



**COMMUNITY
NATIONAL**
BANK & TRUST OF TEXAS

 Member FDIC

2023 Annual Report



Dear Shareholder:

We are pleased to provide you with the annual report for 2023. As you'll see in the following pages, the bank continued to experience growth in our loan portfolio despite a full year of high interest rates. This growth in loans helped to push the bank's total assets over **\$1.2 billion**.

As you may remember, a liquidity squeeze caused the failure of Silicon Valley Bank in spring of 2023. This caused a perceived crisis in the banking world, starting deposit runs that primarily affected medium-to-large regional banks. The resulting concern produced by larger depositors ultimately created an intense industry-wide competition to gain deposits. We are proud to report the bank was able to not only weather this period of uncertainty, but also end the year with a slight growth in core deposits.

We are also happy to report that the bank successfully increased Net Income by more than **\$1.0 million**. We are thrilled by this significant accomplishment, considering the year's tumultuous environment and heightened competition for deposits.

The bank's growth and earnings increase stems from a tremendous team of officers and employees. Our Management Team and Board of Directors are continuously looking for ways to grow the value of your investment, and we are excited to face new challenges and opportunities in 2024.

We invite you to attend our annual shareholder meeting in Corsicana on **April 16, 2024 at 2:00pm**. As always, we thank you for your support and certainly look forward to helping you with your banking or wealth management needs in the coming year.

Sincerely,

Rusty Hitt
CEO

History of Community National Bank & Trust of Texas

1960 First National Bank was established in Richland, Texas.

1964 The bank opened its doors in Corsicana on June 15, 1964 at the former site of Sutton's Drug Store on West 15th Avenue. The furnishings and money had been transported earlier from Richland, Texas in a borrowed cattle trailer. Renamed Corsicana National Bank it held about \$700,000 in deposits.

1964 December 14, 1964, marked the opening of a newly-constructed bank building at the corner of 15th Street and 3rd Avenue, its present location.

1968 Zane Stites was elected President of Corsicana National Bank on October 7, 1968, having been formerly with State National Bank.

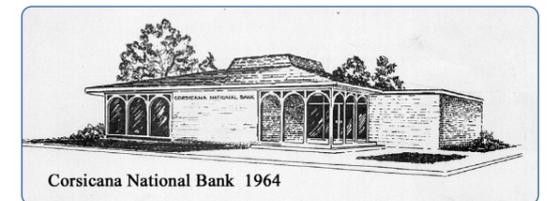
1978 The addition of the main building on the north corner of 15th Street and 3rd Avenue was completed in 1978, when the total assets were \$22.6 million, serviced by 23 officers and employees.

1989 On March 14, 1989 the Office of the Comptroller of the Currency approved a charter to start the Trust and Investment Department. Gary Brown was named Senior Vice President and Trust Officer.

1996 David Owen was named President and Chief Executive Officer. Zane Stites served on the Board of Directors.

1999 Abe Stroud was named President and Chief Executive Officer on October 12, 1999.

2000 The Citizens Bank of Frost, a branch of Corsicana National Bank & Trust, was opened in Frost, Texas on February 14, 2000.



Corsicana National Bank 1964



History of Community National Bank & Trust of Texas

2001 In 2001, a holding company was formed, Community Bank Holdings of Texas, Inc. (CBHOT), as the parent company for Corsicana National Bank & Trust and its branch in Frost, Texas. In June of 2001, CBHOT approved the merger of Eagle Bancshares Inc., which owned First National Bank of Fairfield. Its branches included Texas Bank in Buffalo and Richland Chambers Bank at Richland Chambers Lake. Upon completion, CBHOT was a two-bank holding company, but the subsidiary banks maintained separate charters and operations. First National Bank of Fairfield was first opened in 1907 as First State Bank of Streetman, Texas. The bank changed its charter in 1923 from a state charter to a national charter. In 1973, the bank moved from Streetman to Fairfield and became First National Bank of Fairfield.

2003 In July of 2003, the Board of Directors of Corsicana National Bank & Trust promoted K.C. Wyatt as President of the bank. Abe Stroud continued to serve as CEO of Community Bank Holdings of Texas, Inc.

2005 The newly-constructed bank building on Hwy 287 was completed.

2007 Abe Stroud retired as CEO on March 27, 2007 and K.C. Wyatt was appointed President and CEO of both banks. In 2007, the new building for the Fairfield bank, located at 101 North Mount Street, was complete.

2008 Both banks merged into one charter and it was renamed Community National Bank & Trust of Texas.

2010 The bank acquired a branch from Jefferson Bank located in Red Oak, Texas. After the acquisition, CBHOT had \$352 million in assets. Rusty Hitt and Tim Stites were named to the Board of Directors.



2013 On March 14, 2013 Community Bank Holdings of Texas agreed to acquire Mineral Wells Bancshares, Inc., which owned First State Bank of Mineral Wells, and had approximately \$130 million in assets at the end of 2012. Upon completion, CBHOT had assets of \$496 million and added three branches to its branch network which included Mineral Wells, Weatherford and Possum Kingdom. Riley Peveto, former President/CEO of First State Bank of Mineral Wells, joined CBHOT's Board of Directors.

2016 On January 1, 2016 Community Bank Holdings of Texas acquired StarBanc Holding Company, which owned Star Bank, and had \$142 million in assets at the end of 2015. The banks were officially combined on April 11, 2016 with total assets of \$650 million and it added three branch locations: Burleson, Lake Worth and White

(continued)

Settlement. Russ Richardson, President of Star Bank, continued to work for Community National as an Executive Vice President and Loan Officer and he was also elected to CBHOT's Board of Directors.

2017 Rusty Hitt was named President, with K.C. Wyatt continuing to serve as CEO and Chairman of the Board. The asset size as of December 31st was \$720 million with 178 employees. The main office in Corsicana underwent a \$2 million dollar renovation. A Loan Production Office was opened in November in Waxahachie, TX. The bank also purchased Navarro County Abstract Company located in Corsicana in December.

2018 K.C. Wyatt retired on May 31, 2018. Rusty Hitt was named CEO and Tim Stites was named President in April. The banking franchise continued to grow with a new branch location in Centerville that opened in October. In addition, land was purchased on Highway 77 in Waxahachie in order to build a full service branch. The bank ended the year with \$751 million in assets and 182 employees.

2019 The bank opened its first-ever call center across the street from the Corsicana main branch, diverting calls from the toll-free number and the Corsicana main branch. In November of 2019, The Board of Directors gathered to break ground on the bank's newest location in Waxahachie, set to open in 2020. For the first time in the bank's history, outstanding loans crossed the \$500 million mark and ended the year at \$532 million. Community National Bank & Trust of Texas ended 2019 with record-breaking earnings passing the \$10 million mark.

2020 In the midst of a worldwide pandemic, the bank provided 855 Paycheck Protection Program loans, totaling \$79.7 million for small business customers across Texas. The PPP loan program contributed to substantial asset growth, crossing the \$900 million mark with a net income of \$11.3 million for the year. Building continued for the new branch location in Waxahachie, slotted to open to the public in 2021.

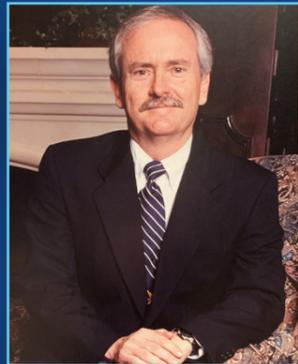


2021 Construction was completed on the 27,000 square foot facility in Waxahachie, including a full-service branch, lease space for local businesses, and sharable meeting space. The Burleson branch was sold to Grandview Bank in December. Les Leskoven retired as Chief Investment & Trust Officer and continued serving on the Board of Directors. The bank participated in the second round of PPP loans, providing an additional \$42 million to small business owners and a program total of \$121 million. Total assets exceeded the \$1 billion mark, and earnings reached a new high of \$13 million.

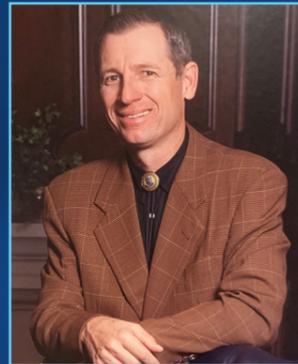
2022 Navarro County Abstract Company, the bank-owned title company, was sold in August 2022. The bank maintained ownership of the property in Corsicana that houses the title company, the bank's call center and tenants, with plans to expand the call center to a comprehensive operations center. A bordering property was also purchased to allow building and parking expansion in the future. The bank was awarded the #1 Company to Work For in Texas by the Texas Association of Business, and 11th Best Bank to Work For in the Country by American Banker.

2023 A banking crisis erupted following the Silicon Valley & Signature bank failures in the first quarter of the year. CNB&T customers were comforted by the bank's previously contracted partnership with IntraFi, providing additional FDIC coverage for customers with over \$250,000 in deposits at the bank. The bank expanded its fraud prevention and digital services for customers, and began developing a Quality Assurance Department to be launched in 2024.

Directors of Community National Bank & Trust of Texas



Gary Summerall
(Chairman) - 1987



Byron Cook
1991



Ginne Davis
2020



K.C. Wyatt
2003



Laura Coffey
2020



Les Leskoven
2019



Rusty Hitt
2010



Scott Summerall
2020



Tim Cooper
2008



Tim Stites
2010

Executive Officers of Community National Bank & Trust of Texas



Rusty Hitt
CEO



Tim Stites
President



Alfred Vega
Executive Vice President
Chief Risk & Chief Credit Officer



Ashley Grigar
Executive Vice President
Chief Operations Officer



Greg Olsen
Executive Vice President
Chief Lending Officer



Steven Nutt
Executive Vice President
Chief Financial Officer

Locations



BUFFALO BRANCH

906 North Buffalo Avenue
Buffalo, TX 75831



CENTERVILLE BRANCH

412 South Commerce Street
Centerville, TX 75833



CORSICANA BRANCH

3401 South Highway 287
Corsicana, TX 75110



CORSICANA MAIN OFFICE

321 North 15th Street
Corsicana, TX 75110



FAIRFIELD BRANCH

101 North Mount Street
Fairfield, TX 75840



FROST BRANCH

400 North Garitty Street
Frost, TX 76641



LAKE WORTH BRANCH

3930 Boat Club Rd.
Fort Worth, TX 76135



MINERAL WELLS BRANCH

101 SE 1st Ave.
Mineral Wells, TX 76067



POSSUM KINDGOM BRANCH

1404 Park Road 36
Graford, TX 76449



RED OAK BRANCH

102 Ranch Rd.
Red Oak, TX 75154



WAXAHACHIE BRANCH

1905 US Hwy 77
Waxahachie, TX 75165



WEATHERFORD BRANCH

1901 Wall Street
Weatherford, TX 76086



WHITE SETTLEMENT BRANCH

9636 White Settlement Rd.
Fort Worth, TX 76108

Year in Review of Community National Bank & Trust of Texas

Multiple bank branches received local awards, including:

- Outstanding Large Business of the Year in Corsicana.
- Best Bank, Best Customer Service Rep, Best Looking Business in Freestone County.
- Best Bank, Best Banker, Best Boss in Parker County.
- multiple Chamber of Commerce awards for dedication to volunteerism in our communities.



The bank donated over **\$400,000** to schools and organizations in the communities it serves, being a prominent supporter of local causes.

Employees of the bank provided over **1,000** volunteer hours to local organizations, holding multiple leadership positions, and hosting frequent community events at their branches. Employees participated at events including the Youth Bank Board for high school students, financial literacy classes for local schools, elder financial abuse classes for longterm care facilities, food pantries, animal shelters and Project Angel Tree.

Bank employees donated over \$18,000 to local charities through the organization's Casual for Charity program.



COMMUNITY NATIONAL
BANK & TRUST OF TEXAS



Balance Sheet

Community National Bank and Trust of Texas

December 31, 2023 and 2022

(in thousands)

unaudited

ASSETS	2023	2022
Cash and due from banks	\$ 19,221	\$ 39,211
Interest bearing demand deposits in other banks	70,291	75,679
Total cash and cash equivalents	89,512	114,890
Investment securities available-for-sale	177,065	184,637
Loans, net	876,885	812,493
Bank premises and equipment, net	32,295	33,380
Bank owned life insurance	28,822	18,266
Goodwill & Intangible Assets	11,180	11,607
Investment in Subsidiary, Community Title Holdings, Inc	-	-
Other assets	13,551	13,059
Total assets	\$ 1,229,309	\$ 1,188,331
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Noninterest bearing	\$ 398,748	\$ 480,417
Interest bearing	631,140	565,256
Total deposits	1,029,889	1,045,673
Accrued interest payable		
Federal Home Loan Bank advances	50,000	10,000
Dividends payable		
Other liabilities	9,079	7,548
Total liabilities	1,088,968	1,063,221
Stockholders' equity:		
Common stock	846	846
Additional paid-in capital	58,891	58,873
Retained earnings	99,553	87,133
Accumulated other comprehensive income	(18,948)	(21,742)
Total stockholders' equity	140,342	125,110
Total liabilities and stockholders' equity	\$ 1,229,309	\$ 1,188,331

Statement of Income

Community National Bank and Trust of Texas

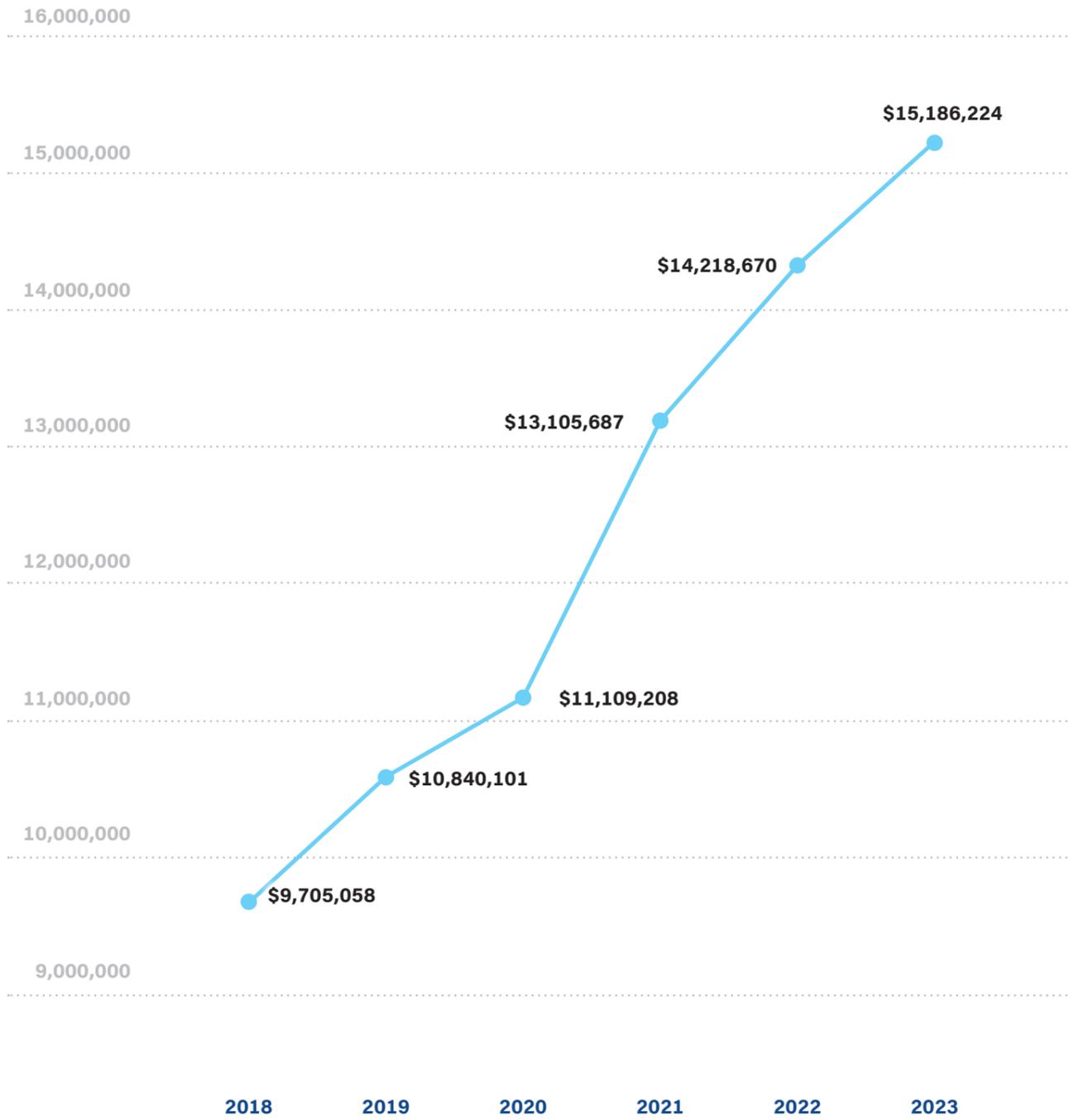
For the Years Ended December 31, 2023 and 2022

(in thousands)

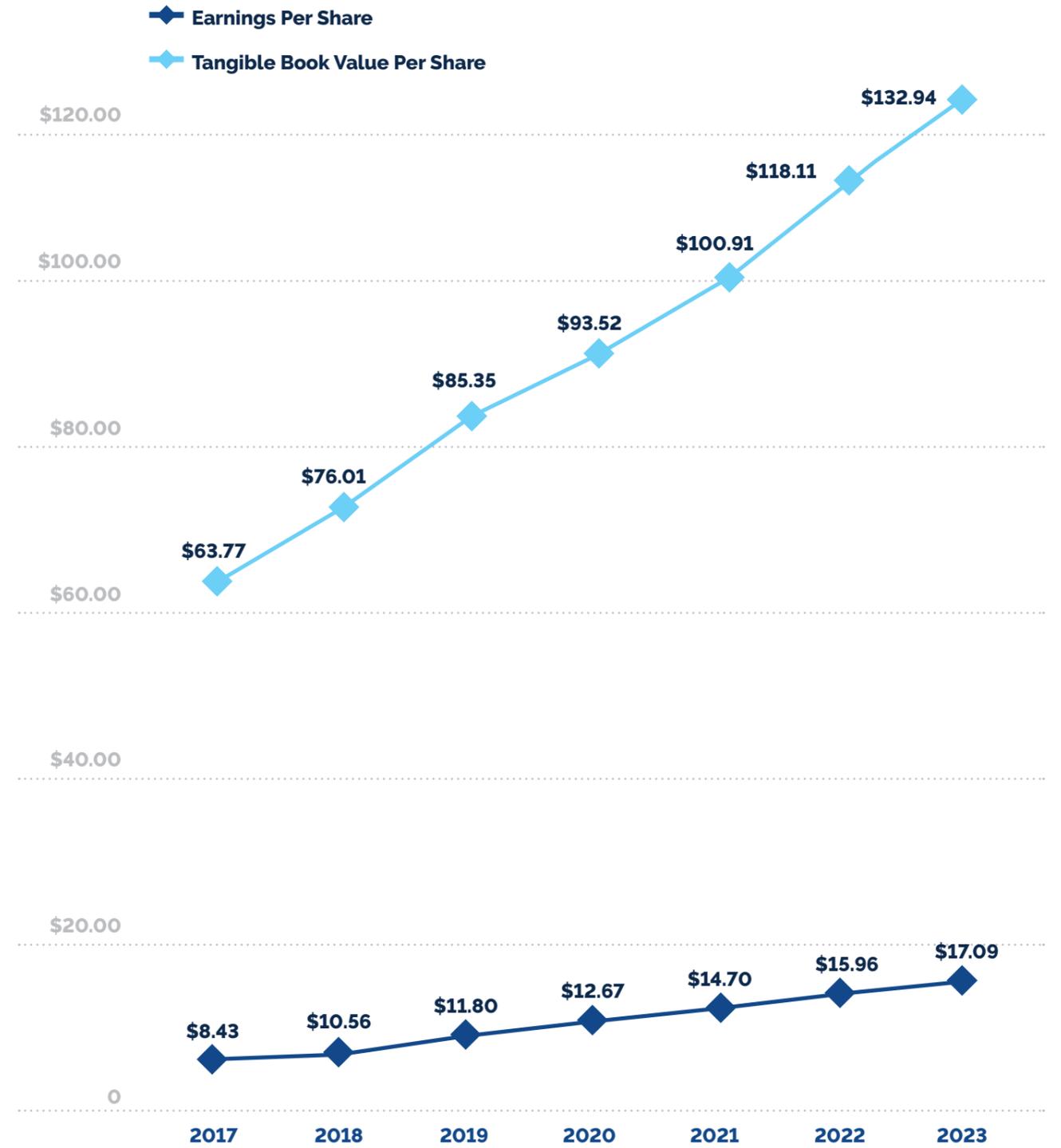
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	2023	2022
Interest income:		
Interest and fees on loans	\$ 52,904	\$ 39,728
Investments	7,505	5,053
Other	-	-
Total interest income	60,409	44,781
Interest expense:		
Deposit accounts	13,773	2,540
Federal funds purchased and other borrowings	2,104	210
Total Interest Expense	15,877	2,750
Net interest income	44,532	42,031
Provision for loan losses	825	1,850
Net interest income after provision for loan losses	43,707	40,181
Noninterest income:		
Customer service fees and charges	1,584	1,819
Trust income	1,618	1,609
Earnings on life insurance contracts	665	430
Undistributed Net Income of Subsidiary, CTH, Inc	-	243
Other	5,606	4,360
Total noninterest income	9,473	8,461
Noninterest expense:		
Salary and employee benefits	17,998	16,691
Occupancy and bank premises	3,309	3,249
Other	11,049	9,427
Total noninterest expense	32,356	29,367
Income before tax expense	20,824	19,275
Income tax expense	4,203	3,909
Net income	16,621	15,366

CBHOT Net Income



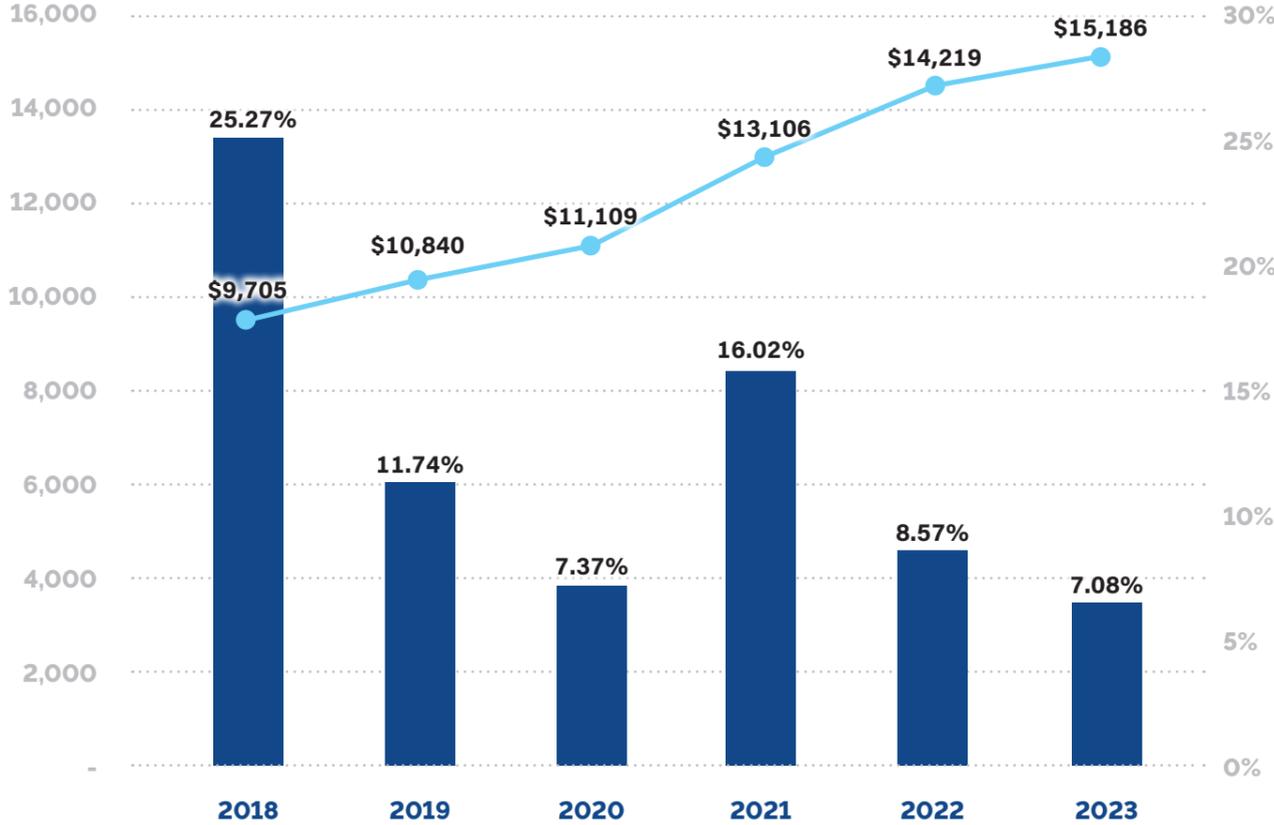
CBHOT Stock Information



CBHOT Earnings Growth

unaudited

- Earnings Per Share Growth
- CBHOT Earnings





[MyBankTX.com](https://www.mybanktx.com)
