Participant acknowledges that the Company would not provide the Participant with access to its Confidential Information or grant the Awarded Units but for the Participant's covenants or promises contained in this Section 5.b. For purposes of this Agreement, "**Confidential Information**" shall mean the Company's (for purposes of this Section 5.b., the "Company" shall include both the Company and Texas Capital Bank's ("**TCB**")) unique concepts, lending practices, sales presentations, marketing programs, marketing strategies, business practices, methods of operation, pricing information, cost information, trademarks, licenses, technical information, proprietary information, computer software programs, computer tapes and disks concerning its operations systems, customer lists, customer leads, customer loan and financial information, documents identifying past, present and future customers, customer profiles and preference data, hiring and training methods, investment policies, financial and other confidential, proprietary and/or trade secret information concerning the Company's operations and expansion plans. Confidential Information includes, without limitation, information about the Company's business, proprietary, and technical information that is not known to others and could have economic value to others if improperly disclosed. Confidential Information also means any information the Company discloses to the Participant, either directly or indirectly, in writing, orally or by inspection of tangible objects, including, without limitation, information and technical data contained in the Company's manuals, booklets, publications and materials, equipment

of every kind and character, as well as documents, prototypes, samples, prospects, inventions, product ideas, know how, processes, plans (including, without limitation, marketing plans and strategies), specifications, designs, techniques, technology, formulas, software, improvements, forecasts, and research. Confidential Information does not include any information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of the Company. The Participant's obligations under this Section 5 regarding specific Confidential Information shall cease when that specific portion of the Confidential Information loses its status as Confidential Information.

- (2) Access to and Agreement Not To Disclose Confidential Information. During the Participant's employment with Company, the Company agrees to provide the Participant with some or all of the Company's Confidential Information to which the Participant has not had previous access or knowledge. By executing this Agreement, the Participant agrees that the Confidential Information constitutes valuable, special and unique assets of the Company, developed at the Company's great expense, the unauthorized use or disclosure of which would cause irreparable harm to the Company. The Participant understands and acknowledges that the Company is engaged in a specialized and competitive industry; that the Company relies heavily on information, data, programs, and processes it has developed and acquired; and that competitors can reap potential or real economic benefits from the possession of the Confidential Information that is otherwise not available to its competitors. The Participant understands and acknowledges, therefore, that the protection of the Company's Confidential Information constitutes a legitimate business interest of the Company. The Participant acknowledges that the Confidential Information is the Company's exclusive property, and the Participant will hold the Confidential Information in trust and solely for the Company's benefit. The Participant further acknowledges that portions of the Confidential Information constitute "trade secrets" under Texas and federal law and, in addition to the other protections provided in this Agreement, all trade secrets will be accorded the protection and benefits under Texas law, federal law, and any other applicable law.

In exchange for the Company's promise to provide the Participant with some or all of the Company's Confidential Information to which the Participant has not previously had access or knowledge, the Participant agrees that he or she will not, either during the period of the Participant's employment with the Company or at any time thereafter, use or rely upon for the Participant's benefit or the benefit of another, or disclose, disseminate, or distribute to anyone, including, without limitation, any individual, person, firm, corporation, or other entity, or publish, or use for any purpose, any of the Confidential Information (whether acquired, learned, obtained, or developed by the Participant alone or in conjunction with others), except (A) as properly required in the ordinary course of the

Company's business or as the Company directs and authorizes or; (B) as required by applicable law (if, to the extent reasonable and practicable, reasonable prior notice of such disclosure is given to the Company). The Participant agrees that he or she will take all reasonable measures to protect the secrecy of and avoid unauthorized disclosure and unauthorized use of the Confidential Information. The Participant also agrees to notify the Company immediately in the event of any unauthorized use, reliance upon or disclosure of the Company's Confidential Information of which the Participant is aware.

- (3) Use of Confidential Information During Employment. The Participant further agrees that in the course of his or her employment by the Company, the Participant will not remove from any office of the Company any documents, electronically stored information, or related items that contain Confidential Information, including, without limitation, computer discs, recordings, or other storage or archival systems or devices, including copies, except as may be required in the performance of the Participant's duties as an employee of the Company. The Participant also agrees that he or she will not place or save any Confidential Information on any computer or electronic storage system that is not the Company's property. All Confidential Information, and all memoranda, notes, records, drawings, documents, or other writings whatsoever made, compiled, acquired, or received by the Participant at any time during his or her employment, including during the term of this Agreement, arising out of, in connection with, or related to any activity or business of the Company, including, without limitation, the customers, vendors, third parties, or others with whom the Company has a business relationship, the arrangements of the Company with such parties, and the pricing and expansion policies and strategy of the Company, are, and shall continue to be, the Company's sole and exclusive property.

(ii) No Solicitation of Employees/Customers. The Participant agrees that during the Restricted Period, the Participant will not, alone or in combination with any individual, partner(s), company, corporation, or other entity or business with which he is in any way affiliated, including, without limitation, any partner, limited partner, member, director, officer, shareholder, employee, or agent of any such entity, recruit, solicit, request, induce or attempt to influence, directly or indirectly, any employee of the Company to resign or terminate employment with the Company. The Participant agrees that during the Restricted Period, he or she shall not, directly or indirectly, as an owner, stockholder, director, employee, partner, agent, broker, consultant or other participant solicit a customer or prospective customer, or accept any business from a customer or prospective customer with whom he or she has done business or with whom he or she has had contact during the last 12 months of the Participant's employment with the Company.

- (1) For purposes of this Agreement, (V) "**Restricted Period**" means during the Participant's employment with the Company, and a period equal to the longer of (i) the one year period after the date the Participant's employment with the Company terminates for any reason, or (ii) as set

forth in Section 3.d.(i), in the event the Awarded Units vest in accordance with Section 3.d. above, the remaining vesting period; provided, however, that the Restricted Period for a Participant on Garden Leave in accordance with Section 7, shall commence on the first day of the Garden Leave and continue for a period of twelve (12) months from that date.

(iii) Return of Materials. The Participant agrees that he or she will not retain or destroy (except as set forth below), and will immediately return to the Company on or prior to the Participant's termination date, or at any other time the Company requests such return, any and all property of the Company that is in the Participant's possession or subject to his or her control, including, but not limited to, customer files and information, papers, drawings, notes, manuals, specifications, designs, devices, code, email, documents, diskettes, CDs, tapes, keys, access cards, credit cards, identification cards, equipment, computers, mobile devices, other electronic media, all other files and documents relating to the Company and its business (regardless of form, but specifically including all electronic files and data of the Company), together with all Confidential Information belonging to the Company or that the Participant received from or through his or her employment with the Company. The Participant will not make, distribute, or retain copies of any such information or property. To the extent that the Participant has electronic files or information in his possession or control that belong to the Company or otherwise contain Confidential Information (specifically including but not limited to electronic files or information stored on personal computers, mobile devices, electronic media, or in cloud storage), on or prior to the Participant's termination date, or at any other time the Company requests, the Participant shall (1) provide the Company with an electronic copy of all of such files or information (in an electronic format that readily accessible by the Company); (2) after doing so, delete all such files and information, including all copies and derivatives thereof, from all non-Company-owned computers, mobile devices, electronic media, cloud storage, and other media, devices, and equipment, such that such files and information are permanently deleted and irretrievable; and (3) provide a written certification to the Company that the required deletions have been completed and specifying the files and information deleted and the media source from which they were deleted.

(iv) Reasonableness; Notification. The Participant acknowledges that the geographic boundaries, scope of prohibited activities and the duration of the provisions in Section 3.d.(i) and this Section 5.b are reasonable and are no broader than are necessary to protect the Company's legitimate business interests. The provisions of Section 3.d.(i) and this Section 5.b shall survive the termination of the Participant's employment and can be revoked or modified only by a writing signed by the parties that specifically states an intent to revoke or modify this provision. The Participant acknowledges that the Company would not provide him or her with access to its Confidential Information but for his or her covenants or promises contained in this Section 5.b. The Participant further agrees that during the Restricted Period, he or she shall immediately notify the Company in writing of any employment, work, or business he or she undertakes with or on behalf of any person (including himself or herself) or entity.

(v) Injunctive Relief. The Participant acknowledges and agrees that the Participant's obligations, covenants, and agreements in Sections 3.d.(i) and 5.b.(i)-(iii) concern special, unique and extraordinary matters and that a violation of any of the terms of these agreements, covenants or obligations will cause the Company irreparable injury for which adequate remedies at law are not available. Therefore, the Participant agrees that the Company, in addition to any amounts that the Company is entitled to pursuant to Section 5.a. above, will be entitled to an injunction, restraining order, or all other equitable relief as a court or arbitrator of competent jurisdiction may deem necessary or appropriate to restrain the Participant from committing any violation of the agreements, covenants or obligations referred to in Sections 3.d.(i) and 5.b.(i)-(iii). The Participant waives any requirement that the Company post a bond or other security should the need arise.

(vi) Attorneys' Fees. If the parties become involved in legal action regarding the enforcement of the Protective Covenants, the prevailing party in such action will be entitled, in addition to any other remedy, to recover from the non-prevailing party its/his/her reasonable costs and attorneys' fees incurred in connection with such action.

(vii) Disclosures to Courts, Governmental Agencies or Administrative or Legislative Bodies. Notwithstanding the foregoing or any other agreement regarding confidentiality with the Company, the Participant may disclose Confidential Information when required to do so by a court of competent jurisdiction, by any governmental agency having authority over the Participant or the business of the Company or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order the Participant to divulge, disclose or make accessible such information. Nothing in this Agreement is intended to interfere with the Participant's right to (1) report possible violations of state or federal law or regulation to any governmental agency or entity, (2) make other disclosures that are protected under the whistleblower provisions of state or federal law or regulation, (3) file a claim or charge with any government agency or entity, or (4) testify, assist, or participate in an investigation, hearing, or proceeding conducted by any government or law enforcement agency, entity or court.

(viii) Defend Trade Secrets Act of 2016. The Participant is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that the Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (1) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Participant is further notified that if the Participant files a lawsuit for retaliation against the Company for reporting a suspected violation of law, the Participant may disclose the Company's trade secrets to the Participant's attorney and use the trade secret information in the court proceeding if the Participant: (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

6. Non-Disparagement. The Participant agrees that during the Restricted Period, the Participant shall not make, publish or communicate to any person or entity or in any public forum (including social media) any defamatory or disparaging remarks, comments or statements concerning the Company or any of its products, services, affiliates, directors, officers, or employees. Notwithstanding the foregoing, this provision does not in any way limit, restrict, or impede any of the Participant's rights that are expressly reserved in Section 5(vii) and (vii), or in any way limit the Participant's ability to provide truthful testimony or information in response to a subpoena, court or arbitral order, or valid request by a government entity, or as otherwise required by law.

7. Notice Regarding Resignation of Employment

a. The Participant agrees that in the event the Participant decides to resign from his or her employment with the Company for any reason, the Participant will give the Company at least sixty (60) days' prior written notice of such resignation (the "**Notice Period**"), and the Participant shall be deemed to have forfeited all of the Participant's Unvested Units as of the first day of the Notice Period.

b. Upon receipt of such notice, the Company may, in its sole discretion, (i) accept Participant's resignation early and terminate Participant's employment at any time during the Notice Period without any further obligation whatsoever to the Participant other than payment of wages due through the date of termination; (ii) relieve the Participant of his or her duties and responsibilities or exclude the Participant from any of the premises of the Company, or both during the Notice Period or any portion thereof ("**Garden Leave**"); and/or (iii) permit the Participant to continue his or her duties and responsibilities during the Notice Period or any portion thereof (the "**Active Notice Period**"). During the Active Notice Period or Garden Leave, as applicable, the Participant (a) shall remain an employee of the Company and continue to be subject to all of his or her obligations under this Agreement, (b) shall continue to be paid the Participant's full base salary, excluding any bonus or other variable compensation, (c) shall continue to be eligible to participate in the Company's employee benefit plans (in accordance with the terms of such plans), and (d) if on Garden Leave, shall not, without the prior written consent of an authorized representative of the Company, (i) indirectly (e.g. via third parties) or directly contact, communicate with, or otherwise have dealings with any actual or prospective investor, client, customer or employee of the Company, or (ii) enter onto the premises of the Company.

8. Who May Receive Common Stock with Respect to Vested Units. During the lifetime of the Participant, the Common Stock received upon conversion of the Vested Units may only be received by the Participant or his or her legal representative. If the Participant dies prior to the date his or her Awarded Units are converted into shares of Common Stock as described in Section 4 above, the Common Stock relating to such converted Awarded Units may be received by any individual who is entitled to receive the property of the Participant pursuant to the applicable laws of descent and distribution.

9. Common Stock Subject to Ownership Guidelines. The Participant acknowledges, understands and agrees that any Common Stock delivered to the Participant (or registered in the Participant's name) pursuant to this Agreement shall be subject to the Common Stock ownership guidelines as adopted by the Committee and in effect from time to time, and that the Participant (if and as applicable to Participant) may be required to hold such Common Stock until the Participant has met the requirements of such ownership guidelines. The Participant further acknowledges, understands and agrees

that the Committee retains the right to modify the Company's Common Stock ownership guidelines at any time.

10. Rights as Stockholder. The Participant will have no rights as a stockholder with respect to the Awarded Units until the issuance of a certificate or certificates to the Participant or the registration of such shares of Common Stock in the Participant's name. The Awarded Units shall be subject to the terms and conditions of this Agreement.

11. No Fractional Shares. Vested Units may be converted only with respect to full shares, and no fractional share of Common Stock shall be issued. Vested Units shall be rounded up to the closest whole number to account for any fractional shares.

12. Non-Assignability. The Awarded Units are not assignable or transferable by the Participant except by will or by the laws of descent and distribution.

13. The Participant's Acknowledgments. The Participant acknowledges receipt of a copy of the Plan, which is annexed hereto, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Awarded Units subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

14. Adjustment of Number of Awarded Units and Related Matters. The number of shares of Common Stock covered by the Awarded Units shall be subject to adjustment in accordance with Articles 11-13 of the Plan.

15. Execution of Documents. The Participant, by his or her electronic execution of this Agreement, hereby agrees to execute any documents requested by the Company in connection with the payment of any amount in connection with the Awarded Units pursuant to this Agreement.

16. Remedies. Except as otherwise provided in Section 5 in this Agreement, each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including reasonable attorneys' fees) caused by any breach of any provision of this Agreement, and to exercise all other rights existing in the party's favor. No waiver of any breach of this Agreement shall be construed to be a waiver as to succeeding breaches and no waiver of any provisions of this Agreement shall constitute a waiver of any other provision of this Agreement. The remedies for any violation of Section 5 above are limited to the forfeiture, disgorgement, injunction and attorneys' fees remedies specified in Sections 5.a., b.(v) and b.(vi), and are subject to the time-limitations set forth in Section 5.a. above. The remedies described in this Section 15 do not apply to Section 5.

17. The Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that the Company will not be obligated to register any shares of Common Stock in the Participant's name or issue any shares of Common Stock to the Participant hereunder, if the issuance of such shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination by the Company under this Section 17 shall be final, binding, and conclusive. The obligations of the Company and the rights of the Participant are subject to all applicable laws, rules and regulations.

18. Investment Representation. Unless the shares of Common Stock are issued to the Participant in a transaction registered under applicable federal and state securities laws, by his or her execution hereof, the Participant represents and warrants to the Company that all Common Stock which

may be acquired hereunder will be acquired by the Participant for investment purposes for his or her own account and not with any intent for resale or distribution in violation of federal or states securities laws, all certificates issued with respect to the Common Stock shall bear an appropriate restrictive investment legend and shall be held indefinitely, unless they are subsequently registered under the applicable federal and state securities laws or the Participant obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required.

19. Law Governing; Forum. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas (excluding any conflict of laws rule or principle of Texas law that might refer the governance, construction, or interpretation of this agreement to the laws of another state). The Participant's sole remedy for any Claim shall be against the Company and no Participant shall have any claim or right of any nature against any Subsidiary of the Company or any stockholder or existing or former director, officer, or Employee of the Company or any Subsidiary of the Company. Subject to the Arbitration Agreement provision below, the parties further agree that the exclusive forum for any litigation arising under the terms of this Agreement and permitted by Section 31 below shall be the state courts for Dallas County, Texas, or the United States District Court for the Northern District of Texas, Dallas Division. With respect to any such court action, the Participant hereby (1) irrevocably submits to the personal jurisdiction of such courts; (2) consents to service of process; (3) consents to venue; and (4) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction, service of process, or venue, but the parties agree that such promises by the Participant shall not be in derogation of the parties' obligation to arbitrate set forth in Section 31 below. The parties further agree that the courts listed above are convenient forums for any dispute that may arise herefrom and that neither party shall raise as a defense that such courts are not convenient forums.

20. No Right to Continue Service or Employment. Nothing herein shall be construed to confer upon the Participant the right to continue in the employ or to provide services to the Company or any Subsidiary, whether as an Employee, Contractor, consultant or Outside Director, or interfere with or restrict in any way the right of the Company or any Subsidiary to discharge the Participant as an Employee, Contractor, consultant or Outside Director at any time.

21. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court or arbitrator of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement. If any of the provisions of Section 5.b should ever be held by a court or arbitrator of competent jurisdiction to exceed the scope permitted by the applicable law, such provision or provisions shall be automatically modified to such lesser scope as such court or arbitrator may deem just and proper for the reasonable protection of the Company's legitimate business interests and may be enforced by the Company to that extent in the manner described above and all other provisions of this Agreement shall be valid and enforceable.

22. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

23. Entire Agreement. This Agreement, together with the Plan, supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter in this Agreement and constitute the only agreements between the parties with respect to the subject matter in this Agreement. Except for the Employment Agreement between the Participant and the Company (if any), all prior negotiations and agreements between the parties with respect to the subject matter in this Agreement are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect. Except for the specific representations expressly made by the Company in this Agreement, the Participant specifically disclaims that the Participant is relying upon or has relied upon any communications, promises, statements, inducements, or representation(s) that may have been made, oral or written, regarding the subject matter of this Agreement. The parties represent that they are relying solely and only on their own judgment in entering into this Agreement.

24. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

25. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

26. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties (electronically or otherwise); provided, however, that the Company may change or modify this Agreement without the Participant's consent or signature if the Company determines, in its sole discretion, that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder.

27. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

28. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

29. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

- a. Notice to the Company shall be addressed and delivered as follows:

Texas Capital Bancshares, Inc.
2000 McKinney Avenue, Suite 700
Dallas, Texas 75201
Attn: Human Resources
Email: HR@texascapitalbank.com

b. Notice to the Participant shall be addressed and delivered to the most recent address in the Company's records.

30. Recoupment. The Participant acknowledges, understands and agrees, with respect to the Awarded Units and any shares of Common Stock delivered to the Participant (or registered in the Participant's name) pursuant to this Agreement, that such Awarded Units and shares of Common Stock issued hereunder shall be subject to recovery by the Company, and the Participant shall be required to forfeit the Awarded Units or repay such compensation or shares of Common Stock, in accordance with the Company's Recoupment Policy, as in effect from time to time. The Participant further acknowledges, understands, and agrees that the Board retains the right to modify the Company's Recoupment Policy at any time.

1. Arbitration.

a. The parties agree that to the fullest extent permitted by applicable law any controversy or claim of any party arising out of or in any way relating to this Agreement, the breach thereof, the Participant's employment with the Company or the termination thereof shall be settled by final, and binding arbitration in Dallas, Texas, in accordance with any Dispute Resolution and Arbitration Agreement ("DRAA") between the parties or if there is not a DRAA between the parties in accordance with the Arbitration Agreement below; provided, however, that nothing herein shall preclude the Company or the Participant from seeking temporary or preliminary injunctive relief in connection with an arbitrable controversy, including without limitation any controversy under this Agreement. The court to which the application is made is authorized to grant temporary or preliminary injunctive relief and may do so with or without addressing the merits of the underlying arbitrable dispute, as provided by applicable law. However, all determinations of final relief will be decided in arbitration, and the pursuit of temporary or preliminary injunctive relief shall not be deemed incompatible with or constitute a waiver of rights under the Arbitration Agreement.

"ARBITRATION AGREEMENT": IF THE PARTIES ARE NOT SUBJECT TO A DRAA, PARTICIPANT AND THE COMPANY AGREE THAT EXCEPT AS OTHERWISE PROVIDED IN THIS ARBITRATION AGREEMENT, ANY AND ALL CLAIMS OR DISPUTES, PAST, PRESENT, AND FUTURE, ARISING OUT OF OR RELATED TO: (i) THIS AGREEMENT, (ii) ANY OTHER AGREEMENT BETWEEN THEM, OR (iii) PARTICIPANT'S EMPLOYMENT AND SEPARATION OF EMPLOYMENT WITH THE COMPANY, WILL BE DECIDED BY A SINGLE ARBITRATOR THROUGH FINAL AND BINDING ARBITRATION AND NOT BY A JUDGE OR JURY under the then-current Employment Arbitration Rules of the AAA for individually negotiated agreements ("AAA Rules"); provided however, that if there is a conflict between the AAA Rules and this Agreement, this Agreement shall govern. The AAA Rules may be found at www.adr.org/employment or by searching for "AAA Employment Arbitration Rules" using a service such as www.Google.com. The provisions set forth herein, including all waivers included herein, shall be governed by and interpreted in accordance with the Federal Arbitration Act. If a court determines the FAA does

not apply to a particular dispute or to one or both parties, the parties agree that the Texas Arbitration Act ("TAA") will apply and acknowledge that the Company is based in Texas. If neither the FAA or TAA apply, the parties stipulate and agree the arbitration law of the jurisdiction where the arbitration will take place will apply. The Company and Participant waive any right for any dispute to be brought, heard, decided, or arbitrated as a class action or collective action, and the arbitrator will have no authority to preside over any class or collective action ("Class Action Waiver"). The following claims and disputes are not covered under this Arbitration Agreement: (i) Workers' Compensation benefit claims (but workers' compensation discrimination or retaliation is covered); (ii) state unemployment or disability insurance compensation claims; and (iii) disputes that may not be arbitrated or subject to pre-dispute arbitration as expressly provided by Dodd-Frank Wall Street Reform and Consumer Protection Act or other controlling federal statute."

b. *FINRA Registered Representatives or Associated Persons.* This Section applies to Registered Representatives or Associated Persons, as classified pursuant to the Financial Industry Regulatory Authority (FINRA). To the maximum extent allowed by law, Registered Representatives or Associated Persons, as classified by FINRA, and the Company waive FINRA Rule 13200 (or any successor rule) and agree that any dispute arising out of or related to Your application and selection for employment, employment, and/or termination of employment shall be arbitrated pursuant to this Agreement—and not in a FINRA arbitral forum.

c. *FINRA Exception.* If the above waiver of FINRA 13200 is deemed invalid or unenforceable, arbitration between the Company and Registered Representatives or Associated Persons, as classified pursuant to FINRA, will be administered by FINRA in individual, bilateral arbitration in accordance with its Code of Arbitration Procedure for Industry Disputes and the FINRA Rules; provided, however, Participant and the Company waive any right to commence, be a party to or an actual or putative class member of any class or collective action arising out of or relating to Participant's employment with the Company, and agree that any dispute must be arbitrated on an individual, bilateral basis. Additionally, if (1) FINRA declines to hear an arbitration of a dispute between the Company and a Registered Representative or Associated Person, and/or (2) if a claim or dispute is deemed not arbitrable under the FINRA Rules or Code of Arbitration Procedure for Industry Disputes, such disputes shall be resolved in individual arbitration in accordance with this Agreement—including without limitation, the Class and Collective Action Waivers section.

31. Waiver of Jury Trial. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON, THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY AN ARBITRATOR OR, AS PERMITTED BY SECTION 31 ABOVE, A JUDGE HEARING A PETITION FOR PRELIMINARY INJUNCTIVE RELIEF. THEREFORE, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY, AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

32. Tax Requirements. The Participant is hereby advised to consult immediately with his or her own tax advisor regarding the tax consequences of this Agreement, including, without limitation, any

possible tax consequences of this Agreement in connection with Section 409A of the Code. The Company, or if applicable, any Subsidiary (for purposes of this Section 33, the term “**Company**” shall be deemed to include any applicable Subsidiary) has the authority and the right to deduct or withhold, or require the Participant to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including the Participant’s FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the vesting or conversion of the RSUs. Unless otherwise determined by the Committee at the time the Award is granted or thereafter, the Company shall satisfy any such withholding requirement by withholding the number of Awarded Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld for tax purposes.

33. Section 409A.

a. To the extent (i) any shares of Common Stock to which the Participant becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with the Participant’s Termination of Service with the Company constitutes deferred compensation subject to Section 409A of the Code (“**Non-Exempt Deferred Compensation**”); (ii) the Participant is deemed at the time of his or her separation from service to be a “specified employee” under Section 409A of the Code; and (iii) at the time of the Participant’s separation from service the Company is publicly traded (as defined in Section 409A of the Code), then such shares of Common Stock (other than any delivery of Common Stock permitted by Section 409A of the Code to be paid or delivered within six months of the Participant’s separation from service) shall not be made until the earlier of (x) the first day of the seventh month following the Participant’s separation from service or (y) the date of the Participant’s death following such separation from service. Upon the expiration of the applicable deferral period, any shares of Common Stock which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this Section 34 (together with, as applicable, accrued interest thereon) shall be delivered to the Participant or the Participant’s beneficiary in one lump sum.

b. To the extent any shares of Common Stock to which the Participant becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with the Participant’s Termination of Service with the Company constitutes Non-Exempt Deferred Compensation, a Termination of Service shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a Termination of Service unless such termination is also a “separation from service” (within the meaning of Section 409A of the Code).

c. It is intended that this Agreement comply with the provisions of Section 409A of the Code so as to not subject the Participant to the payment of additional interest and taxes under Section 409A of the Code, and in furtherance of this intent, this Agreement shall be interpreted, operated and administered in a manner consistent with these intentions.

**AWARD AGREEMENT
UNDER THE
TEXAS CAPITAL BANCSHARES, INC.
2022 LONG-TERM INCENTIVE PLAN**

1. Award of Units. Pursuant to the Texas Capital Bancshares, Inc. 2022 Long-Term Incentive Plan (the “**Plan**”) of Texas Capital Bancshares, Inc., a Delaware corporation and its Subsidiaries (together the “**Company**”), _____ (the “**Participant**”) as an employee of the Company, has been granted an Award under the Plan for _____ (_____) (the “**Awarded Units**”) ¹, which may be converted into the number of whole shares of Common Stock (as determined in accordance with Section 4 below) equal to the number of vested Awarded Units (determined in accordance with Section 3 below), subject to the terms and conditions of the Plan and this Performance Award Agreement (this “**Agreement**”). The Date of Grant of this Award is _____, 2024. The maximum number of shares of Common Stock that could be issued with respect to the Awarded Units is _____ (_____) ². Each Awarded Unit shall be a notional share of Common Stock, with the value of each Awarded Unit being equal to the Fair Market Value of a share of Common Stock at any time.

2. Subject to Plan. This Agreement is subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent inconsistent with the provisions of this Agreement. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan, except as otherwise expressly provided herein. This Agreement is subject to any rules promulgated pursuant to the Plan by the Board or the Committee and communicated to the Participant in writing.

3. Vesting; Forfeiture and Non-Compete. Awarded Units which have become vested pursuant to the terms of this Section 3 are collectively referred to herein as “**Vested Units**.” All other Awarded Units are collectively referred to herein as “**Unvested Units**.” The Participant shall be eligible to receive shares of Common Stock with respect to the Vested Units in accordance with Section 4 below.

a. Subject to the provisions of Section 5 and Section 34 below and except as otherwise provided in this Section 3, the Awarded Units will vest on the date the Committee determines whether the vesting conditions set forth on Exhibit A hereto have been achieved (which date shall be after the end of 2026 and no later than March 15, 2027).

b. Except as otherwise provided by Section 3.c., Section 3.d. and Section 3.e. hereof, immediately upon the Participant's Termination of Service for any reason whatsoever, the Participant shall be deemed to have forfeited all of the Participant's Unvested Units. Similarly, if the Participant provides notice to the Company in accordance with Section 7 hereof that he or she is resigning from employment with the Company for any reason, then the Participant shall be deemed to have forfeited all of the Participant's Unvested Units as of the first day of the Notice Period (as defined in Section 7 hereof).

c. Notwithstanding the foregoing and except as otherwise provided in Section 5 below and regardless of whether the performance criteria set forth in Exhibit A have been

¹ This number should be the target number of Performance-Based RSUs.

² This number should be 200% of the Performance-Based RSUs.

achieved, in the event that a Change in Control occurs, the acquiror or surviving or resulting corporation assumes the Awarded Units and on or after the date of the Change in Control, the Participant incurs a Termination of Service by the Company (or by its successor following the Change in Control) without Cause or by the Participant for Good Reason, then all Unvested Units shall immediately become Vested Units upon such termination (such Unvested Units vesting at the target (100%) performance level). If the acquiror or surviving or resulting corporation does not assume the Awarded Units in connection with the Change in Control, then Section 12.4 of the Plan shall apply.

d. Notwithstanding the foregoing, if the Participant's employment with the Company or any of its Subsidiaries terminates by reason of the Participant's death or Total and Permanent Disability, all Unvested Units shall immediately become Vested Units upon such termination (with such Unvested Units vesting at the target (100%) performance level).

e. Notwithstanding anything to the contrary contained herein and subject to Section 5 and the Non-Compete in this Section 3.e.(i), if at any time after the date the Participant reaches eligible age for retirement (***Retiring Participant***) as outlined in the Company's retirement policy in effect on the date the Retiring Participant provides written notice of his or her intent to retire (the "***Retirement Policy***"), the Unvested Units shall not be forfeited upon the Retiring Participant's Termination of Service and instead, such Unvested Units shall continue to be subject to the vesting provisions set forth in Section 3.a as if the Retiring Participant had remained employed by the Company (with shares of Common Stock being delivered pursuant to Section 4 on the original vesting dates). The Retiring Participant acknowledges and agrees that once the Retiring Participant provides written notice to the Company of his or her intent to retire, the Retiring Participant shall no longer be eligible to receive any additional grants under the Plan. Eligible age for retirement shall be based on the Retiring Participant's age plus years of service, in accordance with the Retirement Policy. The Participant further acknowledges, understands, and agrees that the Board retains the right to modify the Company's Retirement Policy at any time.

(i) Non-Competition. During the Restricted Period (as defined herein), the Retiring Participant agrees that he or she shall not, without the Company's prior written consent, directly or indirectly: (i) carry on or engage in Competitive Services within the Restricted Territory on his or her own or on behalf of any Person or any Principal or Representative of any Person, or (ii) own, manage, operate, join, control or participate in the ownership, management, operation or control, of any business, whether in corporate, proprietorship or partnership form or otherwise where such business is engaged in the provision of Competitive Services within the Restricted Territory, except that the Retiring Participant may own publicly traded stock for investment purposes only in any company in which the Participant owns less than 5% of the voting equity.

- (1) For purposes of this this Section 3.e.(i), (V) "***Restricted Period***" means the remaining vesting period; (W) "***Restricted Territory***" means the State of Texas, and any other territory where the Company had operations on the retirement date of the Retiring Participant or the date of termination (if the conduct occurs after the Retiring Participant's Termination of Service), as applicable; and (X) "***Competitive Services***" means engaging in the business of wealth management, investment banking and commercial and mortgage banking, including, without

limitation, originating, underwriting, closing and selling loans, receiving deposits, broker-dealer or securities activities, as well as the business of providing any other activities, products, or services of the type conducted, authorized, offered, or provided by the Company as of the date of the Participant's Termination of Service, or during the two (2) years immediately prior to the date of the Participant's Termination of Service; (Y) "**Person**" means any individual or any corporation, partnership, joint venture, limited liability company, association or other entity or enterprise; and (Z) "**Principal or Representative**" means a principal, owner, partner, shareholder, joint venturer, investor, member, trustee, director, officer, manager, employee, agent, representative or consultant.

4. Delivery of Common Stock. The Vested Units shall be converted into the number of whole shares of Common Stock equal to the number of Vested Units and the Company shall electronically register such shares of Common Stock in the Participant's name (or in the name of his or her estate or beneficiary) or deliver certificates for such shares of Common Stock to the Participant in accordance with the following schedule:

a. March 15, 2027; or

b. If earlier, (i) the date of the Participant's death or Total and Permanent Disability as provided in Section 3.d. of this Agreement, or (ii) the date of the Participant's Termination of Service without Cause or with Good Reason on or after a Change in Control as provided in Section 3.c. of this Agreement.

To the extent an Awarded Unit does not vest in accordance with the provisions of this Agreement, such Awarded Unit shall be forfeited, and no shares of Common Stock shall be delivered with respect to such forfeited Awarded Unit.

5. Forfeiture and Disgorgement.

a. Notwithstanding any provisions in this Agreement to the contrary, in the event the Participant violates the provisions of Section 3.e.(i), in the case of a Retiring Participant, or Section 5.b. or the provisions of any agreement between the Company (or any of its Subsidiaries) that contains confidentiality, non-solicitation or other protective or restrictive covenant provisions, then:

(i) the Awarded Units shall immediately cease to vest as of the date of such violation;

(ii) any shares of Common Stock that had not been registered (or delivered) with respect to Awarded Units shall be immediately forfeited, and this Agreement (other than the provisions of this Section 5) will be terminated on the date of such violation; and

(iii) any shares of Common Stock (less any taxes paid by the Participant on such shares of Common Stock) that had been delivered to the Participant (or registered in the Participant's name) with respect to any Vested Units shall be immediately returned to the Company by the Participant.

The Company must deliver written notice of its intent to enforce the provisions of this Section 5.a. at least 15 days prior to the date it intends to enforce the terms of Sections 5.a.(i) and (ii). Both the Company and the Participant agree that upon delivery of written notice under this Section 5.a., neither party will enter into any transaction that will affect the other party's interests in the cash subject to dispute until the expiration of the 15-day notice period.

The provisions of this Section 5 (including, without limitation, the provisions of this Section 5.a. and the provisions of Section 5.b. below) only shall apply to the Awarded Units for the period beginning on the Date of Grant and ending on the anniversary date of the last year of the date the Awarded Units become vested in accordance with the provisions of Section 3 above (regardless of whether the Agreement terminates or expires prior to such date) or (ii) if a Change in Control occurs, the date of the Participant's Termination of Service either by the Company without Cause or by the Participant with Good Reason.

b. The Participant agrees that to protect the Company's Confidential Information, and in consideration for the equity compensation awarded in this Agreement, it is necessary to enter into the Non-Compete covenant in Section 3.e.(i) above as applicable, and the following protective covenants, which are ancillary to the enforceable promises between the Company and the Participant (or Retiring Participant as applicable) in this Agreement. By execution of this Agreement (whether by electronic means or handwritten signature), the Participant (or Retiring Participant as applicable) agrees to the following:

(i) Confidential Information.

- (1) Definition of Confidential Information. The Participant acknowledges that the Company would not provide the Participant with access to its Confidential Information or grant the Awarded Units but for the Participant's covenants or promises contained in this Section 5.b. For purposes of this Agreement, "**Confidential Information**" shall mean the Company's (for purposes of this Section 5.b., the "Company" shall include both the Company and Texas Capital Bank's ("**TCB**")) unique concepts, lending practices, sales presentations, marketing programs, marketing strategies, business practices, methods of operation, pricing information, cost information, trademarks, licenses, technical information, proprietary information, computer software programs, computer tapes and disks concerning its operations systems, customer lists, customer leads, customer loan and financial information, documents identifying past, present and future customers, customer profiles and preference data, hiring and training methods, investment policies, financial and other confidential, proprietary and/or trade secret information concerning the Company's operations and expansion plans. Confidential Information includes, without limitation, information about the Company's business, proprietary, and technical information that is not known to others and could have economic value to others if improperly disclosed. Confidential Information also means any information the Company discloses to the Participant, either directly or indirectly, in writing, orally or by inspection of tangible objects, including, without limitation, information and technical data contained in the Company's manuals, booklets, publications and materials, equipment

of every kind and character, as well as documents, prototypes, samples, prospects, inventions, product ideas, know how, processes, plans (including, without limitation, marketing plans and strategies), specifications, designs, techniques, technology, formulas, software, improvements, forecasts, and research. Confidential Information does not include any information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of the Company. The Participant's obligations under this Section 5 regarding specific Confidential Information shall cease when that specific portion of the Confidential Information loses its status as Confidential Information.

- (2) Access to and Agreement Not To Disclose Confidential Information. During the Participant's employment with Company, the Company agrees to provide the Participant with some or all of the Company's Confidential Information to which the Participant has not had previous access or knowledge. By executing this Agreement, the Participant agrees that the Confidential Information constitutes valuable, special and unique assets of the Company, developed at the Company's great expense, the unauthorized use or disclosure of which would cause irreparable harm to the Company. The Participant understands and acknowledges that the Company is engaged in a specialized and competitive industry; that the Company relies heavily on information, data, programs, and processes it has developed and acquired; and that competitors can reap potential or real economic benefits from the possession of the Confidential Information that is otherwise not available to its competitors. The Participant understands and acknowledges, therefore, that the protection of the Company's Confidential Information constitutes a legitimate business interest of the Company. The Participant acknowledges that the Confidential Information is the Company's exclusive property, and the Participant will hold the Confidential Information in trust and solely for the Company's benefit. The Participant further acknowledges that portions of the Confidential Information constitute "trade secrets" under Texas and federal law and, in addition to the other protections provided in this Agreement, all trade secrets will be accorded the protection and benefits under Texas law, federal law, and any other applicable law.

In exchange for the Company's promise to provide the Participant with some or all of the Company's Confidential Information to which the Participant has not previously had access or knowledge, the Participant agrees that he or she will not, either during the period of the Participant's employment with the Company or at any time thereafter, use or rely upon for the Participant's benefit or the benefit of another, or disclose, disseminate, or distribute to anyone, including, without limitation, any individual, person, firm, corporation, or other entity, or publish, or use for any purpose, any of the Confidential Information (whether acquired, learned, obtained, or developed by the Participant alone or in conjunction with others), except (A) as properly required in the ordinary course of the

Company's business or as the Company directs and authorizes or; (B) as required by applicable law (if, to the extent reasonable and practicable, reasonable prior notice of such disclosure is given to the Company). The Participant agrees that he or she will take all reasonable measures to protect the secrecy of and avoid unauthorized disclosure and unauthorized use of the Confidential Information. The Participant also agrees to notify the Company immediately in the event of any unauthorized use, reliance upon or disclosure of the Company's Confidential Information of which the Participant is aware.

- (3) Use of Confidential Information During Employment. The Participant further agrees that in the course of his or her employment by the Company, the Participant will not remove from any office of the Company any documents, electronically stored information, or related items that contain Confidential Information, including, without limitation, computer discs, recordings, or other storage or archival systems or devices, including copies, except as may be required in the performance of the Participant's duties as an employee of the Company. The Participant also agrees that he or she will not place or save any Confidential Information on any computer or electronic storage system that is not the Company's property. All Confidential Information, and all memoranda, notes, records, drawings, documents, or other writings whatsoever made, compiled, acquired, or received by the Participant at any time during his or her employment, including during the term of this Agreement, arising out of, in connection with, or related to any activity or business of the Company, including, without limitation, the customers, vendors, third parties, or others with whom the Company has a business relationship, the arrangements of the Company with such parties, and the pricing and expansion policies and strategy of the Company, are, and shall continue to be, the Company's sole and exclusive property.

(ii) No Solicitation of Employees/Customers. The Participant agrees that during the Restricted Period, the Participant will not, alone or in combination with any individual, partner(s), company, corporation, or other entity or business with which he is in any way affiliated, including, without limitation, any partner, limited partner, member, director, officer, shareholder, employee, or agent of any such entity, recruit, solicit, request, induce or attempt to influence, directly or indirectly, any employee of the Company to resign or terminate employment with the Company. The Participant agrees that during the Restricted Period, he or she shall not, directly or indirectly, as an owner, stockholder, director, employee, partner, agent, broker, consultant or other participant solicit a customer or prospective customer, or accept any business from a customer or prospective customer with whom he or she has done business or with whom he or she has had contact during the last 12 months of the Participant's employment with the Company.

- (1) For purposes of this Agreement, "**Restricted Period**" means during the Participant's employment with the Company, and a period equal to the longer of (i) the one year period after the date the Participant's employment with the Company terminates for any reason, or (ii) as set forth in Section 3.e.(i), in the event the

Awarded Units vest in accordance with Section 3.e. above, the remaining vesting period; provided, however, that the Restricted Period for a Participant on Garden Leave in accordance with Section 7, shall commence on the first day of the Garden Leave and continue for a period of twelve (12) months from that date.

(iii) Return of Materials. The Participant agrees that he or she will not retain or destroy (except as set forth below), and will immediately return to the Company on or prior to the Participant's termination date, or at any other time the Company requests such return, any and all property of the Company that is in the Participant's possession or subject to his or her control, including, but not limited to, customer files and information, papers, drawings, notes, manuals, specifications, designs, devices, code, email, documents, diskettes, CDs, tapes, keys, access cards, credit cards, identification cards, equipment, computers, mobile devices, other electronic media, all other files and documents relating to the Company and its business (regardless of form, but specifically including all electronic files and data of the Company), together with all Confidential Information belonging to the Company or that the Participant received from or through his or her employment with the Company. The Participant will not make, distribute, or retain copies of any such information or property. To the extent that the Participant has electronic files or information in his possession or control that belong to the Company or otherwise contain Confidential Information (specifically including but not limited to electronic files or information stored on personal computers, mobile devices, electronic media, or in cloud storage), on or prior to the Participant's termination date, or at any other time the Company requests, the Participant shall (1) provide the Company with an electronic copy of all of such files or information (in an electronic format that readily accessible by the Company); (2) after doing so, delete all such files and information, including all copies and derivatives thereof, from all non-Company-owned computers, mobile devices, electronic media, cloud storage, and other media, devices, and equipment, such that such files and information are permanently deleted and irretrievable; and (3) provide a written certification to the Company that the required deletions have been completed and specifying the files and information deleted and the media source from which they were deleted.

(iv) Reasonableness: Notification. The Participant acknowledges that the geographic boundaries, scope of prohibited activities and the duration of the provisions in Section 3.e.(i) and this Section 5.b are reasonable and are no broader than are necessary to protect the Company's legitimate business interests. The provisions of Section 3.e.(i) and this Section 5.b shall survive the termination of the Participant's employment and can be revoked or modified only by a writing signed by the parties that specifically states an intent to revoke or modify this provision. The Participant acknowledges that the Company would not provide him or her with access to its Confidential Information but for his or her covenants or promises contained in Section 3.e.(i) and this Section 5.b. The Participant further agrees that during the Restricted Period, he or she shall immediately notify the Company in writing of any employment, work, or business he or she undertakes with or on behalf of any person (including himself or herself) or entity.

(v) Injunctive Relief. The Participant acknowledges and agrees that the Participant's obligations, covenants, and agreements in Sections 3.e.(i) and 5.b.(i)-(iii) concern special, unique and extraordinary matters and that a violation of any of the terms

of these agreements, covenants or obligations will cause the Company irreparable injury for which adequate remedies at law are not available. Therefore, the Participant agrees that the Company, in addition to any amounts that the Company is entitled to pursuant to Section 5.a. above, will be entitled to an injunction, restraining order, or all other equitable relief as a court or arbitrator of competent jurisdiction may deem necessary or appropriate to restrain the Participant from committing any violation of the agreements, covenants or obligations referred to in Sections 3.e.(i) and 5.b.(i)-(iii). The Participant waives any requirement that the Company post a bond or other security should the need arise.

(vi) Attorneys' Fees. If the parties become involved in legal action regarding the enforcement of the Protective Covenants, the prevailing party in such action will be entitled, in addition to any other remedy, to recover from the non-prevailing party its/his/her reasonable costs and attorneys' fees incurred in connection with such action.

(vii) Disclosures to Courts, Governmental Agencies or Administrative or Legislative Bodies. Notwithstanding the foregoing or any other agreement regarding confidentiality with the Company, the Participant may disclose Confidential Information when required to do so by a court of competent jurisdiction, by any governmental agency having authority over the Participant or the business of the Company or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order the Participant to divulge, disclose or make accessible such information. Nothing in this Agreement is intended to interfere with the Participant's right to (1) report possible violations of state or federal law or regulation to any governmental agency or entity, (2) make other disclosures that are protected under the whistleblower provisions of state or federal law or regulation, (3) file a claim or charge with any government agency or entity, or (4) testify, assist, or participate in an investigation, hearing, or proceeding conducted by any government or law enforcement agency, entity or court.

(viii) Defend Trade Secrets Act of 2016. The Participant is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that the Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (1) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Participant is further notified that if the Participant files a lawsuit for retaliation against the Company for reporting a suspected violation of law, the Participant may disclose the Company's trade secrets to the Participant's attorney and use the trade secret information in the court proceeding if the Participant: (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

6. Non-Disparagement. The Participant agrees that during the Restricted Period, the Participant shall not make, publish or communicate to any person or entity or in any public forum (including social media) any defamatory or disparaging remarks, comments or statements concerning the Company or any of its products, services, affiliates, directors, officers, or employees. Notwithstanding the foregoing, this provision does not in any way limit, restrict, or impede any of the Participant's rights that are expressly reserved in Section 5(vii) and (viii), or in any way limit the Participant's ability to

provide truthful testimony or information in response to a subpoena, court or arbitral order, or valid request by a government entity, or as otherwise required by law.

7. Notice Regarding Resignation of Employment

a. The Participant agrees that in the event the Participant decides to resign from his or her employment with the Company for any reason, the Participant will give the Company at least sixty (60) days' prior written notice of such resignation (the "**Notice Period**"), and the Participant shall be deemed to have forfeited all of the Participant's Unvested Units as of the first day of the Notice Period.

b. Upon receipt of such notice, the Company may, in its sole discretion, (i) accept Participant's resignation early and terminate Participant's employment at any time during the Notice Period without any further obligation whatsoever to the Participant other than payment of wages due through the date of termination; (ii) relieve the Participant of his or her duties and responsibilities or exclude the Participant from any of the premises of the Company, or both during the Notice Period or any portion thereof ("**Garden Leave**"); and/or (iii) permit the Participant to continue his or her duties and responsibilities during the Notice Period or any portion thereof (the "**Active Notice Period**"). During the Active Notice Period or Garden Leave, as applicable, the Participant (a) shall remain an employee of the Company and continue to be subject to all of his or her obligations under this Agreement, (b) shall continue to be paid the Participant's full base salary, excluding any bonus or other variable compensation, (c) shall continue to be eligible to participate in the Company's employee benefit plans (in accordance with the terms of such plans), and (d) if on Garden Leave, shall not, without the prior written consent of an authorized representative of the Company, (i) indirectly (e.g. via third parties) or directly contact, communicate with, or otherwise have dealings with any actual or prospective investor, client, customer or employee of the Company, or (ii) enter onto the premises of the Company.

8. Who May Receive Common Stock with Respect to Vested Units. During the lifetime of the Participant, the Common Stock received upon conversion of the Vested Units may only be received by the Participant or his or her legal representative. If the Participant dies prior to the date his or her Awarded Units are converted into shares of Common Stock as described in Section 4 above, the Common Stock relating to such converted Awarded Units may be received by any individual who is entitled to receive the property of the Participant pursuant to the applicable laws of descent and distribution.

9. Common Stock Subject to Ownership Guidelines. The Participant acknowledges, understands and agrees that any Common Stock delivered to the Participant (or registered in the Participant's name) pursuant to this Agreement shall be subject to the Common Stock ownership guidelines as adopted by the Committee and in effect from time to time, and that the Participant (if and as applicable to Participant) may be required to hold such Common Stock until the Participant has met the requirements of such ownership guidelines. The Participant further acknowledges, understands and agrees that the Committee retains the right to modify the Company's Common Stock ownership guidelines at any time.

10. Rights as Stockholder. The Participant will have no rights as a stockholder with respect to the Awarded Units until the issuance of a certificate or certificates to the Participant or the registration of such shares of Common Stock in the Participant's name. The Awarded Units shall be subject to the terms and conditions of this Agreement.

11. No Fractional Shares. Vested Units may be converted only with respect to full shares, and no fractional share of Common Stock shall be issued. Vested Units shall be rounded up to the closest whole number to account for any fractional shares.

12. Non-Assignability. The Awarded Units are not assignable or transferable by the Participant except by will or by the laws of descent and distribution.

13. The Participant's Acknowledgments. The Participant acknowledges receipt of a copy of the Plan, which is annexed hereto, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Awarded Units subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

14. Adjustment of Number of Awarded Units and Related Matters. The number of shares of Common Stock covered by the Awarded Units shall be subject to adjustment in accordance with Articles 11-13 of the Plan.

15. Execution of Documents. The Participant, by his or her electronic execution of this Agreement, hereby agrees to execute any documents requested by the Company in connection with the payment of any amount in connection with the Awarded Units pursuant to this Agreement.

16. Remedies. Except as otherwise provided in Section 5 in this Agreement, each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including reasonable attorneys' fees) caused by any breach of any provision of this Agreement, and to exercise all other rights existing in the party's favor. No waiver of any breach of this Agreement shall be construed to be a waiver as to succeeding breaches and no waiver of any provisions of this Agreement shall constitute a waiver of any other provision of this Agreement. The remedies for any violation of Section 5 above are limited to the forfeiture, disgorgement, injunction and attorneys' fees remedies specified in Sections 5.a., b.(v) and b.(vi). and are subject to the time-limitations set forth in Section 5.a. above. The remedies described in this Section 16 do not apply to Section 5.

17. The Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that the Company will not be obligated to register any shares of Common Stock in the Participant's name or issue any shares of Common Stock to the Participant hereunder, if the issuance of such shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination by the Company under this Section 17 shall be final, binding, and conclusive. The obligations of the Company and the rights of the Participant are subject to all applicable laws, rules and regulations.

18. Investment Representation. Unless the shares of Common Stock are issued to the Participant in a transaction registered under applicable federal and state securities laws, by his or her execution hereof, the Participant represents and warrants to the Company that all Common Stock which may be acquired hereunder will be acquired by the Participant for investment purposes for his or her own account and not with any intent for resale or distribution in violation of federal or states securities laws, all certificates issued with respect to the Common Stock shall bear an appropriate restrictive investment legend and shall be held indefinitely, unless they are subsequently registered under the applicable federal and state securities laws or the Participant obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required.

19. Law Governing; Forum. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas (excluding any conflict of laws rule or principle of Texas law that might refer the governance, construction, or interpretation of this agreement to the laws of another state). The Participant's sole remedy for any Claim shall be against the Company and no Participant shall have any claim or right of any nature against any Subsidiary of the Company or any stockholder or existing or former director, officer, or Employee of the Company or any Subsidiary of the Company. Subject to the Arbitration Agreement provision below, the parties further agree that the exclusive forum for any litigation arising under the terms of this Agreement and permitted by Section 31 below shall be the state courts for Dallas County, Texas, or the United States District Court for the Northern District of Texas, Dallas Division. With respect to any such court action, the Participant hereby (1) irrevocably submits to the personal jurisdiction of such courts; (2) consents to service of process; (3) consents to venue; and (4) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction, service of process, or venue, but the parties agree that such promises by the Participant shall not be in derogation of the parties' obligation to arbitrate set forth in Section 31 below. The parties further agree that the courts listed above are convenient forums for any dispute that may arise herefrom and that neither party shall raise as a defense that such courts are not convenient forums.

20. No Right to Continue Service or Employment Nothing herein shall be construed to confer upon the Participant the right to continue in the employ or to provide services to the Company or any Subsidiary, whether as an Employee, Contractor, consultant or Outside Director, or interfere with or restrict in any way the right of the Company or any Subsidiary to discharge the Participant as an Employee, Contractor, consultant or Outside Director at any time.

21. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court or arbitrator of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement. If any of the provisions of Section 5.b should ever be held by a court or arbitrator of competent jurisdiction to exceed the scope permitted by the applicable law, such provision or provisions shall be automatically modified to such lesser scope as such court or arbitrator may deem just and proper for the reasonable protection of the Company's legitimate business interests and may be enforced by the Company to that extent in the manner described above and all other provisions of this Agreement shall be valid and enforceable.

22. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

23. Entire Agreement. This Agreement, together with the Plan, supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter in this Agreement and constitute the only agreements between the parties with respect to the subject matter in this Agreement. Except for the Employment Agreement between the Participant and the Company (if any), all prior negotiations and agreements between the parties with respect to the subject matter in this Agreement are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this

Agreement or the Plan and that any agreement, statement or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect. Except for the specific representations expressly made by the Company in this Agreement, the Participant specifically disclaims that the Participant is relying upon or has relied upon any communications, promises, statements, inducements, or representation(s) that may have been made, oral or written, regarding the subject matter of this Agreement. The parties represent that they are relying solely and only on their own judgment in entering into this Agreement.

24. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

25. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

26. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties (electronically or otherwise); provided, however, that the Company may change or modify this Agreement without the Participant's consent or signature if the Company determines, in its sole discretion, that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder.

27. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

28. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

29. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

- a. Notice to the Company shall be addressed and delivered as follows:

Texas Capital Bancshares, Inc.
2000 McKinney Avenue, Suite 700
Dallas, Texas 75201
Attn: Human Resources
Email: HR@texascapitalbank.com

- b. Notice to the Participant shall be addressed and delivered to the most recent address in the Company's records.

1. Recoupment. The Participant acknowledges, understands and agrees, with respect to the Awarded Units and any shares of Common Stock delivered to the Participant (or registered in the

Participant's name) pursuant to this Agreement, that such Awarded Units and any shares of Common Stock issued hereunder shall be subject to recovery by the Company, and the Participant shall be required to forfeit the Awarded Units or repay such compensation or shares of Common Stock, in accordance with the Company's Recoupment Policy, as in effect from time to time. The Participant further acknowledges, understands, and agrees that the Board retains the right to modify the Company's Recoupment Policy at any time.

2. Arbitration.

a. The parties agree that to the fullest extent permitted by applicable law any controversy or claim of any party arising out of or in any way relating to this Agreement, the breach thereof, the Participant's employment with the Company or the termination thereof shall be settled by final, and binding arbitration in Dallas, Texas, in accordance with any Dispute Resolution and Arbitration Agreement ("DRAA") between the parties or if there is not a DRAA between the parties in accordance with the Arbitration Agreement below; provided, however, that nothing herein shall preclude the Company or the Participant from seeking temporary or preliminary injunctive relief in connection with an arbitrable controversy, including without limitation any controversy under this Agreement. The court to which the application is made is authorized to grant temporary or preliminary injunctive relief and may do so with or without addressing the merits of the underlying arbitrable dispute, as provided by applicable law. However, all determinations of final relief will be decided in arbitration, and the pursuit of temporary or preliminary injunctive relief shall not be deemed incompatible with or constitute a waiver of rights under the Arbitration Agreement.

"ARBITRATION AGREEMENT": IF THE PARTIES ARE NOT SUBJECT TO A DRAA, PARTICIPANT AND THE COMPANY AGREE THAT EXCEPT AS OTHERWISE PROVIDED IN THIS ARBITRATION AGREEMENT, ANY AND ALL CLAIMS OR DISPUTES, PAST, PRESENT, AND FUTURE, ARISING OUT OF OR RELATED TO: (i) THIS AGREEMENT, (ii) ANY OTHER AGREEMENT BETWEEN THEM, OR (iii) PARTICIPANT'S EMPLOYMENT AND SEPARATION OF EMPLOYMENT WITH THE COMPANY, WILL BE DECIDED BY A SINGLE ARBITRATOR THROUGH FINAL AND BINDING ARBITRATION AND NOT BY A JUDGE OR JURY under the then-current Employment Arbitration Rules of the AAA for individually negotiated agreements ("AAA Rules"); provided however, that if there is a conflict between the AAA Rules and this Agreement, this Agreement shall govern. The AAA Rules may be found at www.adr.org/employment or by searching for "AAA Employment Arbitration Rules" using a service such as www.Google.com. The provisions set forth herein, including all waivers included herein, shall be governed by and interpreted in accordance with the Federal Arbitration Act. If a court determines the FAA does not apply to a particular dispute or to one or both parties, the parties agree that the Texas Arbitration Act ("TAA") will apply and acknowledge that the Company is based in Texas. If neither the FAA or TAA apply, the parties stipulate and agree the arbitration law of the jurisdiction where the arbitration will take place will apply. The Company and Participant waive any right for any dispute to be brought, heard, decided, or arbitrated as a class action or collective action, and the arbitrator will have no authority to preside over any class or collective action ("Class Action Waiver"). The following claims and disputes are not covered under this Arbitration Agreement: (i) Workers' Compensation benefit claims (but workers' compensation discrimination or retaliation is covered); (ii) state unemployment or disability insurance compensation claims; and (iii) disputes that may not be arbitrated or subject to pre-dispute

arbitration as expressly provided by Dodd-Frank Wall Street Reform and Consumer Protection Act or other controlling federal statute.”

b. *FINRA Registered Representatives or Associated Persons.* This Section applies to Registered Representatives or Associated Persons, as classified pursuant to the Financial Industry Regulatory Authority (FINRA). To the maximum extent allowed by law, Registered Representatives or Associated Persons, as classified by FINRA, and the Company waive FINRA Rule 13200 (or any successor rule) and agree that any dispute arising out of or related to Your application and selection for employment, employment, and/or termination of employment shall be arbitrated pursuant to this Agreement—and not in a FINRA arbitral forum.

c. *FINRA Exception.* If the above waiver of FINRA 13200 is deemed invalid or unenforceable, arbitration between the Company and Registered Representatives or Associated Persons, as classified pursuant to FINRA, will be administered by FINRA in individual, bilateral arbitration in accordance with its Code of Arbitration Procedure for Industry Disputes and the FINRA Rules; provided, however, Participant and the Company waive any right to commence, be a party to or an actual or putative class member of any class or collective action arising out of or relating to Participant's employment with the Company, and agree that any dispute must be arbitrated on an individual, bilateral basis. Additionally, if (1) FINRA declines to hear an arbitration of a dispute between the Company and a Registered Representative or Associated Person, and/or (2) if a claim or dispute is deemed not arbitrable under the FINRA Rules or Code of Arbitration Procedure for Industry Disputes, such disputes shall be resolved in individual arbitration in accordance with this Agreement—including without limitation, the Class and Collective Action Waivers section.

30. Waiver of Jury Trial. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON, THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY AN ARBITRATOR OR, AS PERMITTED BY SECTION 31 ABOVE, A JUDGE HEARING A PETITION FOR PRELIMINARY INJUNCTIVE RELIEF. THEREFORE, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY, AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

31. Tax Requirements. The Participant is hereby advised to consult immediately with his or her own tax advisor regarding the tax consequences of this Agreement, including, without limitation, any possible tax consequences of this Agreement in connection with Section 409A of the Code. The Company, or if applicable, any Subsidiary (for purposes of this Section 33, the term “**Company**” shall be deemed to include any applicable Subsidiary) has the authority and the right to deduct or withhold, or require the Participant to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the vesting or conversion of the RSUs. Unless otherwise determined by the Committee at the time the Award is granted or thereafter, the Company shall satisfy any such withholding requirement by withholding the number of Awarded Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld for tax purposes.

32. Section 409A.

a. To the extent (i) any shares of Common Stock to which the Participant becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with the Participant's Termination of Service with the Company constitutes deferred compensation subject to Section 409A of the Code ("**Non-Exempt Deferred Compensation**"); (ii) the Participant is deemed at the time of his or her separation from service to be a "specified employee" under Section 409A of the Code; and (iii) at the time of the Participant's separation from service the Company is publicly traded (as defined in Section 409A of the Code), then such shares of Common Stock (other than any delivery of Common Stock permitted by Section 409A of the Code to be paid or delivered within six months of the Participant's separation from service) shall not be made until the earlier of (x) the first day of the seventh month following the Participant's separation from service or (y) the date of the Participant's death following such separation from service. Upon the expiration of the applicable deferral period, any shares of Common Stock which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this Section 34 (together with, as applicable, accrued interest thereon) shall be delivered to the Participant or the Participant's beneficiary in one lump sum.

b. To the extent any shares of Common Stock to which the Participant becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with the Participant's Termination of Service with the Company constitutes Non-Exempt Deferred Compensation, a Termination of Service shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a Termination of Service unless such termination is also a "separation from service" (within the meaning of Section 409A of the Code).

c. It is intended that this Agreement comply with the provisions of Section 409A of the Code so as to not subject the Participant to the payment of additional interest and taxes under Section 409A of the Code, and in furtherance of this intent, this Agreement shall be interpreted, operated and administered in a manner consistent with these intentions.

EXHIBIT A

The Awarded Units shall vest in accordance with the following schedule (60% based on ROTCE (the “**ROTCE Units**”) and 40% based on Relative TSR (the “**TSR Units**”), as outlined below):

1. For purposes of this Exhibit A and the Agreement, unless the context requires otherwise, the following terms shall have the meanings indicated:
 - a. “**ROTCE**” shall mean Return on Tangible Common Equity.
 - b. “**Relative TSR**” shall mean the Company's Total Shareholder Return (“**TSR**”) relative to the TSR of the Peer Group. Relative TSR will be determined by ranking the Company and the component companies of the Peer Group from highest to lowest according to their respective TSRs.
 - c. “**Performance Period**” shall mean the period commencing on and including January 1, 2024, and ending on December 31, 2026.

“**Peer Group**” shall be the companies constituting the S&P Regional Banks Select Industry Index as of the beginning of the Performance Period (each, a “**Peer Group Company**”), subject to the following potential adjustments;

- (i) In the event that a merger, acquisition or business combination of a Peer Group Company by or with another Peer Group Company is consummated during the Performance Period, then the entity that survives as a result of such merger, acquisition, or business combination will be considered a Peer Group Company for the Performance Period.
- (ii) In the event that a merger, acquisition or business combination of a Peer Group Company by or with an entity that is not a Peer Group Company is consummated during the Performance Period, and such Peer Group Company is the entity that survives such merger, acquisition, or business combination, then such Peer Group Company will continue to be considered a Peer Group Company for the Performance Period.
- (iii) If during the applicable Performance Period (a) a Peer Group Company ceases to be a public company by becoming a private company through the “going dark” process, (b) a Peer Group Company delists, or (c) a merger, acquisition or business combination of a Peer Group Company by or with an entity that is not a Peer Group Company is consummated, and such Peer Group Company is not the entity that survives such merger, acquisition, or business combination, then such Peer Group Company shall be removed from the Peer Group for all periods after the Peer Group Company ceases to be a public company.
- (iv) If during the applicable Performance Period a Peer Group Company files a petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code or liquidation under Chapter 7 of the U.S. Bankruptcy Code, or enters receivership by the FDIC, such Peer Group Company shall remain the Peer Group; provided,

however, that, for purposes of this Agreement, TSR for such Peer Group Company(ies) will be negative one hundred percent (-100%).

- (v) The Compensation Committee shall have the authority to make other appropriate adjustments in response to a change in circumstances that results in a Peer Group Company no longer satisfying the criteria for which such company was originally selected, including lowering such Peer Group Company's rank for purposes of determining Relative TSR.

2. Subject to paragraph 4 below, upon the achievement of the average ROTCE for the Performance Period, as determined by the Committee, in its sole discretion, the ROTCE Units shall be eligible to vest as follows:

<u>ROTCE</u>	<u>Payout %</u>
□	200%
□	100% - 199.9%
□	50% - 99.9%
□	0%

3. Subject to paragraph 4 below, upon the achievement of the Relative TSR by the Company versus Peer Group during the Performance Period, as determined by the Committee, in its sole discretion, the TSR Units shall be eligible to vest based upon the Company's ranking within its Peer Group as follows:

<u>Rank within Peer Group Based on Relative TSR</u>	<u>% Vested and Payout</u>
□	200%
□	100%-199.9%
□	50%-99.9%
□	0%

4. Achievement of the performance goals set forth in paragraphs 2 and 3 of this Exhibit A shall be determined by the Committee, in its sole discretion, and shall be subject to the following terms and conditions:
- Payouts between performance levels shall be linear; provided, that in no event shall the payout percentage exceed 200% (maximum payout).
 - Notwithstanding the criteria in the table in paragraph 3 of this Exhibit A, in the event the Company's TSR over the Performance Period is negative, the Payout for the portion of the award that is earned based on Relative TSR shall not exceed 100%.

- c. All performance metrics assume that no capital raises occur during the Performance Period. If a capital raise occurs during the Performance Period, performance may be adjusted to exclude the effects of the capital raise.
 - d. The Committee will review potential adjustments to achievement of the performance metrics based on Federal Funds Rate changes or any other material changes and/or impacts, as determined by the Committee in its sole discretion.
5. By way of example, assume (i) 50 Performance-Based Units, (ii) ROTCE for the Performance Period was achieved at 100% payout level%, and (iii) Relative TSR for the Performance Period was achieved at the 100% payout level. Provided that the conditions set forth in Section 3.a.(i) of the Agreement and paragraph 4 of this Exhibit A have been met, the Participant would be entitled to:
- a. 100% of the ROTCE Units at 100% payout [for example purposes only, 60% x 50 units are ROTCE Units (or 30 units) and to calculate vesting, based on the hypothetical performance, it would be 30 units x 100% for a total number of 30 vested ROTCE Units]; and
 - b. 100% of the TSR Units [for example purposes only, 40% x 50 units are TSR Units (or 20 units) and to calculate vesting, based on the hypothetical performance, it would be 20 units x 100% for a total number of 20 vested TSR Units].

CERTIFICATION

I, Rob C. Holmes, certify that:

1. I have reviewed this report on Form 10-Q of Texas Capital Bancshares, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures, (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 18, 2024

/s/ Rob C. Holmes

Rob C. Holmes

President and Chief Executive Officer

CERTIFICATION

I, J. Matthew Scurlock, certify that:

1. I have reviewed this report on Form 10-Q of Texas Capital Bancshares, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures, (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 18, 2024

/s/ J. Matthew Scurlock

J. Matthew Scurlock

Chief Financial Officer

CERTIFICATION

In connection with the Quarterly Report on Form 10-Q of Texas Capital Bancshares, Inc. (the "Company") for the period ending March 31, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Rob C. Holmes, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Rob C. Holmes

Rob C. Holmes

President and Chief Executive Officer

April 18, 2024

CERTIFICATION

In connection with the Quarterly Report on Form 10-Q of Texas Capital Bancshares, Inc. (the "Company") for the period ending March 31, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, J. Matthew Scurlock, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report, fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ J. Matthew Scurlock

J. Matthew Scurlock

Chief Financial Officer

Date: April 18, 2024