

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2020

Month / Day / Year

NA

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

I, **Raymond H. Rust III**

Name of the Holding Company Director and Official

Director/President/CEO

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Raymond H. Rust III

Signature of Holding Company Director and Official

03/29/2021

Date of Signature

Nacogdoches Commercial Bancshares, Inc.

Legal Title of Holding Company

PO Box 635050

(Mailing Address of the Holding Company) Street / P.O. Box

Nacogdoches TX 75963-5050

City

State

Zip Code

215 E Main Street

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Brigid Pitts Controller, VP

Name

Title

936.715.4111

Area Code / Phone Number / Extension

936.715.4355

Area Code / FAX Number

bpitts@cbtx.com

E-mail Address

NA

Address (URL) for the Holding Company's web page

For holding companies not registered with the SEC—

Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID _____

C.I. _____

Is confidential treatment requested for any portion of this report submission? 0=No
1=Yes 0

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report
2. a letter justifying this request has been provided separately ...

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Nacogdoches Commercial Bancshares, Inc.
FR Y-6
December 31, 2020

Report Item 1: See enclosed copy of the annual, audited report to shareholders.

Report Item 2a:

Nacogdoches Commercial Bancshares, Inc.
Nacogdoches, Texas
Incorporated in Texas
LEI – N/A

100% of voting common stock

Commercial Bank of Texas, N.A.,
Nacogdoches, Texas
LEI – N/A

Report Item 2b:

Attached

Results: A list of branches for your depository institution: **COMMERCIAL BANK OF TEXAS, N.A. (ID_RSSD: 885869)**.
This depository institution is held by **NACOGDOCHES COMMERCIAL BANCSHARES, INC. (1107595)** of **NACOGDOCHES, TX**.
The data is as of **12/31/2020**. Data reflects information that was received and processed through **01/10/2021**.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions

- OK:** If the branch information is correct, enter 'OK' in the **Data Action** column.
- Change:** If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
- Close:** If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
- Delete:** If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
- Add:** If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:

To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of **Change, Close, Delete, or Add**.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	885869	COMMERCIAL BANK OF TEXAS, N.A.	215 E. MAIN STREET	NACOGDOCHES	TX	75961	NACOGDOCHES	UNITED STATES	828	0	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	432450	ALBA BANKING CENTER	7463 US HIGHWAY 69	ALBA	TX	75410	RAINS	UNITED STATES	Not Required	Not Required	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	3656828	ALLEN BRANCH	1219 W. MCDERMOTT DRIVE	ALLEN	TX	75013	COLLIN	UNITED STATES	465569	19	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	2004477	BEDFORD BRANCH	1716 FOREST RIDGE DRIVE	BEDFORD	TX	76022	TARRANT	UNITED STATES	289695	20	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	2651871	501 N TEMPLE BRANCH	501 N TEMPLE	DIBOLL	TX	75941	ANGELINA	UNITED STATES	272299	7	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	939351	ELKHART BANKING CENTER	109 W PARKER ST	ELKHART	TX	75839	ANDERSON	UNITED STATES	Not Required	Not Required	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	371858	EMORY BRANCH	107 EAST QUITMAN STREET	EMORY	TX	75440	RAINS	UNITED STATES	Not Required	Not Required	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	743259	KENNARD BRANCH	401 MAIN STREET	KENNARD	TX	75847	HOUSTON	UNITED STATES	7112	12	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	3546433	LEWISVILLE BRANCH	201 SOUTH MILL STREET	LEWISVILLE	TX	75057	DENTON	UNITED STATES	362232	21	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	2651862	1873 W FRANK AVE BRANCH	1873 W FRANK AVE	LUFKIN	TX	75904	ANGELINA	UNITED STATES	272301	8	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	234551	LUFKIN BRANCH	600 SOUTH FIRST	LUFKIN	TX	75901	ANGELINA	UNITED STATES	2166	13	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	3351589	TULANE BRANCH	1901 TULANE DR	LUFKIN	TX	75901	ANGELINA	UNITED STATES	187997	9	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	3656837	STEPHEN F. AUSTIN STATE UNIVERSITY BRANCH	222 VISTA DRIVE	NACOGDOCHES	TX	75962	NACOGDOCHES	UNITED STATES	465568	18	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	3295151	JAMES STARR BRANCH	1629 N UNIVERSITY DR	NACOGDOCHES	TX	75961	NACOGDOCHES	UNITED STATES	430147	14	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Limited Service	3541719	MOBILE BRANCH	215 EAST MAIN STREET	NACOGDOCHES	TX	75961	NACOGDOCHES	UNITED STATES	187996	5	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	2633804	STALLINGS BRANCH	4929 NORTH STREET	NACOGDOCHES	TX	75965	NACOGDOCHES	UNITED STATES	187995	4	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	3187715	ROXTON BRANCH	210 HARRISON STREET	ROXTON	TX	75477	LAMAR	UNITED STATES	Not Required	Not Required	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	493666	WELLS BRANCH	217 RUSK AVENUE	WELLS	TX	75976	CHEROKEE	UNITED STATES	5758	10	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	5140424	PALESTINE BRANCH	412 E LACY STREET	PALESTINE	TX	75801	ANDERSON	UNITED STATES	Not Required	Not Required	COMMERCIAL BANK OF TEXAS, N.A.	885869	
OK		Full Service	823058	CUSHING BRANCH	877 7TH STREET	CUSHING	TX	75760	NACOGDOCHES	UNITED STATES	Not Required	Not Required	COMMERCIAL BANK OF TEXAS, N.A.	885869	
Add	5/16/2020	Full Service	35057	FARMERSVILLE BRANCH	201 STATE HIGHWAY 78 S	FARMERSVILLE	TX	75442	NACOGDOCHES	UNITED STATES	Not Required	Not Required	COMMERCIAL BANK OF TEXAS, N.A.	885869	

Nacogdoches Commercial Bancshares, Inc.
FR Y-6
December 31, 2020

Report Item 3:

<u>Name and Address</u>	<u>Citizenship</u>	<u>Shares Owned or Controlled</u>	
1) Shareholders over 5% at 12/31/19			
Edward B. Baker GST Trust UW Jean Blount Baker Trustee: Edward B. Baker Nacogdoches, TX	U.S.A.	29,896	3.17%
Edward Baker Non-Exempt Trust UW Thomas Wilson Baker Trustee: Edward B. Baker Nacogdoches, TX	U.S.A.	24,774	2.63%
Bamont, LP – (Edward B. Baker) Nacogdoches, TX	U.S.A.	12,000	1.28%
Edward Baker – SEP Property Nacogdoches, TX	U.S.A.	42,344	4.49%
Dianne Baker – SEP Property - wife Nacogdoches, TX	U.S.A.	4,860	.52%
John Richard Baker – son Pasadena, TX	U.S.A.	100	.01%
Hillary Baker Cangelosi – daughter Fort Hood, TX	U.S.A.	<u>440</u>	<u>.05%</u>
		<u>114,414</u>	<u>12.15%</u>
Thomas E. Baker II Revocable Trust Thomas E. Baker II – 50%, Edward B. Baker – 50% Trustee: Thomas E. Baker Nacogdoches, TX	U.S.A.	47,604	5.05%

Nacogdoches Commercial Bancshares, Inc.
FR Y-6
December 31, 2020

Report Item 3 (con't):

<u>Name and Address</u>	<u>Citizenship</u>	<u>Shares Owned or Controlled</u>	
Thomas E. Baker II GST Trust UW Jean Blount Baker Trustee: Thomas E. Baker Nacogdoches, TX	U.S.A.	29,898	3.17%
Thomas E. Baker II Non-Exempt Trust UW Thomas Wilson Baker Trustee: Thomas E. Baker Nacogdoches, TX	U.S.A.	24,774	2.63%
Bamont, LP – Thomas E. Baker II Nacogdoches, TX	U.S.A.	<u>12,000</u>	<u>1.27%</u>
		<u>114,276</u>	<u>12.12%</u>
R.G. Muckleroy Children Trust Trustee: Steve Muckleroy Austin, Texas	U.S.A.	85,960	9.12%
Steve Muckleroy Austin, Texas	U.S.A.	6,555	.70%
Robert Muckleroy III - brother Granbury, Texas	U.S.A.	285	.03%
William Scott Muckleroy – son Austin, Texas	U.S.A.	<u>100</u>	<u>.01%</u>
		<u>92,900</u>	<u>9.86%</u>

Nacogdoches Commercial Bancshares, Inc.
FR Y-6
December 31, 2020

Report Item 3 (con't):

<u>Name and Address</u>	<u>Citizenship</u>	<u>Shares Owned or Controlled</u>	
Benjamin D. Winston Lufkin, Texas	U.S.A.	5,522	.59%
Envirovac, LTD Benjamin D. Winston Lufkin, Texas	U.S.A.	17,830	1.89%
Winston Land and Cattle Benjamin D. Winston Lufkin, Texas	U.S.A.	4,809	.51%
Benjamin D. Winston Dee & Simon Partnership LTD Lufkin, Texas	U.S.A.	62,042	6.58%
John R. Winston Jr. Trust Trustee: Virginia Winston Lufkin, Texas	U.S.A.	3,959	.42%
L P Winston – daughter Lufkin, Texas	U.S.A.	1,837	.19%
Simon Wood Winston – brother Lufkin, Texas	U.S.A.	3,204	.34%
Virginia H. Winston – mother Lufkin, Texas	U.S.A.	3,326	.35%
Winston Securities Partnership Lufkin, Texas	U.S.A.	93	.01%
		<u>102,622</u>	<u>10.88%</u>

Report Item 3(2):

N/A

Nacogdoches Commercial Bancshares, Inc.
FRY-6
December 31, 2020

(1) Name & Address	(2) Principal Occupation if other than with holding company	(3)(a) Title and Position With Holding Co.	(3)(b) Title and Position With Subsidiaries	(3)(b) Title and Position With Other Businesses	(3)© % of Voting Shares in Holding C.	(4)(a) % of voting shares in subsidiarie	(4)(b) Name, Position and Ownership of Other Companies If 25% or more of voting securities are held (List names of companies and % of voting securities held)
Edward B. Baker Nacogdoches, Texas	Owns/manages real estate/ family investments	Principal Shareholder	None	Managing General Partner - Lanana Watershed Partnership, LP Co-Trustee -Edward B. Baker GST Trust u/w JBB Co-Trustee - Edward B. Baker Non-Exempt Trust u/w TWB Trustee - Edward B. Baker Trust u/w CBM General Partner - Bamont, LP Co-Trustee - Ellis Marcelo Alfaro Baker Irrevocable Trust Co-Trustee - Roy Thomas Asfaro Baker Irrevocable Truест Co-Trustee - Thomas E. Baker II GST Trust u/w TWB Co-Trustee - Thomas E. Baker Non-Exempt Trust u/w TWB Co-Trustee - Thomas E. Baker II Revocable Trust Co-Manager - Cat & Mouse, LLC General Partner - KARICHI Investments, LP Co-Manager - 902 Tyler Managers, LLC GP - 902 Tyler Partnership, LP	11.57%	0%	Lanana Watershed Partnership, LP- 50% Edward B. Baker GST Trust u/w JBB, Co-Trustee - 50% Edward B. Baker Non-Exempt Trust u/w TWB, Co-Trustee - 50% Edward B. Baker Trust u/w CBM, Trustee - 100% Bamont, LP, General Partner 50% Ellis Marcelo Alfaro Baker Irrevocable Trust, Co-Trustee - 50% Roy Thomas Asfaro Baker Irrevocable Truест, Co-Trustee - 50% Thomas E. Baker II GST Trust u/w TWB, Co-Trustee -50% Thomas E. Baker Non-Exempt Trust u/w TWB, Co-Trustee - 50% Thomas E. Baker II Revocable Trust, Co-Trustee -50% Cat & Mouse, LLC, Co-Manager - 50% KARICHI Investments, LP, General Partner -50% 902 Tyler Managers, LLC - 50% 902 Tyler Partnership, LP - 50%
Thomas E. Baker II New Bern, North Carolina	Owns/manages real estate/	Director	Commercial Bank - Director	Co-Trustee - Thomas E. Baker II Revocable Trust Co-Trustee - Edward B. Baker Co-Manager - Cat & Mouse, LLC General Partner - Bamont, LP General Partner - Karichi Investments, LP Managing General Partner - Lanana Watershed Partnership, LP Co-Trustee - Thomas E. Baker II GST Trust u/w TWB Co-Trustee - Thomas E. Baker Non-Exempt Trust u/w TWB Co-Trustee - Thomas E. Baker Trust u/w CBM Co-Trustee - Edward B. Baker GST Trust u/w JBB Co-Trustee - Edward B. Baker Non-Exempt Trust u/w TWB	12.12%	0%	Thomas E. Baker II Revocable Trust - 50% Edward B. Baker- 50% Cat & Mouse, LLC -50% Bamont, LP, General Partner 50% Karichi Investments, LP - 50% Lanana Watershed Partnership, LP- 50% Thomas E. Baker II GST Trust u/w TWB- 50% Thomas E. Baker Non-Exempt Trust u/w TWB - 50% Thomas E. Baker Trust u/w CBM - 100% Edward B. Baker GST Trust u/w JBB - 50% Edward B. Baker Non-Exempt Trust u/w TWB - 50%
Dianne Baker Nacogdoches, Texas	N/A	Director	Commercial Bank - Director	N/A	0.52%	0%	N/A
Jefferson B. Davis Nacogdoches, Texas	Attorney	Director	Commercial Bank- Director	Owner - Jefferson B. Davis Law	0.01%	0%	Jefferson B. Davis Law- 100%
William Miller Elliott, Jr. Nacogdoches, TX	Electrical Wholesale	Director	Commercial Bank, Director	President - Elliott Electric Supply, Inc. President - Elliott Real Estate NacSpace - President	0.01%	0%	Elliott Electric Supply, Inc. - 82.53% Elliott Real Estate - 100% NacSpace - 100%

Nacogdoches Commercial Bancshares, Inc.
FRY-6
December 31, 2020

(1) Name & Address	(2) Principal Occupation if other than with holding company	(3)(a) Title and Position With Holding Co.	(3)(b) Title and Position With Subsidiaries	(3)(b) Title and Position With Other Businesses	(3)©	(4)(a) % of Voting Shares in Holding C.	(4)(b) % of voting shares in subsidiarie	(4)© Name, Position and Ownership of Other Companies If 25% or more of voting securities are held (List names of companies and % of voting securities held)
Andrew E. Ellison Farmersville, TX	IT Executive	Director	Commercial Bank - Director	Owner/Manager - A&C Ventures, LLC		0.06%	0%	A&C Ventures, LLC - 100%
Stephen Greak Nacogdoches, Tx	Accountant	Director	Commercial Bank - Director	CFO - G&M Ventures CFO - HG Management CFO - E&G Investments CFO - G&M Ventures LLC (Pinchollow Business Park)		0.01%	0%	G&M Ventures - 50% HG Management - 50% E&G Investments - 33.40% G&M Ventures LLC - 50%
Bryant Krenek Nacogdoches, Tx	N/A	Director, Chairman	Commercial Bank - Director	Partner - Krenek, Lehman & Smith		0.11%	0%	Krennek, Lehman & Smith - 33%
W. Stephen. Muckleroy Austin, TX	N/A	Director	Commercial Bank - Director	Partner - IH 35 Realty Partner - JSRM, LLC Partner - Enchanted Properties, LLC		9.82%	0%	IH 35 Realty - 71.88% JSRM, Inc.- 33% Enchanted Properties, LLC - 100%
Jim Denman Nacogdoches, TX	Banker	Treasurer	Commercial Bank - EVP & CFO	N/A		0.04% *	0%	N/A
Raymond H. Rust III Nacogdoches, TX	Banker	Director/ President/CEO	Commercial Bank - President/CEO	Owner - Nacogdoches Rentals, LLC Owner - N635V, LLC		0.63% *	0%	Nacogdoches Rentals, LLC - 100% N635, LLC - 50%
Todd A. Brown Nacogdoches, TX	Educator	Director	Commercial Bank - Director	N/A		0.01%	0%	N/A

Nacogdoches Commercial Bancshares, Inc.
FRY-6
December 31, 2020

(1) Name & Address	(2) Principal Occupation if other than with holding company	(3)(a) Title and Position With Holding Co.	Title and Position With Subsidiaries	(3)(b) Title and Position With Other Businesses	(3)©	(4)(a) % of Voting Shares in Holding C.	(4)(b) % of voting shares in subsidiarie	(4)© Name, Position and Ownership of Other Companies If 25% or more of voting securities are held (List names of companies and % of voting securities held)
John Richard Baker Pasadena, TX	N/A	Principal Securities Holder	N/A	N/A		0.01%	0%	N/A
Hillary Baker Cangelosi Fort Hood, TX	Analyst	Principal Securities Holder	N/A	Analyst - ADP		0.05%	0%	ADP - 0%
Robert Muckleroy III Granbury, TX	Construction/ Real Estate	Principal Securities Holder	N/A	Owner - R G Muckleroy Properties Partner - JSRM, LLC Owner - Lufkin Chestnut Corporation Owner - FSW Corporation Owner - WRGC Corporation Owner - DBS, Inc.		0.03%	0%	R G Muckleroy Properties - 100% JSRM, Inc.- 33% Lufkin Chestnut Corporation - 100% FSW Corporation - 100% WRGC Corporation - 100% DBS, Inc. - 100%
William Scott Muckleroy Austin, TX	N/A	Principal Securities Holder	N/A	N/A		0.01%	0%	N/A

* Does not include participation in the Nacogdoches Commercial Bancshares Employee Stock Ownership plan.

2020 ANNUAL REPORT

Nacogdoches Commercial Bancshares, Inc.



THE YEAR OF

Banking Texas Style

FROM VIRTUALLY EVERYWHERE!



FROM THE CHAIRMAN

We began the year with such optimism and then — wham! — a worldwide pandemic was upon us. We all have been forced to adjust how we live and how we conduct our business.



When asked, the CBTx team has acted unselfishly and performed extraordinarily well, to such an extent that operational results exceeded plans and service to our communities continued uninterrupted. Many worked from home seamlessly and effectively, in concert with efforts to protect each other and their families from the spread of COVID-19. In addition, people assisted in areas not normally part of their job description as work demands shifted, further exemplifying their dedication and respect for CBTx values and community goals.

To emerge from 2020 relatively unscathed was tremendously fortunate, yet many of our staff and families were not so lucky. My prayers and thoughts have been with each of you throughout the year and will continue as we focus on 2021 and getting our lives back into a more normal routine. I am both proud and blessed to be a part of this organization, its shareholders and the communities we serve. My optimism for the future is strong because I know we have the team, the leadership and the culture to succeed.

A handwritten signature in black ink, appearing to read 'Bryant H. Krenek, Jr.', written in a cursive style.

Bryant H. Krenek, Jr.
Chairman of the Board

RETIRING DIRECTOR

JEFFERSON B. DAVIS, JD 2014 – 2020

CBTx would like to thank Jeff Davis for his six years of service on our Board of Directors.



Jefferson Barclay Davis is a sixth generation Nacogdochian. His parents are the late Bryan Holt and Carolyn Davis. His father served as the County Attorney for Nacogdoches County for 35 years. Jeff is married to the former Julianne Wade and they have two children, Holt and Elizabeth. Jeff is a graduate of Nacogdoches High School, attended Stephen F. Austin State University and received his undergraduate degree from Texas Christian University. Following graduation, Jeff worked at the Texas Legislature for the Sergeant at Arms of the Texas State Senate. He

also worked under Lt. Governor Bob Bullock and was the Legislative Assistant for the Texas State Senator serving Senate District 3. Jeff graduated from Texas Tech University School of Law with a Doctor of Jurisprudence. While at Texas Tech, he was awarded a full scholarship and served as vice-chairman of the Board of Barristers. Upon graduating from law school, Jeff returned to Nacogdoches to practice law. After his father's retirement, Jeff was elected as County Attorney for Nacogdoches County; serving for two terms in this capacity. After making the decision not to seek a third term, Jeff engaged in the private practice of law primarily focused in the areas of governmental representation, oil and gas, water law, economic development and general civil litigation. He served as the attorney for the City of Nacogdoches until he was elected as District Judge on November 3, 2020. CBTx is proud of Jeff's desire to serve our community as District Judge.

TO OUR SHAREHOLDERS

We are pleased to report the Company (Nacogdoches Commercial Bancshares, Inc.) had a very successful 2020. Over the past 120 years, the Bank has experienced challenging times. While 2020 brought about its share of challenges, it also brought about positive changes and positive results. Through the pandemic, the Bank adjusted to having remote workers, Zoom meetings, remote banking, record low interest rates, government stimulus, \$1 billion in assets and record earnings for the Company, just to name a few.



from home at one point) and maintained branch operations through our drive-thrus and restricted lobby access. We followed CDC's ever-changing guidelines to combat COVID-19, while also serving our customers as an essential business. Our investments in mobile banking, remote banking and other online digital platforms became essential to our success. Zoom meetings, plexiglass desk dividers, social distancing, hand sanitizer and masks became the norm. Even under these adverse operating conditions, the Bank experienced significant growth and profitability, and acquired a branch in Farmersville.

The global pandemic impacted our lives and ability to interact in person with our customers and co-workers. As in the past, the Bank team met the challenge head-on. On short notice the Bank successfully implemented work-from-home strategies on a large scale (40% of our team worked

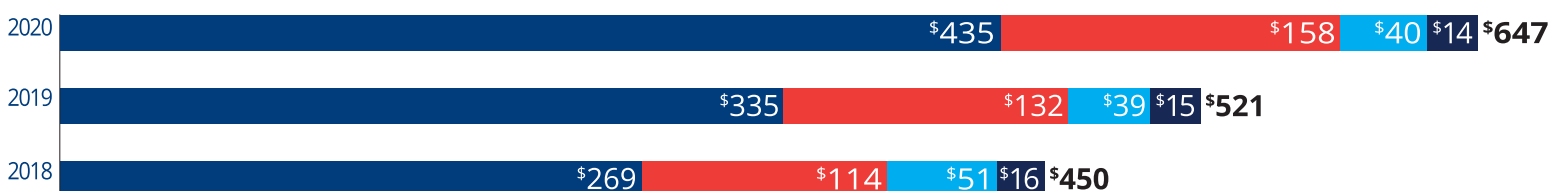
From March to May, the Bank experienced a surge in deposits of almost \$139 million. These deposits came from various sources. At the same time, the Bank originated over \$82 million in Payroll Protection Program (PPP) Loans to assist both existing and new customers. These loans helped many businesses and communities weather the pandemic. During

FINANCIAL INFORMATION AT A GLANCE As of December 31, 2020

TOTAL DEPOSITS (in millions)



CBTx TOTAL LOANS (in millions)



Commercial | Mortgage | Retail | Agriculture

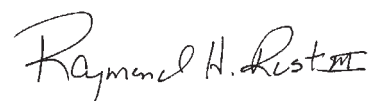
COMPANY NET INCOME (in thousands)



that same time the Federal Reserve slashed short term rates to near zero. Historically low interest rates ignited a refinance and purchase boom in the residential lending market. Again, the CBTx team rallied as we experienced unprecedented residential mortgage volumes. While many employees worked from home and closings were held in parking lots and side buildings, CBTx provided millions of dollars in residential and commercial loans. CBTx exceeded \$1 billion in assets during the year and posted net income of \$11.5 million, 19% better than last year's record earnings of \$9.6 million. Management also built the provision for loan losses significantly during the year. While we did not experience any notable credit deterioration during the year, we are well prepared to absorb future losses that may occur once the government stimulus winds down and customers begin to resume normal business operations. Our Wealth Management and Trust Division realized a significant increase in both assets under management and income.

During the year, the Company purchased or converted all outstanding preferred stock. Even with the increase in outstanding common shares, Company earnings per share increased from \$11.22/share to \$12.18/share from 2019 to 2020. Return on average equity also increased to 13.16% from 11.88% in the prior year.

2020 was a challenge as everyone was affected by the pandemic. Although we have not lost any employees, some of our staff have lost loved ones during the crisis. Our culture is one of teamwork, and we rally around each other in times of need. Our strength in unity and resiliency served us well as the CBTx team responded with a great deal of compassion for our fellow employees and customers while achieving excellent financial results for our shareholders.



Raymond H. "Rusty" Rust III
President and C.E.O.

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

FOR TWELVE MONTHS	12/31/2020	12/31/2019	12/31/2018
Net interest income	\$ 35,279	29,228	24,781
Provision for loan losses	9,250	2,795	1,675
Other operating income	16,191	11,440	10,441
Other operating expense	27,861	25,765	24,055
Income from operations	\$ 14,359	12,108	9,492
Federal income tax	2,878	2,469	1,918
Net income	\$ 11,481	9,639	7,574
Per Common Share			
Net income, after preferred dividends	\$ 12.18	11.22	8.33
Book value	\$ 100.98	94.44	84.61
Dividends declared	\$ 0.92	0.92	0.84
Common shares outstanding at end of quarter	942,911	859,232	858,593
At December 31			
Earning assets	\$ 899,236	758,017	694,031
Loans, net of unearned discounts & overdrafts	\$ 646,723	520,520	450,259
Investment securities	\$ 154,123	206,737	220,720
Average for Period			
Average assets	\$ 931,783	787,523	696,076
Average deposits	\$ 789,004	680,256	607,124
Average common shareholders' equity	\$ 91,268	81,144	69,136
Financial Ratios (Annualized)			
	(%)	(%)	(%)
Return on average total assets	1.23	1.22	1.09
Return on average total tangible assets	1.24	1.23	1.09
Return on average common shareholders' equity	12.58	11.88	10.95
Return on average common tangible shareholders' equity	13.16	11.88	11.86
Tangible shareholders' equity to total assets	8.82	10.47	10.15

COMMUNITY LEADERSHIP at its best!

CBTx proudly invested \$228,183.29 back into the communities we serve through sponsorships, donations and charitable contributions in 2020. We also donate thousands of volunteer hours each year. Some of our many leadership roles include:

NORTH MARKET

Heather Cicirello: Main & Mill Business Association Co-Chair

Brian Dale: Collin County Park Advisory Board Chair; Foundation for Lovejoy School Treasurer and Executive Board member

Angela Underwood: Fannin County Indigent Board Secretary/Treasurer

NACOGDOCHES MARKET

Joe Weaver: Nacogdoches Area United Way Chair

Charlotte Ashcraft: Stephen F. Austin State University Alumni Association President; Nacogdoches Treatment Center President; Community Rx President

Scott Bowyer: Nacogdoches Economic Development Corporation Chair

Gabe Lindsay: Nacogdoches Jaycees President

Miles McCall: Nacogdoches Rotary Club President

Jimmy Mize: Pineywoods Groundwater Conservation District Chair

Rusty Rust: Texas Bankers Association Vice Chair

Lily Phou: Friends of the Visual Arts Vice President

Jeff Whitfield: Hudson Water Board Vice President

Spencer Brown: Milam No 2 Masonic Lodge Treasurer

Brad McGuire: Nacogdoches Jaycees Treasurer

Carol Bostian: Nacogdoches Crime Stoppers Treasurer

Brigid Pitts: Love INC Treasurer

Renee Ramirez: Garden Capital of Texas Committee Secretary

ANGELINA MARKET

Brian Cyr: Angelina County Chamber of Commerce Board Chair

Martha Tyer: Palestine Chamber of Commerce Ambassador Chair

Michelle Briley: Angelina County Salvation Army Board President; The Mosaic Center Board President; Impact Lufkin Board Secretary; Angelina County Emergency Food and Shelter Board Chair

Angela Henderson: Angelina Rotary Club Treasurer

Christina Chapin: Elkhart ISD Booster Secretary/Treasurer

Martha Castillo: Diboll Area Lions Club Treasurer; Diboll Festival Committee Treasurer

Debbie Wach: Palestine Chamber of Commerce Board Treasurer

Andreina Salas: Diboll Festival Committee Assistant Treasurer

RAINS COUNTY MARKET

Cody Beaver: Rains County Emergency Services District Treasurer

NEW BANKING CENTER



2020 was the year CBTx brought #BankingTexasStyle to Farmersville! We are proud to be new members of the Farmersville community and look forward to helping further grow Collin County!

TBA RECOGNITION

During the 2020 Texas Bankers Association Convention, the Texas Bankers Foundation presented Heather Cicirello, vice president and Lewisville branch manager, with its second annual Emerging Leader award. Cicirello was one of nine Texas bankers to receive the honor, which was created last year by the Texas Bankers Foundation in partnership with the Bank Leadership Council to honor bankers who have had a positive impact in the banking industry and are expected to become leaders in their banks. Cicirello has been with CBTx for her entire 10-year career. She began as a teller, then was promoted to a loan clerk and assistant vice president/loan administration/scanning department manager. She has been in her current position since 2015. CBTx is proud to have Heather as a leader both in the bank and in the Lewisville community.



BOARD OF DIRECTORS



Bryant H. Krenek, Jr.
Mt. Enterprise

Hospital Administration



Rusty Rust, JD
Nacogdoches

Banking & Finance



Dianne M. Baker
Nacogdoches

Education



Benjamin Dee Winston
Lufkin

Land, Cattle &
Investments



W. Stephen Muckleroy
Austin

Construction



William M. Elliott, Jr.
Nacogdoches

Wholesale Electrical



Stephen Greak, CPA
Lufkin

Accounting &
Oil Field Services



Todd A. Brown, PhD
Nacogdoches

Higher Education



T. Andrew Ellison
Parker

Technology

INCOMING DIRECTORS



Alton Frailey
Fulshear

Education



Bud Wright
Nacogdoches

Agribusiness

NACOGDOCHES COMMERCIAL BANCSHARES, INC.

215 East Main St., P.O. Drawer 635050, Nacogdoches, TX 75963-5050



Commercial Bank of Texas, N.A.[®]

800-723-7601 ★ www.cbtx.com

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

© All Rights Reserved. Commercial Bank of Texas, N.A. Member FDIC