



HISTORIC PAST

# 2025

ANNUAL REPORT

STRATEGIC FUTURE




**CBTx**  
 Commercial Bank of Texas, N.A.<sup>®</sup>  
 NACOGDOCHES COMMERCIAL  
 BANCSHARES, INC.



# FROM THE CHAIRMAN

Commercial Bank of Texas had a record year. It is an honor to represent your Board of Directors and to affirm their diligence and strong support of management. This report speaks for itself. Our bank exists to serve our community, a role that has become increasingly distinctive over time. With a clear plan for the future and deep respect for our 125-year history in Texas banking, we remain committed to the principles that have guided us from the beginning.

The bank operates with intentional efficiency and productivity, supported by modern technology

and well-designed processes. This success reflects the commitment of a talented group of people who care deeply about their work, our community, and your investment in CBTx.



With sincere appreciation,



Steve Muckleroy  
Chairman of the Board

## OUR CULTURE INFORMS OUR FUTURE

Meeting the needs of the communities we serve everyday while staying true to our core values and commitment to customer service ensures the continued success of Banking Texas Style for years to come!

### **CBTx Vision:**

Be the premier community-focused financial services organization... right products, right people, right reasons.

### **CBTx Mission:**

Be intensely focused on customer satisfaction, personnel development, community service, and shareholder value.

### **CBTx Core Values:**

HIR<sup>2</sup>E people to join our family environment based on our core values of HONESTY, INITIATIVE, RELIABILITY, RESPONSIVENESS, and ENGAGEMENT.

### **CBTx Philosophy:**

Focus on profitability targets, revenue per employee, return on equity, and increasing shareholder value.



"Absolutely love working with this bank. Every employee I've ever dealt with has been kind, courteous and helpful."  
— Nathan G.



"Great local bank. We love doing business with friendly local people who support local businesses. Thank you CBTx for being our bank."  
— Brenda H.



"This is a different kind of bank. I love the vision they have for customer service."  
— Chris K.



"I can't say enough about the level of service. They have a small town feel, treat me like family and know my name."  
— Barnabus D.



## RETIRING DIRECTOR

CBTx would like to thank William (Billy) M. Elliott, Jr. for his 13 years of service (2013-2026). During his tenure the bank doubled our branch locations and tripled in asset size. His leadership was instrumental in those accomplishments. We wish him the best in his retirement from the Board of Directors.

# TO OUR SHAREHOLDERS

We are pleased to report 2025 was a record year for the Company. Net income for 2025 was \$23.2 million, up from \$19.1 million in 2024. This net income represented earnings of \$25.21 per share. Net interest income drove this performance as loans and investments both outperformed the prior year. Management also restructured some investments and took some bond losses that were replaced with higher yielding bonds. This not only increased interest income, but it also helped reduce our unrealized loss in the investment portfolio.

The bank grew by \$145 million during 2025 with total deposits \$112 million higher than the prior year. Loan demand was strong throughout the year. Total net loans closed the year \$109 million higher than 2024. New loans were spread across our entire footprint. Past due loans ended the year at .32% and classified loans remained low.

Management continued to add to our reserve for loan losses based on loan growth. Loan quality metrics continue to be very favorable. Given the size of the loan portfolio, management established an Internal Loan Review department lodged within our Internal Audit department for independence.

The above performance, along with some purchase of treasury stock, resulted in a book value of \$176.25 per common share, a \$36.07 increase from 2024. Tangible shareholders' equity ended the year strong at 10.13%. Return on equity for the year was 15.60%, while return on assets was 1.48%, both strong results.

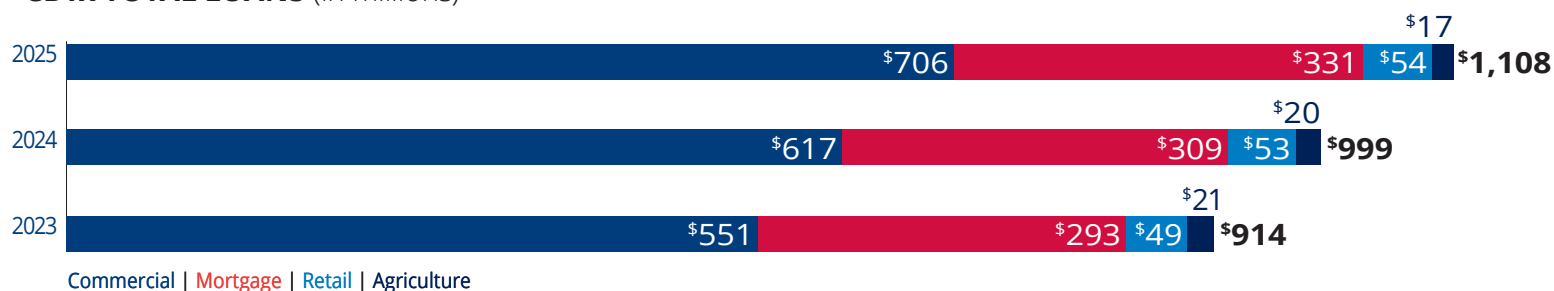
During 2025 we continued work on our initiative in the North Market and are pleased with our progress. Reduced regulatory burden benefited the Bank in 2025 and should benefit us going

## FINANCIAL INFORMATION AT A GLANCE As of December 31, 2025

### TOTAL DEPOSITS (in millions)



### CBTx TOTAL LOANS (in millions)



### COMPANY NET INCOME (in thousands)



forward. The regulatory agencies indicated a change in focus from compliance to safety and soundness in their oversight.

With an eye toward the future, the bank expanded its leadership team and we committed resources to study and, ultimately, deploy AI and automation in our daily operations to gain efficiencies. We also began to formulate a strategy for incorporating Stablecoin and digitized assets into our everyday operations. Over the past 125 years the Bank has adapted as technologies advanced. We will continue to utilize technology and adapt our operations to compete in the coming years.

Sincerely,



*Raymond H. Rust III*

Raymond H. "Rusty" Rust III  
President & CEO



*Jim Denman*

Jim Denman  
Executive VP, CFO & COO

## Thank you for Banking Texas Style.

### SUMMARY OF SELECTED FINANCIAL HIGHLIGHTS (Dollars in thousands, except per share data)

FOR TWELVE MONTHS	12/31/2025	12/31/2024	12/31/2023
<b>Net interest income</b>	\$ 60,632	49,803	44,121
Provision for loan losses	2,000	1,000	800
Other operating income	15,378	15,673	14,073
Other operating expense	44,971	40,649	37,547
Income from operations	\$ 29,039	23,827	19,847
Federal income tax	5,832	4,707	3,867
Net income	\$ 23,208	19,119	15,980

#### Per Common Share

Net income	\$ 25.21	20.71	17.13
Book value	\$ 176.25	140.18	122.68
Dividends declared	\$ 1.20	5.12	1.09
Common shares outstanding at end of year	920,731	923,306	933,090

#### At December 31

Earning assets	\$ 1,505,015	1,316,980	1,172,401
Loans, net of unearned discounts & overdrafts	\$ 1,109,733	997,283	912,545
Investment securities	\$ 366,991	336,183	376,430

#### Average for Period

Average assets	\$ 1,568,691	1,425,324	1,310,541
Average deposits	\$ 1,416,091	1,297,141	1,206,140
Average common shareholders' equity	\$ 148,748	125,899	102,659

#### Financial Ratios (Annualized)

	(%)	(%)	(%)
Return on average total assets	1.48	1.34	1.22
Return on average total tangible assets	1.48	1.34	1.22
Return on average common shareholders' equity	15.60	15.19	15.57
Return on average common tangible shareholders' equity	16.00	15.66	16.22
Tangible shareholders' equity to total assets	10.13	8.84	8.44

# COMMUNITY LEADERSHIP

CBTx proudly invested \$653,750.95 back into the communities we serve through sponsorships, donations and charitable contributions in 2025. We also donate thousands of volunteer hours each year. Leadership roles include:

## ANGELINA MARKET

**Michelle Briley:** Impact Lufkin Secretary; Junior League of Lufkin Sustaining Member; Angelina County Child Welfare Board Vice President; Leadership Tomorrow Co-Chair; United Way of Angelina County Board Chairman; Lufkin/Angelina Chamber of Commerce Diplomat

**Chris Caraway:** United of Angelina County Vice President; Angelina County Senior Citizens Center Board Member; Angelina County Fair Board Member

**Tammy Conner:** Beulah Community Center Board Member

**Brian Cyr:** Crown Colony Country Club Board Member; Lions Club Board Member; Lions Club Rodeo Lieutenant

**Christopher Gaw:** Lufkin/Angelina County Chamber of Commerce Board Chairman

**Jessica Hawkins:** Anderson County Blankets and Bears Board President; Texas Area Fund Foundation Board Member; Disabled Veterans Auxiliary; Lions Club Member; Community MPact Volunteer

**Stacy Pardue:** Palestine Junior Service League Treasurer

**Jonathon Pinner:** Pineywoods Association of Realtors Board Affiliate Advisory Member; Salvation Army Board Co-Chair

**Dollinda Toole:** Rotary Member; Rotary Board Member (Membership); Chamber Ambassador; Volunteer for Community MPACT; United Way Board Treasurer; Restoring Palestine Treasurer

**Martha Tyer:** Palestine Chamber of Commerce Ambassador; Harvey Women's Club Member; Elkhart Area Lions Club President

**Debbie Wach:** Downtown Rotary Club of Palestine Board Member; Blankets & Bears Treasurer; Palestine Economic Development Corporation Board Member; Palestine Library Memorial Board Member; Harvey Women's Club Member; UT Tyler Development Council

**Michelle Willeford:** Palestine Lions Club Board Member and Marketing Chairperson

## NACOGDOCHES MARKET

**Charlotte Ashcraft:** SFASU Alumni Association Board Member and Past President; Nacogdoches Treatment Center President; Community Rx Board Member and Past President; Nacogdoches County Historical Foundation Board Secretary; Leadership Nacogdoches Co-Chair; Christ Episcopal Church Vestry Member

**Necole Blair:** Nacogdoches Junior Forum Treasurer; Nacogdoches Salvation Army Advisory Board Member

**Scott Bowyer:** Nacogdoches Economic Development Corporation Chairman; Nacogdoches Industrial Development Authority Treasurer; City of Nacogdoches Development Corporation Vice President

**Spencer Brown:** Milam Masonic Lodge No 2 Treasurer; Bethlehem Global Methodist Church Treasurer/Worship & Lay Leader; Port Neches-Groves Masonic Lodge No 1163

Member; Tranquility Masonic Lodge No 2000 Finance Committee

**Chris Collins:** Texas Bankers Association IT & Security Forum

**Holt Davis:** Nacogdoches Area United Way Board Member

**Autumn Finchum:** Fredonia Rotary Treasurer; Goodwill Central East Texas Vice Chair; Salvation Army Nacogdoches Advisory Board Member; Nacogdoches Senior Center Dancing with the Nacogdoches Stars Committee; SFASU Alumni Association Board Member

**Juan Gonzalez:** SFA Charter School Board Member; Nacogdoches Economic Development Corporation Entrepreneurship Committee Chair; Nacogdoches Rotary Club Past President; CASA of Deep East Texas Board Member

**Cindy Griffith:** Austin Hollow Homeowners Association Secretary

**Drew Knowles:** Nacogdoches Treatment Center Board Member; Solid Foundation Board Member; Glory Gang Ministries Board Member

**Tim Leonard:** Texas Tech School of Banking Faculty Member; LSU Graduate School of Banking Board of Trustees; Texas Bankers Association Innovation Committee Member

**Jimmy Mize:** Boys & Girls Club of Deep East Texas Board Chairman; Nacogdoches Economic Development Corporation Executive Board Member; Nacogdoches Education Foundation Executive Board Member; SFASU Foundation Executive Committee Member

**Ted Morgan:** CASA of Deep East Texas Vice President/Board Member

**Carlos Palomo:** CASA of Deep East Texas Board President; Nacogdoches ISD Education Foundation Treasurer; Nacogdoches Better Together Board Treasurer; Center for Professional and Continuing Education (PACE) Advisory Board Member; Nacogdoches Jaycees Board Member

**Brigid Pitts:** McMichael Middle School PTO Treasurer; Board Member FUMC Preschool; Mosaic Church Deacon over Finance

**Rusty Rust:** Texas Bankers Association Past Chair; Nacogdoches Booster Club Past President; SFASU Real Estate Foundation Board; Nacogdoches Charitable Foundation President

**Janie Shumaker:** Mt. Hope Cemetery Board Member; Wells ISD District Improvement Committee Member

**Joe Weaver:** Nacogdoches Area United Way Board Member

**Brandi White:** Nacogdoches Crime Stoppers Board Secretary; Nacogdoches ISD 2026 Project Graduation Treasurer

**Jeff Whitfield:** Hudson Water Board Vice President

**Austin Williams:** Babe Zaharias Foundation Vice President and Treasurer; Monsignor Kelly Catholic Athletic Board Vice President; Monsignor Kelly Catholic Home and School

Board; Beaumont Chamber of Commerce Advisory Committee

**Regan Wood:** Fredonia Rotary Club Board Member

## NORTH MARKET

**Brian Dale:** Collin County Park Advisory Board Chairman; Collin County Health Advisory Board Vice Chairman; Lovejoy ISD Foundation Board Past President; City of Lucas Board of Adjustments; City of Lucas Commissioner of Planning & Zoning; City of Lucas Chairman of Capital Improvements Advisory Committee

**Hunter Evans:** McKinney Young Professionals Professional Development Chair

**Josue Lopez:** Farmersville Rotary Board Member; Farmersville Chamber Ambassador; Greenville Rotary Cotton Patch Chair

**Miles McCall:** McKinney Rotary Club Board Member and President Elect; McKinney Education Foundation Board Member; McKinney Chamber of Commerce Board Member; SFASU College of Business and Legal Studies Advisory Council; Alpha Tau Omega National Foundation Board

**Brad McGuire:** Leadership Lovejoy Member; Lovejoy Professional Network Group Member; McKinney Rotary Club Board Member; McKinney Rotary Club Flag Program Chair; Collin County Christian Prayer Breakfast Board Member; Collin County Meals on Wheels Delivery Volunteer

**Dario Navarro:** YMCA Advisory Board Member

**Monica Pate:** Farmersville Chamber Ambassador; Chi Lambda of Fannin County Treasurer

**Mihir Patel:** Allen Rotary Flag Chair; Carrollton Volleyball Group Secretary; Radha Krishna Temple Youth Financial Advisor; Erwin Farms HOA Board Committee Member

**Kristoffer Peterson:** Allen Chamber of Commerce Ambassador; Allen Chamber of Commerce Foundation Board Member

**Andrea Harvey-Rodgers:** McKinney Food Pantry Executive Board Secretary; City of McKinney Community Grants and Housing Board Commissioner Vice Chair; Serenity High Advisory Board Treasurer; Collin College School of Banking Advisory Board Member; Leadership McKinney Alumni Network Membership Chair; McKinney Chamber of Commerce Ambassador Co-Chair; McKinney Rotary Club Member

**Angela Underwood:** Fannin County Indigent Board Secretary/Treasurer

**Nicole Van Zandt:** Denton County A&M Club Activities Officer; Flower Mound Rotary Secretary; Greater Fort Worth Association of Realtors Council Member

## RAINS COUNTY MARKET

**Cody Beaver:** Rains County Emergency Services District Treasurer; Rains ISD Education Foundation Board

**Bill Thomas:** Lone Oak ISD Education Foundation Vice President of Events & Marketing; Lone Oak Youth Sports Association Treasurer; Lone Oak Superintendent's Advisory Team Member

# BOARD OF DIRECTORS



*Pictured from left to right:* **Todd A. Brown, PhD** Nacogdoches, TX Higher Education, **Karen Gregory Gantt**, **JD McKinney**, TX Legal & Asset Management, **Lance Cangelosi** Midlothian, VA Government & Logistics, **William M. Elliott, Jr.** Nacogdoches, TX Retired Wholesale Electrical, **Rusty Rust**, **JD Nacogdoches**, TX Banking & Finance, **Steve Muckleroy** Austin, TX Construction, **T. Andrew Ellison Parker**, TX Technology, **Benjamin Dee Winston** Lufkin, TX Land, Cattle & Investments, **Stephen Greak**, **CPA** Lufkin, TX Accounting & Oil Field Services, **Bud Wright** Nacogdoches, TX Agribusiness

## **NACOGDOCHES COMMERCIAL BANCSHARES, INC.**

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Commercial Bank of Texas, N.A.<sup>®</sup>

800-723-7601 ★ [www.cbtx.com](http://www.cbtx.com)

Alba | Allen | Beaumont | Bedford | Cushing | Diboll | Elkhart | Emory | Farmersville | Kennard  
Lewisville | Lufkin | McKinney | Nacogdoches | Palestine | Roxton | San Augustine | Wells