

2023

Our Values in Action

Environmental, Social & Governance Report







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### **WHAT IS ESG REPORTING?**

An ESG report is a way for us to share our risks and opportunities in the areas of environmental stewardship, social relations and governance practices. It gives prospective clients and others a transparent look into our actions as we hold ourselves accountable to our values and goals.



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**A MESSAGE FROM**

# Rob C. Holmes

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

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

We accomplished every initiative we set out to do in 2022 and, thanks to the hard work and tenacity of our employees, we have the results to prove it.

Our Strengthening Talent for Accelerated Results (STARS) training program, one of the few programs of its kind in Texas, finished its second year strong for our emerging professionals and launched a transformational leadership development framework focused on firm-wide systems for talent development, decision-making and execution.

We expanded our Diversity, Equity and Inclusion Council to focus on the development of goals that will be further ingrained in our business strategy as we move forward.

We continue to prioritize strategic investments in low- and moderate-income communities to help remove barriers that stand in the way of communities becoming healthy, resilient and prosperous.

We supported the Texas business sector, funding more than \$206 million in loans through the second round of the Paycheck Protection Program as our state rebounded from the COVID-19 crisis of early 2020.

We reshaped our leadership team to better enable us to execute on our core strategy. Each member of the Operating Committee is a high-energy, client-obsessed, collaborative business builder. They embody our core values of candor, transparency, trust, and accountability, and commit to our mission and strategy every day.

With our first ESG report, I am excited to share with you the ways Texas Capital Bank is striving to create greatness for our clients, our employees and our communities. Our focus on building a financial services firm that puts clients first, holds itself to the highest standards and invests in the communities where we are privileged to do business has struck a chord among business leaders throughout our state. We believe we are building something unique in Texas, and people want to be a part of it.



A handwritten signature in black ink that reads "Rob C. Holmes".



# Meet Our ESG Council



**ASHLEY AHN**  
*Associate General Counsel*



**ANNA ALVARADO**  
*Chief Legal Officer & Corporate Secretary*



**EFFIE DENNISON**  
*Head of Community Development*



**ELLEN DETRICH**  
*Controller & Chief Accounting Officer*



**DANIEL HEID**  
*Director of Procurement*



**COLIN HEINRICH**  
*Senior In-house Counsel*



**BETH HOPKINS**  
*HR Business Partner & Head of DEI*



**SHANNON JURECKA**  
*Chief Human Resources Officer*



**BRIAN MAKSYMOWICZ**  
*Head of Marketing*



**SANDRA MEDINA**  
*Third Party Risk Manager*



**MATT SCURLOCK**  
*Chief Financial Officer*



**JAY SHAH**  
*Technology Chief Operating Officer*



**CATHERINE ZALATORIS**  
*Head of Corporate Real Estate*

“ Greatness is great on repeat. ”

# Our Approach to ESG

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Throughout the past year, Texas Capital Bank embarked on a journey of building, refining and transforming our business and culture. We have utilized grit to harness greatness. With our recognition as America's most trusted bank by *Newsweek* as proof of our progress, Texas Capital Bank has set ambitious goals and celebrated major milestones in our work toward becoming the premier financial services firm headquartered in Texas.

At Texas Capital Bank, we believe that what we shape today will show up tomorrow. That's why, for the first time in the bank's history, we are proud to publish this report — Our Values in Action — highlighting environmental, social and governance issues in a way we've never done before. Historically, we published an annual Corporate Social Responsibility Report, but our transition to the Our Values in Action report demonstrates the firm's commitment in shaping the next era for Texas Capital Bank as a prominent, leading corporate citizen in Texas.

In 2021, the Environmental, Social & Governance Council (ESG Council) was formed, consisting of leaders across the bank whose purpose is to identify ESG opportunities, set goals, monitor progress and report outcomes. The ESG Council is governed by the firm's board of directors. We're excited to report what we've accomplished, what we've been working toward and where we're going.

In this report, we will share not only our continued work serving communities in need, but also the initiatives the bank has undertaken in Diversity, Equity and Inclusion; employee training programs; consumer protections; and more. In many cases, the bank has been quietly going above and beyond as we serve our clients, colleagues and communities, but this is the first time we are sharing our story in this specific way. We are proud to report our progress and set bold goals for the future.

As we say at Texas Capital Bank, "Greatness is great on repeat." We intend to uphold our standard of excellence in everything we do, we also commit to continuous improvement. We look forward to forging the path ahead.

Sincerely,

*ESG Council*

Texas Capital Bank ESG Council

# Rooted in the Heart of Texas

Our vision is to be a flagship financial services firm in Texas serving the best clients in our markets. While our ESG programs continue to evolve, we are focused on creating value through the following prioritized areas: governance, sustainable finance, diversity, equity and inclusion (DEI), engaging and empowering employees, our philanthropy, employee giving and volunteerism, and investment in affordable housing.

We continue to improve and deepen our ESG initiatives by assessing our practices against industry best practices, incorporating stakeholder feedback and actively participating in and advocating for the causes that matter most to our stakeholders.

Headquartered in Dallas, TX, Texas Capital Bank has offices and **full-service locations in five cities.**



<b>BANK ESTABLISHED</b>	<b>TOTAL ASSETS</b>	<b>TOTAL EMPLOYEES</b>
Dec. 18, 1998 Dallas, Texas	<b>\$28.4B*</b>	<b>~2,200*</b>





*Texas Capital Bank builds long-term relationships that allow us to deliver financial solutions for our valued clients across the United States and in Texas.*

Texas Capital Bank is a full-service bank headquartered in Dallas, Texas. Founded on entrepreneurial spirit, innovation and community, we've transformed over the past two decades from a single office in Dallas into a robust financial institution. We serve businesses across the state with a commitment to building the economy of Texas. In 2022, *Newsweek* recognized Texas Capital Bank as the most trusted bank in America, based on a first-of-its kind survey *Newsweek* conducted with market research firm Statista.



**The #1 Most Trusted Bank in America**

## BUSINESS ENTITIES

Texas Capital Bank is one of the fastest growing financial institutions in the country and in Texas. We provide a wide variety of products and services for commercial banking and lending, treasury solutions, personal banking, private banking, wealth management and investment banking.

In addition, we launched our Investment Banking division last year. Broker dealer services within our Investment Bank are performed by TCBI Securities, Inc., doing business as Texas Capital Securities. Our Investment Bank gives us the ability to provide our established corporate, real estate and mortgage finance client base with mergers and acquisitions advisory, capital raising, securities underwriting, sales and trading and hedging services.

Texas Capital Bank also operates Bask Bank, a wholly digital entity and the first of its kind. Bask Bank offers customers the ability to earn traditional interest or redeemable American Airlines AAdvantage® miles with an online savings account, rewarding customers for saving (not spending).

## OUR GOALS

- Be the employer of choice in Texas for people interested in growing their career in financial services
- Provide strong execution on the core set of financial products coupled with industry expertise and higher-touch service that earns us the right to provide advice when it counts
- Be a financially resilient bank that is easy to do business with, and is both proactive and responsive to client, employee and community needs
- Build trusted relationships in our core markets and industries that lead us to being a “first call” from top clients and prospects



| ENVIRONMENTAL





# Digital First

We've strategically made the decision to be a branch-light financial services firm. While we do meet with our customers face-to-face to help them achieve their financial goals, we acknowledge the role of technology and its importance to our business.

As we've embraced a digital-first approach, we've invested heavily in our technology and operating platform. We internally developed and delivered a market-leading cloud native software called Texas Capital Initio™, our proprietary account opening and onboarding solution. This new platform supports digital banking, private wealth and, launching soon, commercial banking.

Initio has already received praise from our beta clients. We expect that by Q2 2023, the majority of all treasury onboarding requests will be completed digitally. This means that new and existing commercial clients have the option to self-serve when opening new accounts, and they can use the new account the same day — taking a complex process of multiple days down to a matter of hours.

We've also transformed our technology infrastructure through Texas Capital CoreTex™, our completely modernized API-driven services platform, and Texas Capital C360™, a cross-organizational operations management system and a completely modernized cloud-based data platform.

These improvements are generating efficiencies in operations while elevating the client experience with vastly improved onboarding times.

## HERE'S WHAT DIGITAL BANKING ENHANCEMENTS MEAN FOR OUR CLIENTS:

More convenience

More features

More security

More control



**SUSTAINABILITY**

From offices to operations centers, when it comes to leaving a smaller carbon footprint, we're aligned to support the environment. We lease our corporate real estate in LEED or ENERGY STAR® certified buildings. The interior designs of all of our upcoming projects will thoughtfully balance man-made and natural environments with only sustainable materials and finishes. "We are renovating our existing Texas Capital Center space to prioritize recycling and avoid the landfill, with a zero waste goal in mind," said Catherine Zalatoris, Head of Corporate Real Estate.

**TECHNOLOGY & OPERATIONS CENTERS**

Our technology and operations centers will be relocating to the LEED Silver certified Blue Cross Blue Shield Campus Q4 2023 – Q1 2024.

**BRANCHES**



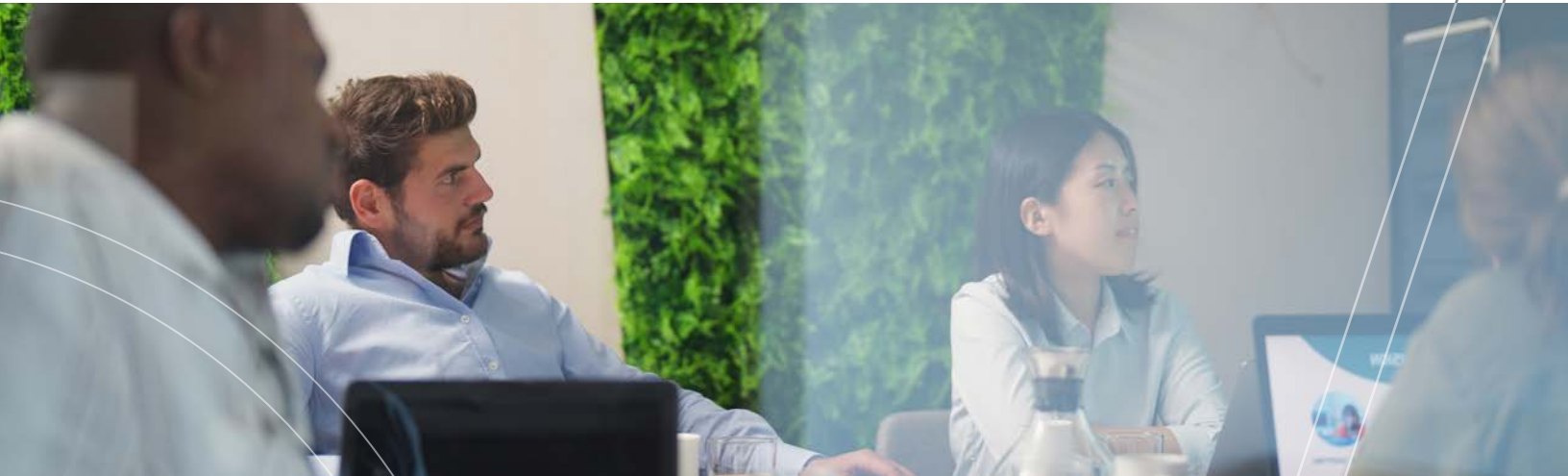
**CORPORATE OFFICES**



**60% LEED GOLD CERTIFIED**  
Austin  
Dallas  
Houston



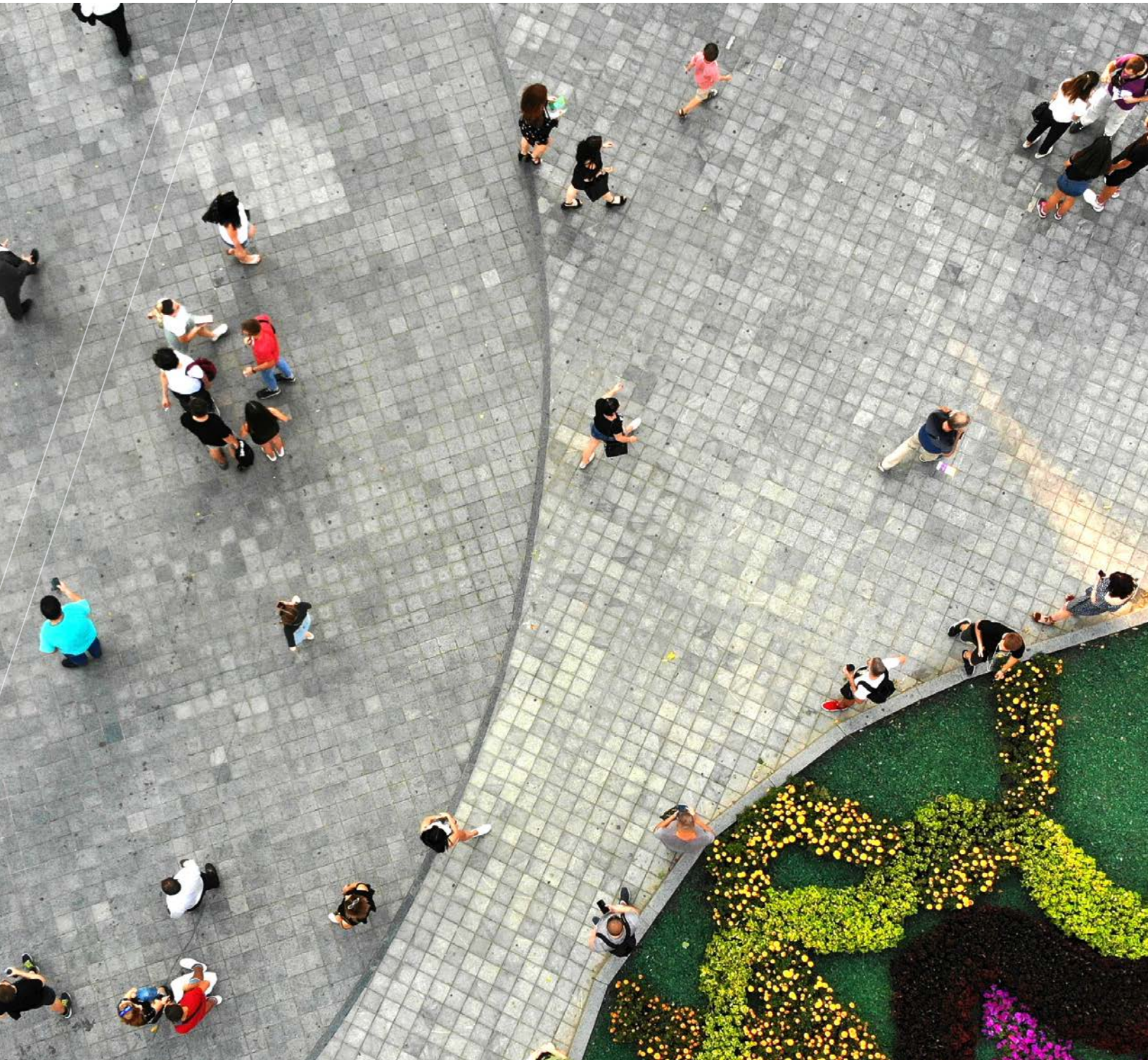
**40% IN THE PROCESS OF RECEIVING ENERGY STAR CERTIFICATION**  
San Antonio Mulberry  
Fort Worth







| SOCIAL





# Social Investments

## HUMAN CAPITAL

At Texas Capital Bank, we believe our people are our greatest asset, and one of our goals is to be the employer of choice in Texas for finance professionals. That's why we're committed to investing in our employees' personal and professional development and ensuring they have the tools needed to succeed.

From employee resource groups to training around healthy workplaces, we provide a variety of ways for employees to engage, grow and thrive throughout their careers.

## DIVERSIFYING OUR TALENT

We're dedicated to building a workplace with strong representation, where all employees feel welcome and have a sense of belonging. We know that an inclusive culture allows innovation to grow, drives success and makes our whole team better.

Our goal is to attract, develop and engage the best and brightest talent from all walks of life and backgrounds. To help us achieve our goal, we've developed a hiring strategy for building and sustaining a diverse, equitable and inclusive environment that includes internship programs, new hiring processes and strategic partnerships with historically Black colleges and universities (HBCUs) and Hispanic-serving institutions (HSIs).

In 2021, we launched the STARs (Strengthening Talent for Accelerated Results) Program to ensure that recent college graduates have the support they need as their careers begin. STARs provides intensive in-person banking training followed by on-the-job, line-of-business-specific leadership skills training. STARs participants are a diverse group of college graduates recruited from university campuses, including HBCUs, throughout Texas and surrounding areas. In our inaugural year, we welcomed 58 young professionals into the program; in August 2022, we welcomed 60 more. Forty-four percent of the STARs Analysts hired were female and 25 percent were ethnically diverse.

"I am thrilled to be joining the Texas Capital Bank internship program and am eager to contribute to the team. I believe this experience will be invaluable in helping me grow both personally and professionally," said Chase Fitzpatrick, a student at Texas Southern University who will join our internship program this year. "I am grateful for the opportunity."

SOCIAL







SOCIAL

But simply making early career opportunities available to young professionals isn't enough — we also want to provide equitable access to these opportunities. That's why, in 2021, Texas Capital Bank launched an American Bankers Association Commercial Lending Certificate program for HBCUs.

Many HBCUs lack a dedicated school of banking, widening the opportunity gap and limiting the number of early career and educational opportunities available to students. Our program began with Prairie View A&M University in Prairie View, Texas, and, in 2022, expanded to Huston-Tillotson University in Austin. Currently, Prairie View A&M University will have 25 students in summer 2023.

*“As Texas Capital Bank solidifies its commitment to diversity, equity and inclusion, it is a privilege to be a part of building and maintaining a culture centered around belonging.”*

— Beth Hopkins

*HR Business Partner & Head of DEI*



In August 2022, our Commercial Lending Certificate program also expanded to UNT-Dallas, an HSI. Our pilot program began with 21 students and includes quarterly engagements on campus, including visits from our recruiting team to help with resumes and job interviews.



In fall 2021, in partnership with the Texas Bankers Association and other banks, we helped launch the Future Bankers Leadership Program (FBLP) at Texas Southern University. This first-of-its-kind program introduces students to the banking industry through a formal curriculum and interaction with executive and industry mentors; it also offers paid banking internships. By the end of 2022, there were 15 students in the Texas Southern University program.

Texas Capital Bank also provides guidance to the program through a dedicated executive sponsor who serves on the Advisory Committee. This partnership includes an opportunity for a paid internship at Texas Capital Bank for students in the program. In June 2022, the FBLP recorded a 100 percent pass rate for students for the second consecutive semester.

“As Texas Capital Bank solidifies its commitment to diversity, equity and inclusion, it is a privilege to be a part of building and maintaining a culture centered around belonging,” said Beth Hopkins, HR Business

Partner & Head of DEI. “We are proud of the work we have put forth thus far and look forward to continuing the momentum for even greater success in the future.”

*“We strive to be the employer of choice. We endeavor to provide a great employee experience while promoting a high performing environment to best serve our clients.”*

— Shannon Jurecka  
Chief Human Resources Officer



SOCIAL





## INVESTING IN OUR PEOPLE

As we strive to be the employer of choice in Texas, we remain committed to providing our employees with the information and guidance they need to find professional success. We want to empower them to take charge of their careers, engage with their managers about development opportunities and gain the experience needed to grow at Texas Capital Bank and beyond.

To foster career growth, we've created Success Profiles that provide insight into the knowledge, competencies, experience and personal attributes needed to excel in every role here. These profiles equip employees with information not only to advance their careers but also to learn more about other roles and paths within the company.

Our Success Profiles are also integrated with our TCBI Leadership Model, a framework designed to integrate the organization's core values with targeted behaviors to ensure we're doing the right things and developing core capabilities. The model consists of four distinct categories: client obsession, driving, partnering and achieving. Each category has four sets of behaviors and actions, and is segmented by four levels of leadership: leading self, leading others, leading leaders and leading the business.

As employees continue their careers at Texas Capital Bank, we also provide additional managerial development training.

"At Texas Capital Bank, we believe in equipping our employees with the best training and resources needed to succeed in their careers," said Marci MacKay, Director of Talent Management. "We have a robust early career program, which empowers our talent to grow their careers and achieve the level of success to which they aspire. We are proud of the work we have done to recruit, retain and train diverse talent, and look forward to the continued growth of this program."



# Celebrating Diversity

In 2022, we continued to create space for ongoing learning through cultural celebrations and employee engagement. We enhanced our communication internally and externally to highlight the stories and experiences of diverse leaders from across the firm.

We also provided employees with the opportunity to join five employee resource groups:



**Emerging Professionals** supports the growth of emerging professionals by creating opportunities for leaders to build meaningful relationships across markets and age groups. In 2022, Emerging Professionals partnered with local nonprofits to promote financial literacy, Junior Achievement Days and a networking event and workshop for Texas Capital Bank employees.



**Veterans & Employees Together (VET)** supports veterans rejoining the workplace and helps grow relationships within our communities. In 2022, VET hosted volunteer events across our markets, including Carry the Load, Flags for Fallen Vets, Lace Up America and more.



**Professionals Respecting Others' Unique Differences (PROUD)** cultivates an inclusive environment that supports and encourages LGBTQ and allies to advance their professional skills and leadership abilities through connection, mentorship, dialogue and bringing their authentic selves to work. In 2022, PROUD celebrated Pride month by volunteering at the Elevate North Texas Youth Shelter. Our volunteers assembled more than 100 essential kits for homeless youth and young adults across North Texas.



**Multi-Ethnic Resource Group (MERG)** serves all employees by celebrating, uplifting and prioritizing the importance of diversity and inclusion across all ethnicities, both within the bank and in our communities. In 2022, MERG hosted an event where employees from different backgrounds discussed various topics, from race to intersectionality, resulting in recognition of their similarities regardless of race and/or ethnicity.



**Women of TCB** fosters an inclusive environment that supports and encourages women to advance their professional skills and leadership abilities through connection, mentorship and dialogue. In 2022, Women of TCB sponsored the Bold Idea Coding Club, where volunteers worked weekly with at-risk elementary students to teach coding skills and develop websites. Additionally, Women of TCB sponsored several events for Women's History Month, including the celebration of International Women's Day, and closed the year with several events supporting Breast Cancer Awareness Month. Women of TCB also celebrated Nancy McDonnell, Head of Treasury Solutions, who was named a *Dallas Business Journal* 2022 Women in Business Honoree.



# Committing to Employee Health, Wellness & Safety

Our policy is to provide a safe and healthy workplace for all employees, and in 2022, we continued to offer employee support to address work, life, financial and health-related issues.

We focused on programs and benefits to ease challenges and address medical and other support needs of those directly impacted by COVID-19. We also took significant measures to provide employees with a sense of safety, security and certainty in response to the COVID-19 pandemic. To protect the health and safety of employees and clients, we established social distancing and hygiene and environmental safety protocols for on-site workers at our banking centers and offices. We also provided free COVID-19 testing for employees enrolled in our medical coverage. In addition, we developed tracking and reporting solutions to monitor employee circumstances related to the COVID-19 pandemic.

To further promote overall health and wellness and as part of our regular benefits package, we provide employees with access to:

		
<p><b>VITALITY</b></p> <p>Vitality is an engagement platform that rewards and encourages efforts to improve or maintain a healthy lifestyle. All activities are designed to empower employees with the tools necessary to reach their optimal health, and employees earn redeemable Vitality Points by participating in health-related activities that can be tracked and measured. Employees who earn Vitality Points are eligible to receive an extra Employer contribution to their Health Savings Account.</p>	<p><b>GINGER</b></p> <p>Ginger is an emotional support program that helps manage individual and family total health. Ginger provides access to on-demand, confidential mental healthcare through coaching via text-based chats, self-guided activities and video-based therapy and psychiatry – all from the privacy of a smartphone. Employees also have access to four therapy sessions and the Ginger for Teens program.</p>	<p><b>REAL APPEAL</b></p> <p>Real Appeal is an online weight loss program that is available to employees and eligible family members at no additional cost through their health benefits plan. By enrolling in Real Appeal, employees can access a Transformation Coach who leads online group sessions, online tools to track food and activity, and a Success Kit with recipes, scales and more delivered to their door.</p>

# Employer of Choice

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We've invested in giving employees opportunities to develop and grow throughout their careers. But we know that it's not just our professional lives that matter. That's why we've curated a suite of non-salary benefits that promote strong work-life harmony and give employees the space to invest in what matters most to them.

In 2022, we offered a paid time-off policy based on years of service, alongside paid bereavement leave, federal holidays and additional floating holidays. We also extended our time off for parental bonding, including maternity, paternity and adoption leave. Birth moms can receive up to 16 weeks full pay when combined with short term disability.

Giving back to our communities is part of our DNA at Texas Capital Bank, which is why we're proud to provide employees with generous volunteer time, separate from their PTO. This gives them the opportunity to invest in causes they're passionate about during working hours.

Beyond our PTO and leave policies, employees receive other benefits to support their quality of life away from the office. They're eligible for LifeMart, a member savings platform that provides employee access to discounted products and services around education, financial wellness, legal matters and other everyday responsibilities.

Additionally, our employees have access to an employee stock purchase plan, as well as our premium consumer checking and savings account products. When direct deposit is set up, these checking and saving products are available at no cost.

SOCIAL







SOCIAL



## Training Our People

As our company has grown, we've scaled our training and learning opportunities and elevated the methods used to deliver them. In 2022, employees completed a record number of training hours across our different programs, from our Analyst Learning program to our Operations Learning program.

In 2022, the Learning Experience team also partnered with our compliance team to refine the regulatory and corporate compliance learning program, and more effectively deliver online compliance courses to both new hires and tenured employees.





# Community Impact

Texas Capital Bank's community development program exists to remove barriers that stand in the way of communities becoming healthy, resilient and prosperous. Giving back has always been a core part of who we are at Texas Capital Bank. We're committed to implementing progressive initiatives that support a better tomorrow for both our employees and the communities we serve.

We invest in the people and places we serve through our Community Impact Program, which is supported by three key pillars:

## Live.

Basic needs to support quality of life

## Learn.

Educational opportunities for a lifetime of success

## Lift.

Supportive services for individuals, small businesses and veterans



**413**  
multifamily units created



**9,373**  
volunteer hours



**135**  
nonprofit boards served



**50**  
new jobs created

\$3 million  
in philanthropy

We envision communities where all families have access to a great quality of life, an education that will prepare them to succeed and the support they need to thrive. Through financial education initiatives, community impact grants, community reinvestment and disaster recovery efforts, we're committed to putting our values into action far beyond our own walls.

In 2022, we continued our robust commitment to community development. Through \$3 million in philanthropy, we served more than 100 nonprofits across Texas Capital Bank's markets in Texas.

**EMPOWERING THE COMMUNITIES WE SERVE**

Giving back has always been part of who we are — that's why we're proud to announce the launch of the Texas Capital Bank Foundation. By investing our time, attention, and financial resources, we believe we can inspire hope and create lasting change. From philanthropy to volunteer service to financial wellness, we are committed to serving our communities and helping them thrive. We're honored and excited as we embark on our most ambitious giving year yet.

SOCIAL



Growing  
greatness.

*That's our bank statement.*



**Texas Capital Bank**  
FOUNDATION

LIVE | LEARN | LIFT





## *Community Development Lending*

Small businesses are the cornerstone of Texas, and minority business owners are a vital part of our state's success. In 2022, we took steps to further drive small business development and better respond to the needs of small businesses in the communities we serve.

Our new business banking function has CRA goals to bank minority- and women-owned businesses in low- and moderate-income communities. In 2022, Texas Capital Bank sought to launch two new products for small businesses: the Small Business Banking Account and the SBA Express Lending product, which went live in Q1 2023. We have set a goal to have business bankers in our branches serving businesses with loans less than \$5 million, as well as a new team for loans from \$5 to \$25 million. 2022 marked a concerted effort to better serve small business owners with products and services, and our goal is to continue to expand our capabilities.

### **COMMUNITY DEVELOPMENT LENDING HIGHLIGHTS**

- **JEFFERSON WATERS CREEK** \ \ Located just north of Dallas, Jefferson Waters Creek is a new multifamily development where 51 percent of units will be at 80 percent Area Median Income (AMI), providing access for low- and moderate-income renters to obtain affordable housing in an upscale property. The units boast upgraded finishes, a resort-style pool, fitness center, pickleball court and more.
- **WINDSOR VILLAGE** \ \ Located in rapidly gentrifying East Austin, Windsor Village is a new mixed-use development that will include multifamily and retail. The ground floor includes a restaurant and coffee shop currently, with more retail space becoming available upon completion. Ten percent of these units will be classified as affordable under Austin S.M.A.R.T. housing, which is 60 percent Area Median Income (AMI) or less.
- **HOMEBUILDER FINANCE** \ \ Texas Capital Bank provided homebuilder finance for small volume homebuilders (less than 25 units per year) with a goal to fund small homebuilders who may struggle with obtaining traditional financing — particularly minority- and women-owned builders. The first deal closed in January 2023, and with this funding from Texas Capital Bank, these small homebuilders have access to deals and more ability to grow and scale their businesses.

## OUR APPROACH TO LENDING

Community Development Lending has at least one of four purposes:

- Affordable Housing
- Small Business/Economic Development
- Community Services
- Revitalization/Stabilization

**\$349M**  
IN COMMUNITY  
DEVELOPMENT  
LENDING

**\$10.49B**  
IN SMALL BUSINESS LENDING  
resulting in 48,761 small business loans

**\$10M** IN IMPACT INVESTING into equity funds for real estate development, small business, public welfare and minority depository institutions

## Community Investing

### COMMUNITY DEVELOPMENT INVESTMENT HIGHLIGHT: A New Partnership with Lendistry

In 2022, Texas Capital Community Development Corporation provided \$5 million in funding to Lendistry,, a minority-founded and led FinTech CDFI, to seed its expansion into Texas. Lendistry is also the only Black-led lender to receive the Small Business Lending Company License from the SBA (Small Business Administration). The Los Angeles-based company now has offices in Dallas and Austin.

Lendistry focuses not only on providing small loans for small businesses but also delivering the technical assistance they need to thrive. For small businesses that aren't yet "bankable," Lendistry issues a small loan with flexible credit requirements and offers help with financial documents and business planning. Through Lendistry, our goal is to serve small-, minority- and women-owned businesses at every stage in their lifecycle as they grow and scale.

We announced our new partnership in August 2022 at the Dallas Entrepreneur Center's Startup Week, the largest gathering of entrepreneurs and small businesses in North Texas. Texas Capital Bank had a table in "Startup Alley," and led a feature session about capital funding for small businesses. The panel included Effie Dennison, Head of Community Development and Corporate Responsibility at Texas Capital Bank; Janet Perez Shensky, SVP of Strategic Partnerships at Lendistry; and Tarsha Hearn, Senior Director at The DEC Network.

### INVESTING IN MINORITY DEPOSITORY INSTITUTIONS

We're committed to working with minority depository institutions (MDIs), defined as a federally insured depository institution for which 51 percent or more of the voting stock is owned by minority individuals; or a majority of the board of directors is minority and the community that the institution serves is predominantly minority. In 2022, we continued to uphold this promise. We now work with 13 MDI partners nationwide. In 2022 we established a \$5 million deposit relationship with OneUnited Bank, the nation's largest Black-owned bank.



*Beyond launching the foundation, we had a major impact through our investments and engagement in the communities we serve.*



**Junior Achievement Finance Park** \ \ San Antonio

Junior Achievement Finance Park is an innovative program that addresses the need for at-risk youth to understand and master effective money management and personal finance. Through a \$10,000 donation and 160 volunteer hours, Texas Capital Bank helped expand this essential financial education for 4,350 students from South Texas middle and high schools. With the guidance and inspiration from JA volunteer mentors, students set financial goals and learn more about what it takes to navigate today's complex economy.



**Prosper West** \ \ San Antonio

In 2022, Texas Capital Bank sponsored Prosper West's Roundtable Accelerator, an intensive four-month program designed to assist a cohort of Westside small businesses. Upon completion of the program, businesses were eligible to receive a \$2,500 grant to use toward implementing the Roundtable recommendations. Our bankers served on Prosper West's roundtable of advisors and helped three businesses complete the program.



### West Dallas Community Fair \ \ Dallas

In March 2022, we announced expanded hours at our Trinity Groves branch in West Dallas, which is now open on Saturdays. To celebrate, we hosted a community fair at the branch, attended by our entire Operating Committee. At the fair, West Dallas nonprofits set up tables to talk with community members about their services, and our Mobile Center was on-site to offer financial literacy education. Guests could enter a raffle to go into the “cash grab” if they completed a module and visited the nonprofit tables. We also had food trucks, balloon art, face painting and a DJ, and the branch ran a special promotion on account opening.



### First Annual Nonprofit Summit \ \ Houston

In June, Texas Capital Bank hosted our First Annual 2022 Nonprofit Strategy Summit, an event designed to encourage networking and peer-to-peer thought leadership as nonprofits navigate a dynamic and unprecedented landscape. Held in Houston at Avenue Community Development Corporation, the featured topics included fundraising and cultivating new funding sources, strategic growth, planning and organization evolution. After the success of the 2022 Nonprofit Strategy Summit, similar events are being planned for all markets, with the next one to be held in Dallas.



### **Hope Farm** \ \ Fort Worth & Dallas

Leadership and mentorship nonprofit Hope Farm provides a safe place for young boys during out-of-school time. In 2022, Texas Capital Bank helped Hope Farm find a new space in South Dallas and expand from Fort Worth. Through an innovative partnership with Bold Idea, we also gave the young men the opportunity to attend a summer camp to learn coding skills as well as have exposure to career and mentorship opportunities. “Our boys thoroughly enjoyed the new learning experience,” said Hope Farm Executive Director Sacher Dawson. “Some of the experiences that they talked about were real-world applications, hands-on learning and how creative the mentors made the class. I am so happy that our young men got a chance to experience this in a fun but productive manner.”



### **Texas Women’s Foundation** \ \ Dallas

We partnered with the Texas Women’s Foundation and the Dallas Federal Reserve to host a forum centered on the economic issues facing women in Texas. A 2022 study from Texas Women’s Foundation, Economic Issues for Women in Texas, found that the COVID-19 pandemic profoundly impacted Texas women and exacerbated long-term issues and inequities. At the forum, which was attended by 150 people, the study findings were shared and then followed by a Solutions Panel to discuss the report and how we can help Texas women.

### **Women’s Resource Center** \ \ Houston

The Women’s Resource Center partners with other nonprofits, community centers, schools and other agencies to deliver financial education at a convenient place and time for clients. Many of the women served in the program are living in shelters or transitional living facilities or are recovering from substance abuse or reintegrating into society following incarceration. Eighty-seven percent of clients served were low- to moderate-income, with 41 percent reporting a monthly income of less than \$600. Through a grant of \$15,000, we helped 1,576 women through the YourLife Finance Program. This six-class series teaches women to budget, save, repair credit and plan for long-term financial success. Clients leave each class with a guideline for how to implement the concepts learned in class into their everyday lives. The series is provided in both English and Spanish.





SOCIAL

*“Texas Capital Bank’s commitment to our community remains stronger than ever, and with the launch of our foundation, we are excited to expand our philanthropic giving to make the biggest impact yet. But beyond philanthropy, Texas Capital Bank is also committed to investing in our communities through affordable housing, small business and economic development.”*

— Effie Dennison  
*Head of Community Development*



**D CEO Corporate Citizen Award: Collaboration of the Year**  
**The Bottom District** \ \ Dallas

In 2021, Texas Capital Bank — in partnership with Texas Heavenly Homes, the City of Dallas and Golden S.E.E.D.S. Foundation — broke ground on the revitalization of The Bottom District. We provided financing for the project, which will create up to 400 new homes in this historically Black neighborhood, where a lack of investment and outdated infrastructure left many residents with 150-year-old plumbing and limited internet access. Along with adding streetlights and connecting streets, plumbing was overhauled, homes were removed from the flood plain and Wi-Fi access was improved to help close the digital divide. As progress continued in 2022 to help this vibrant neighborhood thrive, we received the *D CEO* Corporate Citizenship Award, in partnership with the city, for our work.

## RECOGNITION

We were also honored to receive a Leader in Financial Education (LiFE) Award from the Texas Bankers Foundation, the charitable arm of the Texas Bankers Association. LiFE Awards are given to banks that have demonstrated excellence in community involvement or have promoted financial education in their communities. Our award was in recognition of our financial literacy program – we custom-built a virtual financial literacy curriculum during the pandemic to specifically address the unique needs and financial situations brought about by COVID-19.

## VOLUNTEERING IN ACTION

We empower our employees to volunteer for causes that matter to them, and in 2022, we continued our record of strong community involvement. In each of our offices, we've established Impact Teams, or committees that coordinate volunteer projects to serve their local community. In total in 2022, our employees volunteered for 7,600 hours in company-sponsored projects, teaching financial literacy and skills-based volunteering.

Our employees' passion for volunteering is embodied by our December 2022 Week of Caring. In one week, our statewide team dedicated more than 300 hours toward different organizations focused on impacting homelessness. These nonprofits included Austin Street Center in Dallas, Caritas in Austin, the Salvation Army in San Antonio, the Houston Food Bank and Presbyterian Night Shelter in Fort Worth.



Other volunteer events throughout the year included a STARs-led toy drive to support Vogel Alcove, an organization that supports homeless families with children.

**Austin Street Center:** In 2022, our Retail Banking division and our Community Development team partnered to support Austin Street Center, one of Dallas' largest homeless shelters, for a holiday blanket drive. Sixty volunteers dedicated 130 hours to the drive and donated more than 100 blankets. "Bringing back the human element lost during the pandemic of caring for one another was humbling, knowing we were able to affect the lives of others needing blankets to keep warm during these winter months," said Shannon Moore, VP Banking Center Manager. "Helping one another is the greatest act of service."








SOCIAL





| GOVERNANCE





How we steward ourselves is a reflection to all those around us.

Strong corporate governance practices support our overall effectiveness and enable us to manage our business and maintain our integrity in the marketplace. We believe strong governance is essential and constructive at all levels, from the board of directors to executive management and throughout our company.

#### BACKGROUND

As the bank has transformed this year, so has the Learning Experience team. We have expanded our offerings and elevated the methods utilized to deliver and scale as our company has grown. In our effort to build a learning culture, we've encouraged a self-driven approach and have observed 65 percent of our employees accessing our portal for independent learning activities.

*Strong governance policies are essential to maintaining the trust of our customers, partners, associates and communities.*



## Ongoing Education

#### LEARNING CATEGORIES

- Regulatory
- Corporate
- Leadership
- Board Governance





### **Compliance Learning Program**

\\ Every year, all Texas Capital Bank employees complete mandatory compliance training so that every employee at every level of the organization has a knowledge of all the federal regulations that govern banks and protect consumers.



### **Sales Learning Programs**

\\ To support our frontline sales teams, we established regular learning routines to provide content not only on our tools but also on evolving processes. Frontline employees attend internally hosted conference events where they learn about new tools, technologies and functionalities that equip them to better serve their clients.



### **Intern and Analyst Learning Programs**

\\ During 2022, analysts and interns split their focus between product training in the classroom and hands-on experience with our lines of business. The 2022 Analyst Learning program increased the number of hours spent in person with instructors, as well as expanded its curriculum around relevant industry expertise and the development of leadership skills.



### **Succession Planning**

\\ This has been a major theme as part of our strategic review. We've delved deeper into the organization than ever before, and we've paired succession planning practices with updates to our performance management process. We saw a need for strong accountability frameworks and met it with new systems and a focus on need-based hiring. The result will give us more long-term resilience throughout the organization.



### **Leadership Development Program**

\\ Topics supporting our leaders' growth were offered monthly, delivered via virtual instructor-led training and recorded for asynchronous learning.



### **Operations Learning Program**

\\ Our operations teams received job-specific content to ensure success and consistency in both new and tenured roles.



### **Leadership Training**

\\ Every year, the Texas Capital Bank board of directors completes a training program that covers various governance topics, including regulatory compliance.

# Privacy & Data Security



## *A Focus on Cybersecurity*

In the past year, we've continued to develop and deploy best-in-class security controls and processes. These included network detection and response, data security, secure logins, establishment of an insider risk program and the continued evolution of third-party cybersecurity protocols and processes. Improvements like this contribute to our ability to protect employees, clients and third-party partners. Additionally, we're continuing to enhance our capability to address cyber threats – a growing, industry-wide risk that is ever evolving. We've bolstered our security operations by expanding the cyber intelligence team and other detection and prevention capabilities. We're now better positioned to protect client funds, take down impersonating websites and provide peace of mind while reinforcing the trust of employees and clients.

In addition, we've rolled out a large-scale Cyber Education and Awareness program that includes new phish testing, educational videos, improved cybersecurity training and multiple cybersecurity presentations from the FBI. This highlights the strong partnership we maintain with law enforcement and our clients in each market to educate and highlight how cyber threats may affect them – and what we can do to protect them and combat these threats.



**“A” Rating  
in Cybersecurity From  
SecurityScorecard**

### **PRIVACY NOTICE**

Our privacy notice details our privacy and security practices regarding our relationship with clients, including how we share their information. This notice does not apply to business or commercial customers.

### **ONLINE PRIVACY POLICY**

The Online Privacy Policy explains the collection, use, sharing and protection of data and information that we gather when clients use our website and mobile applications.



Ronald Banks  
*Chief Information Security Officer*

## **KNOW YOUR CUSTOMER**

Texas Capital Bank is committed to establishing high standards for regulatory compliance and the protection of its clients. Our Know Your Customer (KYC) program is a critical component of these safeguards and is designed to help the government fight the funding of terrorism and money laundering activities. Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

**Know Your Customer (KYC):**  
The due diligence process financial institutions complete to identify and verify a prospective client's identity when they open an account. This helps prevent fraud and supports data privacy protections.

## **INTERNAL AUDIT**

The vision of the Internal Audit Department is to be a high-performing entity that meets the expectations of our stakeholders and adheres to The Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and the attributes of high performance recognized by leading internal audit activities. This will enable the Internal Audit Department to be a business partner and a trusted advisor, recognized as a driving force behind a culture of governance, accountability, compliance and execution that helps in the achievement of the organization's objectives. Our vision is excellence in fulfilling our responsibilities to our customers and to our profession.

The mission of the Internal Audit Department is to enhance and protect the bank's value by providing risk-based and objective assurance, advice and insight. To achieve our mission, Internal Audit has been created to be an independent, objective assurance and consulting activity designed to add value and improve the Bank's operations. Further, Internal Audit helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, control and compliance processes. The Internal Audit function is established by the board of directors and the function's responsibilities are defined by the Audit Committee as part of their oversight role.



# Appendix

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (“SASB”)-ALIGNED INDEX

The tables below are based on the SASB criteria for the Financial Sector most relevant to Texas Capital Bancshares, Inc., and its subsidiaries’ (collectively “TCBI”) core business, Commercial Banks. As TCBI’s business lines and overall environmental social, and governance disclosure practices evolve, this index and the relevant disclosures may change over time. We have provided information for our fiscal year ended December 31, 2022, or as of that date as applicable, unless otherwise noted. Certain information is not disclosed because the information: (i) is not considered material or is privileged/confidential, (ii) could result in a competitive disadvantage if publicly disseminated, and/or (iii) is not currently collected in a manner consistent with the SASB metric.

All disclosures are based on Version 2018-10 of the SASB standards.

### Data Security

Topic	SASB Code	Metric	Response
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	<p>Any material cybersecurity incidents would be reported in the 2022 Annual Report. See: Form 10-K Annual Report for 2022, Item 1, Privacy and Data Security, p. 10.</p> <p>Please see responses to FN-CB-230a.2 for more information about TCBI’s approach to information security risk management.</p>
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	<p>TCBI’s Information Security team is responsible for data security with overall oversight occurring at the executive level and board level via the Risk Committee, which formally monitors information technology and cybersecurity. TCBI’s information security professionals conduct active monitoring of our networks to identify and remediate malicious events. The Information Security team reviews our systems and the operating environment frequently, including on a monthly and annual basis. Third-party providers provide regular benchmarking and stress-testing of our systems and program. All TCBI employees and service providers are subject to our information security policies, including requirements for mandatory training at least annually.</p> <p>See: Form 10-K Annual Report for 2022, Item 1A, p. 21-22.</p>

## Financial Inclusion and Capacity Building

Topic	SASB Code	Metric	Response
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	<p>Small Business Lending: 2022: \$10.49 billion 2021: \$2.39 billion</p> <p>Community Development Lending: 2022: \$349 million 2021: \$342.5 million</p> <p>For more information on our small business and community lending activities, please refer to our 2022 CSR report and Our Values in Action report.</p>
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	<p>Not disclosed.</p> <p>See: Form 10-K Annual Report for 2022, Item 7, Non-Performing Assets, p. 43 for general information.</p>
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	<p>Not disclosed.</p> <p>TCBI's customer base is primarily commercial in nature. However, we offer FDIC-insured consumer savings accounts with no minimum monthly balance and no monthly account fees. We do not currently report on the number of customer accounts or report on the categorization between unbanked and underbanked customers.</p>
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	<p>Not disclosed.</p> <p>For more information on our philanthropic activities, please refer to Our Values in Action report.</p>

## Incorporation of ESG Factors in Credit Analysis

Topic	SASB Code	Metric	Response
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure by industry	See: Form 10-K Annual Report for 2022, Item 7, Portfolio Concentrations, p. 39-41.
	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	<p>During 2021, TCBI incorporated Environmental, Social and Governance considerations into a policy statement. The statement sets forth expectations that as part of TCBI's "Know Your Customer" program and due diligence efforts, it will consider potential environmental, social and governance risk factors, including those related to our Enhanced Due Diligence industry list, which covers a range of high-risk industries.</p>

**Business Ethics**

Topic	SASB Code	Metric	Response
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations	See: Form 10-K Annual Report for 2022, Item 3, Legal Proceedings, p. 29.  We do not currently expect the disposition of any relevant matters to have a material adverse impact on TCBI's financial statements or results of operations.
	FN-CB-510a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	During 2021, TCBI incorporated Environmental, Social and Governance considerations into a policy statement. The statement sets forth expectations that as part of TCBI's "Know Your Customer" program and due diligence efforts, it will consider potential environmental, social and governance risk factors, including those related to our Enhanced Due Diligence industry list, which covers a range of high-risk industries.

**Systematic Risk Management**

Topic	SASB Code	Metric	Response
Systematic Risk Management	FN-CB-550a.1	Globally Systematically Important Bank (G-SIB) score, by category	Not applicable.  Texas Capital Bank is not currently considered a Global Systematically Important Bank and does not have a score to report.
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	See: Form 10-K Annual Report for 2022, Item 1, Regulation and Supervision, p. 6-13.



**Table 2. Activity Metrics**

Topic	SASB Code	Metric	Response
Activity Metrics	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	TCBI does not generally report account data by segment, and its customer base is primarily commercial in nature.  Please see: Form 10-K Annual Report for 2022, Item 7, Deposits, p. 44-45 for general information.
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	TCBI does not generally report loan data by segment, and its customer base is primarily commercial in nature.  See: Form 10-K Annual Report for 2022, Item 7, Portfolio Concentrations, p. 39-41.



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## About Texas Capital Bank

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

Investment Banking activities referenced herein are performed by TCBI Securities, Inc., doing business as Texas Capital Securities. TCBI Securities, Inc., is a member of FINRA and SIPC and has registered with the SEC and other state securities regulators as a broker/dealer. TCBI Securities, Inc., is a subsidiary of Texas Capital Bank. Texas Capital Bancshares, Inc., is the parent company of Texas Capital Bank. Securities and other investment products offered by TCBI Securities, Inc., are not FDIC insured, may lose value and are not bank guaranteed.

For more information, please visit our website  
[www.texascapitalbank.com](http://www.texascapitalbank.com)