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**TEXAS CAPITAL BANCSHARES TO SERVE AS ADVISOR TO
NEW \$200 MILLION BANKCAP PARTNERS FUND I**

New TCB Banking Solutions subsidiary will support Fund's portfolio companies

DALLAS (Jan.12, 2006) -- Texas Capital Bancshares, Inc.(NASDAQ: TCBI) today announced it has forged a strategic relationship as the advisor to a newly created private equity fund, BankCap Partners Fund I. The Fund managers are seeking commitments of \$200 million in capital to be invested primarily in newly chartered banks established by the Fund. As the advisor, TCBI will provide BankCap Partners with access to resources, relationships, and intellectual capital during the formation period and collaborate with them on investment opportunities.

In a related move, TCBI launched a subsidiary, TCB Banking Solutions that will provide a complete array of services and products to facilitate the startup and management of BankCap Partners *de novo* banks. These services include consulting and products related to back office operations, credit policy, financial management, asset/liability management, and human resources to the Fund's portfolio of banks. TCB Banking Solutions' proven services and products will enable these banks to accelerate development, growth and profitability. Texas Capital Bank created these services and products to address the banking needs of middle-market businesses and affluent individuals in Texas' major metropolitan markets. The services and infrastructure developed by Texas Capital Bank enabled it to grow organically in seven years from a newly chartered bank to \$3.0 billion in assets.

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Texas Capital Bancshares Becomes Advisor to Fund/2

BankCap Partners will follow a similar strategy in its targeted markets and will become a registered bank holding company at such time as it acquires a controlling position in a bank.

“We believe our relationship with BankCap Partners and the extent of the services and products provided to its banks will be unique in the banking industry and in keeping with our entrepreneurial spirit,” said Jody Grant, chairman and chief executive officer of Texas Capital Bancshares. “We believe we can help BankCap Partners replicate Texas Capital Bank’s success in other markets, thereby enhancing the total return to its partners and to our shareholders.”

Additionally, TCBI has recruited investment banking veteran James H. (Jim) Graves to lead a second subsidiary, TCB Investors, which will provide financial advisory services to the Fund and its portfolio companies. Graves is a Partner of Erwin, Graves & Associates, LP, a management consulting firm, and Vice Chairman of Detwiler, Mitchell & Co, a securities research firm. He has more than 30 years’ experience with firms such as Citibank, Dean Witter and J.C. Bradford & Co.

TCBI and its shareholders will benefit from this innovative approach through fund management and other fees, paid to both TCB Banking Solutions and TCB Investors and shared profits from successful investments made by BankCap.

According to Graves, this advisory role reinforces TCBI’s banking innovation and leadership. “TCBI has invested heavily in developing the products, processes and competencies critical to running a world-class middle-market commercial bank. Our strategy is to leverage the investments and the expertise of Texas Capital to accelerate the profitability of the newly formed banks and help them achieve their full potential.”

Grant and Graves will join the Fund’s board of directors, which also includes William (Bill) Isaac, former chairman of the FDIC, as well as Brian Jones and Scott Reed, principals with BankCap Partners.

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Texas Capital Bancshares Becomes Advisor to Fund/3

About Texas Capital Bancshares

Texas Capital Bancshares (Nasdaq: TCBI), a member of the Russell 2000™ Index, is the parent company of Texas Capital Bank, a commercial bank that delivers highly personalized financial services to businesses and private clients. Headquartered in Dallas, the bank has full-service locations in Austin, Dallas, Fort Worth, Houston and San Antonio.

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