

## CBTX, Inc. Reports Quarterly Financial Results

4/28/2021

HOUSTON, April 28, 2021 (GLOBE NEWSWIRE) -- CBTX, Inc., or the Company (NASDAQ: CBTX), the bank holding company for CommunityBank of Texas, N.A., or the Bank, today announced its results for the first quarter of 2021.

Robert R. Franklin, Jr., Chairman, CEO and President of the Company stated, "During the first quarter of 2021, our markets continued to improve as companies worked toward returning to pre-pandemic operation. Every day we see more people returning to work as businesses create healthy work environments for both employees and customers. We have seen tremendous liquidity in the system, and our deposits continued to grow through the first quarter of 2021. We anticipate that as the economy recovers, we will see more of that liquidity put to work by our customers and the bank."

Mr. Franklin concluded, "Our loan portfolio remains strong with little deferral activity remaining. We will continue to work with customers in the hardest hit segments of the economy that will take a little longer to recover. We are also mindful to enhance our shareholders' return as we increased our quarterly dividend from \$0.10 per share to \$0.13 per share. We are optimistic about the second half of the year as markets attempt to recapture some of the lost revenues of the last year. Our balance sheet and capital remain strong which gives us many options going forward to drive shareholder value."

### Highlights

- Net income was \$10.0 million for the first quarter of 2021, or \$0.41 per diluted share, compared to \$10.2 million, or \$0.41 per diluted share, for the quarter ended December 31, 2020 and \$7.5 million, or \$0.30 per diluted share, for the quarter ended March 31, 2020.
- Total deposits were \$3.4 billion at March 31, 2021, an increase of \$83.0 million compared to \$3.3 billion at

December 31, 2020.

- Maintained a solid net interest margin on a tax equivalent basis of 3.71% for the quarter ended March 31, 2021.
- Nonperforming assets remained low at 0.59% of total assets at March 31, 2021, compared to 0.61% of total assets at December 31, 2020.
- Increased quarterly dividend to \$0.13 per share from \$0.10 per share.

## Operating Results

### Net Interest Income

Net interest income was \$33.1 million for the first quarter of 2021, compared to \$32.5 million for the fourth quarter of 2020 and \$32.2 million for the first quarter of 2020. Net interest income increased \$570,000 during the first quarter of 2021, compared to the fourth quarter of 2020, primarily due to higher loan rates and lower deposit rates, partially offset by the impact of two fewer days and lower average loans in the first quarter of 2021. Net interest income increased \$870,000 during the first quarter of 2021, compared to the first quarter of 2020, primarily due to higher average loans, securities and other interest-earning assets and lower deposit rates, partially offset by lower rates on loans, securities and other interest-earning assets and the impact of one less day in the first quarter of 2021.

The yield on interest-earning assets was 3.85% for the first quarter of 2021, compared to 3.79% for the fourth quarter of 2020 and 4.56% for the first quarter of 2020. The cost of interest-bearing liabilities was 0.34% for the first quarter of 2021, 0.39% for the fourth quarter of 2020 and 0.94% for the first quarter of 2020. The Company's net interest margin on a tax equivalent basis was 3.71% for the first quarter of 2021, compared to 3.62% for the fourth quarter of 2020 and 4.06% for the first quarter of 2020.

### Provision/Recapture for Credit Losses

The provision for credit losses was \$412,000 for the first quarter of 2021, compared to a credit reserve recapture of \$135,000 for the fourth quarter of 2020 and a provision for credit losses of \$5.0 million for the first quarter of 2020.

The provision for credit losses for the first quarter of 2021 was primarily due to increases of \$237,000 and \$126,000 in the ACL for loans and unfunded commitments, respectively, in addition to \$49,000 in net loan charge-offs. The recapture in the fourth quarter of 2020 primarily related to a \$364,000 recapture for unfunded commitments,

partially offset by a provision of \$229,000 for loans. The provision for credit losses for the first quarter of 2020 resulted from the impact of the COVID-19 pandemic and the sustained instability of the oil and gas industry which led to the adjustment of certain factors utilized to determine the ACL.

The ACL for loans was \$40.9 million, or 1.41% of loans excluding loans held for sale, at March 31, 2021, compared to \$40.6 million, or 1.39% of loans excluding loans held for sale, at December 31, 2020 and \$31.2 million, or 1.17% of loans excluding loans held for sale, at March 31, 2020. At March 31, 2021, there were minimal adjustments to the qualitative factors utilized in calculating the ACL. The increase in the ACL from December 31, 2020 to March 31, 2021 was primarily due to an increase in specific reserves for loans individually evaluated within the portfolio and a slight increase in the general reserve. Although the collectively evaluated loan portfolio decreased \$27.3 million compared to December 31, 2020, the general reserve increased \$14,000 because balances in certain portfolio segments with higher historical loss rates and higher qualitative factor rates increased as a component of the overall portfolio resulting in an increase in the ACL. The increase in the ACL from March 31, 2020 to March 31, 2021 was primarily due to the impact of the COVID-19 pandemic and the sustained instability of the oil and gas industry during 2020.

The ACL for unfunded commitments was \$4.3 million at March 31, 2021, compared to \$4.2 million at December 31, 2020 and \$3.7 million at March 31, 2020.

#### Noninterest Income

Noninterest income was \$3.1 million for the first quarter of 2021, \$3.5 million for the fourth quarter of 2020 and \$4.3 million for the first quarter of 2020. The decrease of \$1.2 million for the first quarter of 2021, compared to the first quarter of 2020, was primarily due to swap origination fee income recognized in 2020.

#### Noninterest Expense

Noninterest expense was \$23.3 million for the first quarter of 2021, compared to \$23.7 million for the fourth quarter of 2020 and \$22.1 million for the first quarter of 2020. The decrease in noninterest expense of \$373,000 between the first quarter of 2021 and the fourth quarter of 2020 was primarily due to a \$1.5 million decrease in professional and director fees, mainly consulting fees related to Bank Secrecy Act/Anti-Money Laundering, or BSA/AML, compliance matters, partially offset by a \$1.3 million increase in salaries and employee benefits reflecting reductions to bonus accruals in the fourth quarter of 2020. Total consulting related fees associated with BSA/AML compliance matters were \$661,000 in the first quarter of 2021, compared to \$2.4 million in the fourth quarter of 2020.

The increase in noninterest expense of \$1.2 million for the first quarter of 2021, compared to the first quarter of

2020, was primarily due to a \$551,000 increase in professional and director fees, a \$354,000 increase in data processing and software and a \$453,000 increase in regulatory fees. The increase in professional and director fees during the first quarter of 2021, compared to the first quarter of 2020, was primarily due to \$661,000 in consulting related fees associated with BSA/AML compliance matters recognized in the first quarter of 2021.

#### Income Taxes

Income tax expense was \$2.5 million for the first quarter of 2021, \$2.3 million for the fourth quarter of 2020 and \$1.9 million for the first quarter of 2020. The effective tax rates were 19.87% for the first quarter of 2021, 18.24% for the fourth quarter of 2020 and 19.85% for the first quarter of 2020. The differences between the federal statutory rate of 21% and the effective tax rates were largely attributable to permanent differences primarily related to tax exempt interest and bank-owned life insurance earnings.

#### Balance Sheet Highlights

##### Loans

Loans excluding loans held for sale were \$2.9 billion at March 31, 2021, \$2.9 billion at December 31, 2020 and \$2.7 billion at March 31, 2020.

The increase from March 31, 2020 to March 31, 2021 was impacted by the Company's participation in the Paycheck Protection Program, or PPP, under the Coronavirus Aid, Relief and Economic Security Act, or CARES Act, which facilitates loans to small businesses. PPP loans, net of deferred fees and unearned discounts, were \$268.8 million at March 31, 2021 and \$271.2 million at December 31, 2020.

In support of customers impacted by the COVID-19 pandemic, the Company offered relief through payment deferrals during 2020 and the first quarter of 2021. As of March 31, 2021, the Company had 16 loans subject to such deferral arrangements with total outstanding principal balances of \$34.3 million and as of December 31, 2020 the Company had 21 loans subject to such deferral arrangements with total outstanding principal balances of \$38.4 million.

##### Asset Quality

Nonperforming assets remain relatively low at \$23.6 million, or 0.59% of total assets, at March 31, 2021, \$24.0 million, or 0.61% of total assets, at December 31, 2020 and \$1.4 million, or 0.04% of total assets, at March 31, 2020.

Annualized net charge-offs (recoveries) to average loans was 0.01% for the first quarter of 2021, 0.49% for the

fourth quarter of 2020 and (0.05)% for the first quarter of 2020.

### Deposits and Borrowings

Total deposits were \$3.4 billion at March 31, 2021, \$3.3 billion at December 31, 2020 and \$2.8 billion at March 31, 2020. The increase in deposits of \$83.0 million between December 31, 2020 and March 31, 2021 was due to net deposit inflows of \$145.0 million in noninterest-bearing accounts partially offset by net deposit outflows of \$62.0 million in interest-bearing accounts. The increase in deposits of \$592.5 million between March 31, 2020 and March 31, 2021 was due to net deposit inflows of \$425.9 million and \$166.6 million in noninterest-bearing accounts and interest-bearing accounts, respectively.

The Company defines total borrowings as the total of repurchase agreements, Federal Home Loan Bank advances and notes payable. Total borrowings were \$50.0 million, \$50.0 million and \$51.4 million at March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

### Capital

At March 31, 2021, the Company continued to be well capitalized and maintained strong capital ratios under bank regulatory requirements. The Company's total risk-based capital ratio was 17.00% at March 31, 2021, compared to 16.71% at December 31, 2020 and 16.42% at March 31, 2020. The Company's tier 1 leverage ratio was 11.90% at March 31, 2021, compared to 12.00% at December 31, 2020 and 13.18% at March 31, 2020. The Company's total shareholders' equity to total assets ratio was 13.54% at March 31, 2021, 13.84% at December 31, 2020 and 15.67% at March 31, 2020.

The ratio of tangible equity to tangible assets was 11.67% at March 31, 2021, 11.94% at December 31, 2020 and 13.51% at March 31, 2020. Tangible equity to tangible assets is a non-GAAP financial measure. The most directly comparable financial measure calculated in accordance with United States generally accepted accounting principles, or GAAP, to tangible equity to tangible assets is total shareholders' equity to total assets. See the table captioned "Non-GAAP to GAAP Reconciliation" at the end of this earnings release.

### Non-GAAP Financial Measures

The Company's accounting and reporting policies conform to GAAP and the prevailing practices in the banking industry. The Company's management also evaluates performance based on certain non-GAAP financial measures. The Company classifies a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are not included or excluded in the most directly comparable measure calculated and presented in accordance

with GAAP as in effect from time to time in the United States in its statements of income, balance sheets or statements of cash flows.

This earnings release contains certain non-GAAP financial measures including “tangible book value,” “tangible book value per common share,” and “tangible equity to tangible assets,” which are supplemental measures that are not required by, or are not presented in accordance with, GAAP. Non-GAAP financial measures do not include operating, other statistical measures or ratios calculated using exclusively financial measures calculated in accordance with GAAP. Non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Moreover, the way we calculate the non-GAAP financial measures may differ from that of other companies reporting measures with similar names.

Please refer to the table titled “Non-GAAP to GAAP Reconciliation” at the end of this earnings release for a reconciliation of these non-GAAP financial measures.

#### Conference Call Information

The Company will hold a conference call to discuss results for the quarter ended March 31, 2021 on April 29, 2021 at 8:00 a.m. Central Standard Time. Investors and interested parties may listen to the teleconference via telephone by calling (877) 620-1733 if calling from the U.S. or Canada (or (470) 414-9785 if calling from outside the U.S.). The conference call ID number is 9087182. To access the live webcast of the conference call, individuals can visit the Investor Relations page of the Company’s website: <https://ir.cbtxinc.com/events-and-presentations>. An archived edition of the earnings webcast will also be posted on the Company’s website later that day and will remain available to interested parties via the same link for one year.

The conference call will contain forward-looking statements in addition to statements of historical fact. The actual achievement of any forecasted results or the unfolding of future economic or business developments in a way anticipated or projected by the Company involves numerous risks and uncertainties that may cause the Company’s actual performance to be materially different from that stated or implied in the forward-looking statements. Such risks and uncertainties include, among other things, risks discussed within the “Risk Factors” section of the Company’s most recent Forms 10-Q and 10-K and subsequent 8-Ks.

#### About CBTX, Inc.

CBTX, Inc. is the bank holding company for CommunityBank of Texas, N.A., a community bank, offering commercial banking solutions to small and mid-sized businesses and professionals in Houston, Dallas, Beaumont and surrounding communities in Texas. Visit [www.communitybankoftx.com](http://www.communitybankoftx.com) for more information.

## Forward-Looking Statements

This earnings release may contain certain forward-looking statements within the meaning of the securities laws that are based on various facts and derived utilizing important assumptions, current expectations, estimates and projections about the Company and its subsidiary. Forward-looking statements include information regarding the Company's future financial performance, business and growth strategy, projected plans and objectives, as well as projections of macroeconomic and industry trends, which are inherently unreliable due to the multiple factors that impact economic trends, and any such variations may be material. Statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans" and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts, although not all forward-looking statements include the foregoing. Further, certain factors that could affect our future results and cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to: the Company's ability to manage the economic risks related to the impact of the COVID-19 pandemic and the sustained instability in the oil and gas industry (including risks related to its customers' credit quality, deferrals and modifications to loans, the Company's ability to borrow, and the impact of a resultant recession generally); natural disasters and adverse weather (including the effects of recent hurricanes, tropical storms, tropical depressions and winter storms on the Company's market area), acts of war or terrorism, pandemics, an outbreak of hostilities or other international or domestic calamities and other matters beyond the Company's control; the geographic concentration of the Company's markets in Beaumont and Houston, Texas; the Company's ability to manage changes and the continued health or availability of management personnel; the amount of nonperforming and classified assets that the Company holds and the time and effort necessary to resolve nonperforming assets; deterioration of asset quality; interest rate risk associated with the Company's business; national business and economic conditions in general and in the financial services industry, and within the Company's primary markets; volatility and direction of oil prices, including risks related to the collapse and instability in oil prices, and the strength of the energy industry, generally and within Texas; the composition of the Company's loan portfolio, including the identity of the Company's borrowers and the concentration of loans in specialized industries, including the creditworthiness of energy company borrowers; changes in the value of collateral securing the Company's loans; the Company's ability to maintain important deposit customer relationships and its reputation; the Company's ability to maintain effective internal control over financial reporting; the Company's ability to pursue available remedies in the event of a loan default for PPP loans and the risk of holding such loans at unfavorable interest rates and on terms that are less favorable than those with customers to whom the Company would have otherwise lent; the volatility and direction of market interest rates; liquidity risks associated with the Company's business; systems failures, interruptions or breaches involving the Company's information technology and telecommunications systems or third-party servicers; the failure of certain third-party vendors to perform; the initiation and outcome of litigation and other

legal proceedings against the Company or to which it may become subject; the operational risks associated with the Company's business; the costs, effects and results of regulatory examinations, investigations, including the ongoing investigation by the Financial Crimes Enforcement Network of the U.S. Department of Treasury, or FinCEN, or reviews or the ability to obtain the required regulatory approvals; the Company's ability to meet the requirements of its Formal Agreement with the Office of the Comptroller of the Currency, and the risk that such Formal Agreement may have a negative impact on the Company's financial performance and results of operations; changes in the laws, rules, regulations, interpretations or policies relating to financial institution, accounting, tax, trade, monetary and fiscal matters; governmental or regulatory responses to the COVID-19 pandemic and newly enacted fiscal stimulus that impact the Company's loan portfolio and forbearance practice; and further government intervention in the U.S. financial system that may impact how the Company achieves its performance goals. Additionally, many of these risks and uncertainties are currently elevated by and may or will continue to be elevated by the COVID-19 pandemic. The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission, or SEC, and other reports and statements that the Company has filed with the SEC. If one or more events related to these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may differ materially from what it anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for the Company to predict which will arise. In addition, the Company cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Copies of the SEC filings for the Company are available for download free of charge from [www.communitybankoftx.com](http://www.communitybankoftx.com) under the Investor Relations tab.

## CBTX, INC. AND SUBSIDIARY

### Financial Highlights

(In thousands, except per share data and percentages)

|                          | Three Months Ended |            |           |           |           |
|--------------------------|--------------------|------------|-----------|-----------|-----------|
|                          | 3/31/2021          | 12/31/2020 | 9/30/2020 | 6/30/2020 | 3/31/2020 |
| Profitability:           |                    |            |           |           |           |
| Net income               | \$ 10,019          | \$ 10,236  | \$ 6,421  | \$ 2,163  | \$ 7,541  |
| Basic earnings per share | \$ 0.41            | \$ 0.42    | \$ 0.26   | \$ 0.09   | \$ 0.30   |

|  |    |        |    |        |    |        |    |        |    |         |
|--|----|--------|----|--------|----|--------|----|--------|----|---------|
| Diluted earnings per share   | \$ | 0.41   | \$ | 0.41   | \$ | 0.26   | \$ | 0.09   | \$ | 0.30    |
| Return on average assets <sup>(1)</sup>                                      |    | 1.03%  |    | 1.05%  |    | 0.66%  |    | 0.23%  |    | 0.87%   |
| Return on average shareholders' equity <sup>(1)</sup>                        |    | 7.39%  |    | 7.47%  |    | 4.70%  |    | 1.60%  |    | 5.64%   |
| Net interest margin - tax equivalent <sup>(1)</sup>                          |    | 3.71%  |    | 3.62%  |    | 3.55%  |    | 3.68%  |    | 4.06%   |
| Efficiency ratio <sup>(2)</sup>  |    | 64.32% |    | 65.64% |    | 66.77% |    | 64.15% |    | 60.44%  |
| Liquidity and Capital Ratios:  |    |        |    |        |    |        |    |        |    |         |
| Total shareholders' equity to total assets                                   |    | 13.54% |    | 13.84% |    | 14.18% |    | 13.77% |    | 15.67%  |
| Tangible equity to tangible assets <sup>(3)</sup>                            |    | 11.67% |    | 11.94% |    | 12.22% |    | 11.84% |    | 13.51%  |
| Common equity tier 1 capital ratio   |    | 15.75% |    | 15.45% |    | 15.41% |    | 15.30% |    | 15.23%  |
| Tier 1 risk-based capital ratio  |    | 15.75% |    | 15.45% |    | 15.41% |    | 15.30% |    | 15.23%  |
| Total risk-based capital ratio   |    | 17.00% |    | 16.71% |    | 16.67% |    | 16.56% |    | 16.42%  |
| Tier 1 leverage ratio  |    | 11.90% |    | 12.00% |    | 11.90% |    | 11.96% |    | 13.18%  |
| Credit Quality:  |    |        |    |        |    |        |    |        |    |         |
| Allowance for credit losses for loans to loans excluding loans held for sale |    | 1.41%  |    | 1.39%  |    | 1.49%  |    | 1.35%  |    | 1.17%   |
| Nonperforming assets to total assets   |    | 0.59%  |    | 0.61%  |    | 0.41%  |    | 0.29%  |    | 0.04%   |
| Nonperforming loans to loans excluding loans held for sale                   |    | 0.81%  |    | 0.82%  |    | 0.53%  |    | 0.38%  |    | 0.05%   |
| Net charge-offs (recoveries) to average loans <sup>(1)</sup>                 |    | 0.01%  |    | 0.49%  |    | 0.02%  |    | 0.01%  |    | (0.05)% |
| Other Data:  |    |        |    |        |    |        |    |        |    |         |
| Weighted average common shares outstanding - basic                           |    | 24,508 |    | 24,621 |    | 24,748 |    | 24,752 |    | 24,926  |
| Weighted average common shares outstanding - diluted                         |    | 24,616 |    | 24,678 |    | 24,770 |    | 24,780 |    | 25,000  |
| Common shares outstanding at period end                                      |    | 24,442 |    | 24,613 |    | 24,713 |    | 24,755 |    | 24,746  |
| Dividends per share  | \$ | 0.13   | \$ | 0.10   | \$ | 0.10   | \$ | 0.10   | \$ | 0.10    |
| Book value per share   | \$ | 22.31  | \$ | 22.20  | \$ | 21.89  | \$ | 21.71  | \$ | 21.70   |
| Tangible book value per share <sup>(3)</sup>                                 | \$ | 18.84  | \$ | 18.74  | \$ | 18.44  | \$ | 18.26  | \$ | 18.23   |
| Employees - full-time equivalents  |    | 517    |    | 511    |    | 515    |    | 523    |    | 512     |

(1) Annualized. Efficiency ratio represents noninterest expense divided by the sum of net interest income and noninterest income.

(3) Non-GAAP financial measure. See the table captioned "Non-GAAP to GAAP Reconciliation" at the end of this earnings release.

CBTX, INC. AND SUBSIDIARY  
Condensed Consolidated Balance Sheets  
(In thousands)

|                                       | 3/31/2021    | 12/31/2020   | 9/30/2020    | 6/30/2020    | 3/31/2020    |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Loans excluding loans held for sale   | \$ 2,891,632 | \$ 2,924,117 | \$ 2,964,526 | \$ 2,934,888 | \$ 2,671,587 |
| Allowance for credit losses for loans | (40,874)     | (40,637)     | (44,069)     | (39,678)     | (31,194)     |
| Loans, net                            | 2,850,758    | 2,883,480    | 2,920,457    | 2,895,210    | 2,640,393    |
| Cash and equivalents                  | 604,671      | 538,007      | 377,572      | 492,400      | 284,898      |
| Securities                            | 289,091      | 237,281      | 226,101      | 235,438      | 234,014      |
| Premises and equipment                | 60,551       | 61,152       | 61,732       | 50,729       | 50,243       |
| Goodwill                              | 80,950       | 80,950       | 80,950       | 80,950       | 80,950       |
| Other intangible assets               | 3,991        | 4,171        | 4,303        | 4,496        | 4,700        |
| Loans held for sale                   | 1,005        | 2,673        | 1,763        | -            | 882          |
| Operating lease right-to-use asset    | 12,900       | 13,285       | 12,893       | 14,081       | 12,577       |
| Other assets                          | 124,722      | 128,218      | 128,901      | 128,421      | 116,993      |

|  |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
| Total assets                               | \$ 4,028,639 | \$ 3,949,217 | \$ 3,814,672 | \$ 3,901,725 | \$ 3,425,650 |
| Noninterest-bearing deposits               | \$ 1,621,408 | \$ 1,476,425 | \$ 1,460,983 | \$ 1,513,748 | \$ 1,195,541 |
| Interest-bearing deposits                  | 1,763,339    | 1,825,369    | 1,709,681    | 1,740,455    | 1,596,692    |
| Total deposits                             | 3,384,747    | 3,301,794    | 3,170,664    | 3,254,203    | 2,792,233    |
| Federal Home Loan Bank advances            | 50,000       | 50,000       | 50,000       | 50,000       | 50,000       |
| Repurchase agreements                      | —            | —            | 2,153        | 2,500        | 1,415        |
| Operating lease liabilities                | 16,060       | 16,447       | 15,759       | 16,983       | 15,356       |
| Other liabilities                          | 32,483       | 34,525       | 35,175       | 40,683       | 29,772       |
| Total liabilities                          | 3,483,290    | 3,402,766    | 3,273,751    | 3,364,369    | 2,888,776    |
| Total shareholders' equity                 | 545,349      | 546,451      | 540,921      | 537,356      | 536,874      |
| Total liabilities and shareholders' equity | \$ 4,028,639 | \$ 3,949,217 | \$ 3,814,672 | \$ 3,901,725 | \$ 3,425,650 |

CBTX, INC. AND SUBSIDIARY  
Condensed Consolidated Statements of Income  
(In thousands)

|   | Three Months Ended |            |           |           |           |
|---|--------------------|------------|-----------|-----------|-----------|
|   | 3/31/2021          | 12/31/2020 | 9/30/2020 | 6/30/2020 | 3/31/2020 |
| Interest income   |                    |            |           |           |           |
| Interest and fees on loans  | \$ 33,165          | \$ 32,886  | \$ 32,318 | \$ 32,857 | \$ 33,617 |
| Securities  | 1,173              | 1,070      | 1,107     | 1,228     | 1,363     |
| Other interest-earning assets                                     | 177                | 168        | 176       | 169       | 1,055     |
| Equity investments  | 146                | 170        | 162       | 171       | 176       |
| Total interest income   | 34,661             | 34,294     | 33,763    | 34,425    | 36,211    |
| Interest expense  |                    |            |           |           |           |
| Deposits  | 1,350              | 1,549      | 1,831     | 2,022     | 3,766     |
| Federal Home Loan Bank advances                                   | 221                | 221        | 221       | 240       | 221       |
| Other interest-bearing liabilities                                | —                  | 4          | 3         | 5         | 4         |
| Total interest expense  | 1,571              | 1,774      | 2,055     | 2,267     | 3,991     |
| Net interest income   | 33,090             | 32,520     | 31,708    | 32,158    | 32,220    |
| Provision (recapture) for credit losses                           |                    |            |           |           |           |
| Provision for credit losses for loans                             | 286                | 229        | 4,569     | 8,537     | 4,739     |
| Provision (recapture) for credit losses for unfunded commitments  | 126                | (364)      | (461)     | 1,333     | 310       |
| Total provision (recapture) for credit losses                     | 412                | (135)      | 4,108     | 9,870     | 5,049     |
| Net interest income after provision (recapture) for credit losses | 32,678             | 32,655     | 27,600    | 22,288    | 27,171    |
| Noninterest income  |                    |            |           |           |           |
| Deposit account service charges                                   | 1,193              | 1,270      | 1,176     | 1,095     | 1,485     |
| Card interchange fees   | 976                | 999        | 995       | 915       | 922       |
| Earnings on bank-owned life insurance                             | 390                | 407        | 1,187     | 412       | 416       |
| Net gain on sales of assets                                       | 192                | 379        | 114       | 139       | 123       |
| Other   | 360                | 467        | 551       | 348       | 1,381     |
| Total noninterest income  | 3,111              | 3,522      | 4,023     | 2,909     | 4,327     |
| Noninterest expense   |                    |            |           |           |           |
| Salaries and employee benefits                                    | 14,188             | 12,848     | 14,332    | 14,012    | 14,223    |
| Occupancy expense   | 2,521              | 2,628      | 2,496     | 2,558     | 2,424     |
| Professional and director fees                                    | 1,703              | 3,209      | 2,446     | 1,541     | 1,152     |
| Data processing and software                                      | 1,576              | 1,330      | 1,525     | 1,292     | 1,222     |
| Regulatory fees   | 556                | 748        | 471       | 476       | 103       |
| Advertising, marketing and business development                   | 285                | 438        | 429       | 269       | 364       |
| Telephone and communications                                      | 463                | 455        | 486       | 392       | 419       |
| Security and protection expense                                   | 390                | 423        | 299       | 351       | 374       |
| Amortization of intangibles                                       | 191                | 197        | 198       | 230       | 221       |
| Other expenses  | 1,412              | 1,382      | 1,176     | 1,374     | 1,587     |
| Total noninterest expense   | 23,285             | 23,658     | 23,858    | 22,495    | 22,089    |
| Net income before income tax expense                              | 12,504             | 12,519     | 7,765     | 2,702     | 9,409     |
| Income tax expense  | 2,485              | 2,283      | 1,344     | 539       | 1,868     |
| Net income  | \$ 10,019          | \$ 10,236  | \$ 6,421  | \$ 2,163  | \$ 7,541  |

CBTX, INC. AND SUBSIDIARY  
Net Interest Margin  
(In thousands, except percentages)

|   | Three Months Ended                |   |  |                                   |   |  |                                   |   |  |
|---|-----------------------------------|---|--|-----------------------------------|---|--|-----------------------------------|---|--|
|   | 3/31/2021                         |   |  | 12/31/2020                        |   |  | 3/31/2020                         |   |  |
|   | Average<br>Outstanding<br>Balance | Interest<br>Earned/<br>Interest<br>Paid | Average<br>Yield/<br>Rate <sup>(1)</sup> | Average<br>Outstanding<br>Balance | Interest<br>Earned/<br>Interest<br>Paid | Average<br>Yield/<br>Rate <sup>(1)</sup> | Average<br>Outstanding<br>Balance | Interest<br>Earned/<br>Interest<br>Paid | Average<br>Yield/<br>Rate <sup>(1)</sup> |
| <b>Assets</b>                                       |                                   |   |  |                                   |   |  |                                   |   |  |
| Interest-earning assets:                            |                                   |   |  |                                   |   |  |                                   |   |  |
| Total loans <sup>(2)</sup>                          | \$ 2,901,291                      | \$ 33,165                               | 4.64%                                    | \$ 2,961,622                      | \$ 32,886                               | 4.42%                                    | \$ 2,634,507                      | \$ 33,617                               | 5.13%                                    |
| Securities  | 259,341                           | 1,173                                   | 1.84%                                    | 236,233                           | 1,070                                   | 1.80%                                    | 233,917                           | 1,363                                   | 2.34%                                    |
| Other interest-earning assets                       | 475,279                           | 177                                     | 0.15%                                    | 388,936                           | 168                                     | 0.17%                                    | 315,099                           | 1,055                                   | 1.35%                                    |
| Equity investments                                  | 15,353                            | 146                                     | 3.86%                                    | 15,346                            | 170                                     | 4.41%                                    | 13,661                            | 176                                     | 5.18%                                    |
| Total interest-earning assets                       | <u>3,651,264</u>                  | <u>\$ 34,661</u>                        | 3.85%                                    | <u>3,602,137</u>                  | <u>\$ 34,294</u>                        | 3.79%                                    | <u>3,197,184</u>                  | <u>\$ 36,211</u>                        | 4.56%                                    |
| Allowance for credit losses for loans               | (41,078)                          |   |  | (44,233)                          |   |  | (25,831)                          |   |  |
| Noninterest-earning assets                          | <u>321,334</u>                    |   |  | <u>321,303</u>                    |   |  | <u>296,698</u>                    |   |  |
| Total assets  | <u>\$ 3,931,520</u>               |   |  | <u>\$ 3,879,207</u>               |   |  | <u>\$ 3,468,051</u>               |   |  |
| <b>Liabilities and Shareholders' Equity</b>         |                                   |   |  |                                   |   |  |                                   |   |  |
| Interest-bearing liabilities:                       |                                   |   |  |                                   |   |  |                                   |   |  |
| Interest-bearing deposits                           | \$ 1,802,175                      | \$ 1,350                                | 0.30%                                    | \$ 1,744,557                      | \$ 1,549                                | 0.35%                                    | \$ 1,650,064                      | \$ 3,766                                | 0.92%                                    |
| Federal Home Loan Bank advances                     | 50,000                            | 221                                     | 1.79%                                    | 50,163                            | 221                                     | 1.76%                                    | 50,000                            | 221                                     | 1.78%                                    |
| Other interest-bearing liabilities                  | —                                 | —                                       | —  | 1,426                             | 4                                       | —  | 763                               | 4                                       | —  |
| Total interest-bearing liabilities                  | <u>1,852,175</u>                  | <u>\$ 1,571</u>                         | 0.34%                                    | <u>1,796,146</u>                  | <u>\$ 1,774</u>                         | 0.39%                                    | <u>1,700,827</u>                  | <u>\$ 3,991</u>                         | 0.94%                                    |
| Noninterest-bearing liabilities:                    |                                   |   |  |                                   |   |  |                                   |   |  |
| Noninterest-bearing deposits                        | 1,478,183                         |   |  | 1,482,753                         |   |  | 1,184,776                         |   |  |
| Other liabilities                                   | <u>51,634</u>                     |   |  | <u>55,174</u>                     |   |  | <u>44,620</u>                     |   |  |
| Total noninterest-bearing liabilities               | <u>1,529,817</u>                  |   |  | <u>1,537,927</u>                  |   |  | <u>1,229,396</u>                  |   |  |
| Shareholders' equity                                | <u>549,528</u>                    |   |  | <u>545,134</u>                    |   |  | <u>537,828</u>                    |   |  |
| Total liabilities and shareholders' equity          | <u>\$ 3,931,520</u>               |   |  | <u>\$ 3,879,207</u>               |   |  | <u>\$ 3,468,051</u>               |   |  |
| Net interest income                                 |                                   | <u>\$ 33,090</u>                        |  |                                   | <u>\$ 32,520</u>                        |  |                                   | <u>\$ 32,220</u>                        |  |
| Net interest spread <sup>(3)</sup>                  |                                   |   | 3.51%                                    |                                   |   | 3.40%                                    |                                   |   | 3.62%                                    |
| Net interest margin <sup>(4)</sup>                  |                                   |   | 3.68%                                    |                                   |   | 3.59%                                    |                                   |   | 4.05%                                    |
| Net interest margin - tax equivalent <sup>(5)</sup> |                                   |   | 3.71%                                    |                                   |   | 3.62%                                    |                                   |   | 4.06%                                    |

(1) Annualized average outstanding balances related to loans held for sale.

(2) Net interest margin is equal to net interest income divided by the average rate on interest-bearing liabilities.

(3) Net interest margin is equal to net interest income divided by the average rate on interest-bearing liabilities.

(4) Net interest margin is equal to net interest income divided by the average rate on interest-bearing liabilities.

(5) Net interest margin is equal to net interest income divided by the average rate on interest-bearing liabilities.

CBTX, INC. AND SUBSIDIARY

Rate/Volume Analysis

(In thousands)

| (Dollars in thousands)                        | Three Months Ended March 31, 2021,<br>Compared to Three Months Ended December 31, 2020 |          |          |        |
|---|--|----------|----------|--------|
|   | Increase (Decrease) due to   |          |          | Total  |
|   | Rate   | Volume   | Days     |        |
| Interest-earning assets:                      |  |          |          |        |
| Total loans                                   | \$ 1,667   | \$ (670) | \$ (718) | \$ 279 |
| Securities                                    | 23   | 105      | (25)     | 103    |
| Other interest-earning assets                 | (24)   | 37       | (4)      | 9      |
| Equity investments                            | (21)   | —        | (3)      | (24)   |
| Total increase (decrease) in interest income  | 1,645  | (528)    | (750)    | 367    |
| Interest-bearing liabilities:                 |  |          |          |        |
| Interest-bearing deposits                     | (216)  | 51       | (34)     | (199)  |
| Federal Home Loan Bank advances               | 6  | (1)      | (5)      | —      |
| Other interest-bearing liabilities            | (4)  | —        | —        | (4)    |
| Total increase (decrease) in interest expense | (214)  | 50       | (39)     | (203)  |
| Increase (decrease) in net interest income    | \$ 1,859   | \$ (578) | \$ (711) | \$ 570 |

| (Dollars in thousands)                        | Three Months Ended March 31, 2021,<br>Compared to Three Months Ended March 31, 2020 |          |          |          |
|---|---|----------|----------|----------|
|   | Increase (Decrease) due to  |          |          | Total    |
|   | Rate  | Volume   | Days     |          |
| Interest-earning assets:                      |   |          |          |          |
| Total loans                                   | \$ (3,484)  | \$ 3,403 | \$ (371) | \$ (452) |
| Securities                                    | (322)   | 148      | (16)     | (190)    |
| Other interest-earning assets                 | (1,404)   | 538      | (12)     | (878)    |
| Equity investments                            | (50)  | 22       | (2)      | (30)     |
| Total increase (decrease) in interest income  | (5,260)   | 4,111    | (401)    | (1,550)  |
| Interest-bearing liabilities:                 |   |          |          |          |
| Interest-bearing deposits                     | (2,722)   | 348      | (42)     | (2,416)  |
| Federal Home Loan Bank advances               | 2   | —        | (2)      | —        |
| Other interest-bearing liabilities            | (4)   | —        | —        | (4)      |
| Total increase (decrease) in interest expense | (2,724)   | 348      | (44)     | (2,420)  |
| Increase (decrease) in net interest income    | \$ (2,536)  | \$ 3,763 | \$ (357) | \$ 870   |

CBTX, INC. AND SUBSIDIARY

Yield Trend<sup>(1)</sup>

|   | Three Months Ended |            |           |           |           |
|---|--------------------|------------|-----------|-----------|-----------|
|   | 3/31/2021          | 12/31/2020 | 9/30/2020 | 6/30/2020 | 3/31/2020 |
| Interest-earning assets:                            |                    |            |           |           |           |
| Total loans   | 4.64%              | 4.42%      | 4.37%     | 4.54%     | 5.13%     |
| Securities  | 1.84%              | 1.80%      | 1.87%     | 2.05%     | 2.34%     |
| Other interest-earning assets                       | 0.15%              | 0.17%      | 0.18%     | 0.18%     | 1.35%     |
| Equity investments                                  | 3.86%              | 4.41%      | 4.20%     | 4.54%     | 5.18%     |
| Total interest-earning assets                       | 3.85%              | 3.79%      | 3.75%     | 3.91%     | 4.56%     |
| Interest-bearing liabilities:                       |                    |            |           |           |           |
| Interest-bearing deposits                           | 0.30%              | 0.35%      | 0.42%     | 0.48%     | 0.92%     |
| Federal Home Loan Bank advances                     | 1.79%              | 1.76%      | 1.76%     | 1.36%     | 1.78%     |
| Other interest-bearing liabilities                  | —                  | —          | —         | 0.19%     | —         |
| Total interest-bearing liabilities                  | 0.34%              | 0.39%      | 0.46%     | 0.52%     | 0.94%     |
| Net interest spread <sup>(2)</sup>                  | 3.51%              | 3.40%      | 3.29%     | 3.39%     | 3.62%     |
| Net interest margin <sup>(3)</sup>                  | 3.68%              | 3.59%      | 3.52%     | 3.65%     | 4.05%     |
| Net interest margin - tax equivalent <sup>(4)</sup> | 3.71%              | 3.62%      | 3.55%     | 3.68%     | 4.06%     |

(1) Annualized spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.

(2) Net interest margin is annualized interest revenue on interest-earning assets.

(3) Net equivalent adjustments were computed using a Federal Income tax rate of 21%.

CBTX, INC. AND SUBSIDIARY  
Average Outstanding Balances  
(In thousands)

|                                       | Three Months Ended  |                     |                     |                     |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | 3/31/2021           | 12/31/2020          | 9/30/2020           | 6/30/2020           | 3/31/2020           |
| Assets                                |                     |                     |                     |                     |                     |
| Interest-earning assets:              |                     |                     |                     |                     |                     |
| Total loans <sup>(1)</sup>            | \$ 2,901,291        | \$ 2,961,622        | \$ 2,945,320        | \$ 2,908,204        | \$ 2,634,507        |
| Securities                            | 259,341             | 236,233             | 236,015             | 240,343             | 233,917             |
| Other interest-earning assets         | 475,279             | 388,936             | 383,626             | 378,405             | 315,099             |
| Equity investments                    | 15,353              | 15,346              | 15,334              | 15,147              | 13,661              |
| Total interest-earning assets         | 3,651,264           | 3,602,137           | 3,580,295           | 3,542,099           | 3,197,184           |
| Allowance for credit losses for loans | (41,078)            | (44,233)            | (40,135)            | (31,443)            | (25,831)            |
| Noninterest-earning assets            | 321,334             | 321,303             | 326,590             | 305,821             | 296,698             |
| Total assets                          | <u>\$ 3,931,520</u> | <u>\$ 3,879,207</u> | <u>\$ 3,866,750</u> | <u>\$ 3,816,477</u> | <u>\$ 3,468,051</u> |
| Liabilities and Shareholders' Equity  |                     |                     |                     |                     |                     |
| Interest-bearing liabilities:         |                     |                     |                     |                     |                     |

|  |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Interest-bearing deposits                  | \$ 1,802,175        | \$ 1,744,557        | \$ 1,730,812        | \$ 1,687,991        | \$ 1,650,064        |
| Federal Home Loan Bank advances            | 50,000              | 50,163              | 50,000              | 70,769              | 50,000              |
| Other interest-bearing liabilities         | —                   | 1,426               | 2,230               | 2,101               | 763                 |
| Total interest-bearing liabilities         | <u>1,852,175</u>    | <u>1,796,146</u>    | <u>1,783,042</u>    | <u>1,760,861</u>    | <u>1,700,827</u>    |
| Noninterest-bearing liabilities:           |                     |                     |                     |                     |                     |
| Noninterest-bearing deposits               | 1,478,183           | 1,482,753           | 1,484,557           | 1,462,271           | 1,184,776           |
| Other liabilities                          | 51,634              | 55,174              | 55,386              | 49,958              | 44,620              |
| Total noninterest-bearing liabilities      | <u>1,529,817</u>    | <u>1,537,927</u>    | <u>1,539,943</u>    | <u>1,512,229</u>    | <u>1,229,396</u>    |
| Shareholders' equity                       | 549,528             | 545,134             | 543,765             | 543,387             | 537,828             |
| Total liabilities and shareholders' equity | <u>\$ 3,931,520</u> | <u>\$ 3,879,207</u> | <u>\$ 3,866,750</u> | <u>\$ 3,816,477</u> | <u>\$ 3,468,051</u> |

(1) Includes average outstanding balances of loans held for sale.

CBTX, INC. AND SUBSIDIARY  
Loans and Deposits Period End Balances  
(In thousands, except percentages)

|  | 3/31/2021           |               | 12/31/2020          |               | 9/30/2020           |               | 6/30/2020           |               | 3/31/2020           |               |
|--|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
|  | Amount              | %             | Amount              | %             | Amount              | %             | Amount              | %             | Amount              | %             |
| Loan Portfolio:  |                     |               |                     |               |                     |               |                     |               |                     |               |
| Commercial and industrial                                  | \$ 756,707          | 26.1%         | \$ 742,957          | 25.3%         | \$ 832,686          | 28.0%         | \$ 837,667          | 28.4%         | \$ 542,650          | 20.3%         |
| Real estate:   |                     |               |                     |               |                     |               |                     |               |                     |               |
| Commercial real estate                                     | 1,072,263           | 36.9%         | 1,041,998           | 35.5%         | 949,933             | 31.9%         | 908,027             | 30.8%         | 904,395             | 33.8%         |
| Construction and development                               | 464,091             | 16.0%         | 522,705             | 17.8%         | 506,216             | 17.0%         | 552,879             | 18.8%         | 558,343             | 20.8%         |
| 1-4 family residential                                     | 224,880             | 7.7%          | 239,872             | 8.2%          | 253,868             | 8.5%          | 272,253             | 9.2%          | 276,142             | 10.3%         |
| Multi-family residential                                   | 271,719             | 9.4%          | 258,346             | 8.8%          | 298,733             | 10.0%         | 255,273             | 8.7%          | 267,152             | 10.0%         |
| Consumer   | 32,767              | 1.1%          | 33,884              | 1.1%          | 35,637              | 1.2%          | 36,338              | 1.2%          | 38,133              | 1.4%          |
| Agriculture  | 6,974               | 0.2%          | 8,670               | 0.3%          | 9,753               | 0.3%          | 7,795               | 0.3%          | 7,520               | 0.3%          |
| Other  | 74,387              | 2.6%          | 88,238              | 3.0%          | 91,501              | 3.1%          | 77,535              | 2.6%          | 84,076              | 3.1%          |
| Gross loans  | <u>2,903,788</u>    | <u>100.0%</u> | <u>2,936,670</u>    | <u>100.0%</u> | <u>2,978,327</u>    | <u>100.0%</u> | <u>2,947,767</u>    | <u>100.0%</u> | <u>2,678,411</u>    | <u>100.0%</u> |
| Less allowance for credit losses                           | (40,874)            |               | (40,637)            |               | (44,069)            |               | (39,678)            |               | (31,194)            |               |
| Less deferred fees and unearned discount                   | (11,151)            |               | (9,880)             |               | (12,038)            |               | (12,879)            |               | (5,942)             |               |
| Less loans held for sale                                   | (1,005)             |               | (2,673)             |               | (1,763)             |               | —                   |               | (882)               |               |
| Loans, net   | <u>\$ 2,850,758</u> |               | <u>\$ 2,883,480</u> |               | <u>\$ 2,920,457</u> |               | <u>\$ 2,895,210</u> |               | <u>\$ 2,640,393</u> |               |
| Deposits:  |                     |               |                     |               |                     |               |                     |               |                     |               |
| Interest-bearing demand accounts                           | \$ 368,124          | 10.9%         | \$ 380,175          | 11.5%         | \$ 346,406          | 10.9%         | \$ 366,281          | 11.2%         | \$ 359,943          | 12.9%         |
| Money market accounts                                      | 995,945             | 29.4%         | 1,039,617           | 31.5%         | 916,668             | 28.9%         | 878,006             | 27.0%         | 760,036             | 27.2%         |
| Savings accounts   | 112,467             | 3.3%          | 108,167             | 3.3%          | 103,062             | 3.3%          | 98,485              | 3.0%          | 90,227              | 3.2%          |
| Certificates and other time deposits, \$100,000 or greater | 145,762             | 4.3%          | 152,592             | 4.6%          | 171,854             | 5.4%          | 200,505             | 6.2%          | 212,341             | 7.6%          |
| Certificates and other time deposits, less than \$100,000  | <u>141,041</u>      | <u>4.2%</u>   | <u>144,818</u>      | <u>4.4%</u>   | <u>171,691</u>      | <u>5.4%</u>   | <u>197,178</u>      | <u>6.1%</u>   | <u>174,145</u>      | <u>6.3%</u>   |
| Total interest-bearing deposits                            | 1,763,339           | 52.1%         | 1,825,369           | 55.3%         | 1,709,681           | 53.9%         | 1,740,455           | 53.5%         | 1,596,692           | 57.2%         |
| Noninterest-bearing deposits                               | <u>1,621,408</u>    | <u>47.9%</u>  | <u>1,476,425</u>    | <u>44.7%</u>  | <u>1,460,983</u>    | <u>46.1%</u>  | <u>1,513,748</u>    | <u>46.5%</u>  | <u>1,195,541</u>    | <u>42.8%</u>  |

|                |                    |               |                    |               |                    |               |                    |               |                    |               |
|----------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| Total deposits | <u>\$3,384,747</u> | <u>100.0%</u> | <u>\$3,301,794</u> | <u>100.0%</u> | <u>\$3,170,664</u> | <u>100.0%</u> | <u>\$3,254,203</u> | <u>100.0%</u> | <u>\$2,792,233</u> | <u>100.0%</u> |
|----------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|

CBTX, INC. AND SUBSIDIARY  
Credit Quality  
(In thousands, except percentages)

|  | <u>3/31/2021</u> | <u>12/31/2020</u> | <u>9/30/2020</u> | <u>6/30/2020</u> | <u>3/31/2020</u> |
|--|------------------|-------------------|------------------|------------------|------------------|
| Nonperforming Assets (at period end):  |                  |                   |                  |                  |                  |
| Nonaccrual loans:  |                  |                   |                  |                  |                  |
| Commercial and industrial  | \$ 12,230        | \$ 12,588         | \$ 6,699         | \$ 5,519         | \$ 449           |
| Real estate:   |                  |                   |                  |                  |                  |
| Commercial real estate   | 10,664           | 10,665            | 4,811            | 4,811            | 67               |
| Construction and development   | 236              | 238               | 241              | 506              | 519              |
| 1-4 family residential   | 378              | 526               | 325              | 332              | 413              |
| Multi-family residential   | —                | —                 | —                | —                | —                |
| Consumer   | —                | —                 | —                | —                | —                |
| Agriculture  | —                | —                 | —                | —                | —                |
| Other  | —                | —                 | 3,500            | —                | —                |
| Nonaccrual loans   | <u>23,508</u>    | <u>24,017</u>     | <u>15,576</u>    | <u>11,168</u>    | <u>1,448</u>     |
| Accruing loans 90 or more days past due                                      | —                | —                 | —                | —                | —                |
| Total nonperforming loans  | <u>23,508</u>    | <u>24,017</u>     | <u>15,576</u>    | <u>11,168</u>    | <u>1,448</u>     |
| Foreclosed assets  | 106              | —                 | —                | —                | —                |
| Total nonperforming assets   | <u>\$ 23,614</u> | <u>\$ 24,017</u>  | <u>\$ 15,576</u> | <u>\$ 11,168</u> | <u>\$ 1,448</u>  |
| Allowance for Credit Losses for Loans (at period end):                       |                  |                   |                  |                  |                  |
| Commercial and industrial  | \$ 13,812        | \$ 13,035         | \$ 13,347        | \$ 12,108        | \$ 9,535         |
| Real estate:   |                  |                   |                  |                  |                  |
| Commercial real estate   | 14,280           | 13,798            | 12,745           | 12,424           | 9,576            |
| Construction and development   | 5,445            | 6,089             | 6,334            | 7,050            | 5,795            |
| 1-4 family residential   | 2,458            | 2,578             | 2,871            | 3,173            | 2,430            |
| Multi-family residential   | 2,714            | 2,513             | 3,117            | 2,880            | 2,413            |
| Consumer   | 434              | 440               | 507              | 529              | 477              |
| Agriculture  | 107              | 137               | 164              | 134              | 129              |
| Other  | 1,624            | 2,047             | 4,984            | 1,380            | 839              |
| Total allowance for credit losses for loans                                  | <u>\$ 40,874</u> | <u>\$ 40,637</u>  | <u>\$ 44,069</u> | <u>\$ 39,678</u> | <u>\$ 31,194</u> |
| Credit Quality Ratios (at period end):                                       |                  |                   |                  |                  |                  |
| Nonperforming assets to total assets   | 0.59%            | 0.61%             | 0.41%            | 0.29%            | 0.04%            |
| Nonperforming loans to loans excluding loans held for sale                   | 0.81%            | 0.82%             | 0.53%            | 0.38%            | 0.05%            |
| Allowance for credit losses for loans to nonperforming loans                 | 173.87%          | 169.20%           | 282.93%          | 355.28%          | 2,154.28%        |
| Allowance for credit losses for loans to loans excluding loans held for sale | 1.41%            | 1.39%             | 1.49%            | 1.35%            | 1.17%            |

CBTX, INC. AND SUBSIDIARY  
Allowance for Credit Losses for Loans  
(In thousands, except percentages)

|  | Three Months Ended |                  |                  |                  |                  |
|--|--------------------|------------------|------------------|------------------|------------------|
|  | 3/31/2021          | 12/31/2020       | 9/30/2020        | 6/30/2020        | 3/31/2020        |
| Beginning balance  | \$ 40,637          | \$ 44,069        | \$ 39,678        | \$ 31,194        | \$ 25,280        |
| Adoption of CECL   | —                  | —                | —                | —                | 874              |
| Provision  | 286                | 229              | 4,569            | 8,537            | 4,739            |
| Net (charge-offs) recoveries:                                |                    |                  |                  |                  |                  |
| Commercial and industrial                                    | (95)               | (305)            | (31)             | 18               | 398              |
| Real estate:   |                    |                  |                  |                  |                  |
| Commercial real estate                                       | —                  | 143              | (135)            | (24)             | —                |
| Construction and development                                 | —                  | —                | —                | —                | —                |
| 1-4 family residential                                       | —                  | —                | (5)              | (66)             | 1                |
| Multi-family residential                                     | —                  | —                | —                | —                | —                |
| Consumer   | 4                  | 1                | (7)              | 7                | (99)             |
| Agriculture  | 42                 | —                | —                | 12               | —                |
| Other  | —                  | (3,500)          | —                | —                | 1                |
| Total net (charge-offs) recoveries                           | (49)               | (3,661)          | (178)            | (53)             | 301              |
| Ending balance   | <u>\$ 40,874</u>   | <u>\$ 40,637</u> | <u>\$ 44,069</u> | <u>\$ 39,678</u> | <u>\$ 31,194</u> |
| Net charge-offs (recoveries) to average loans <sup>(1)</sup> | 0.01%              | 0.49%            | 0.02%            | 0.01%            | (0.05)%          |

(1) Annualized.

CBTX, INC. AND SUBSIDIARY  
Non-GAAP to GAAP Reconciliation

(In thousands, except per share data and percentages)

Our accounting and reporting policies conform to GAAP and the prevailing practices in the banking industry. However, we also evaluate our performance based on certain additional non-GAAP financial measures. We classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are not included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP as in effect from time to time in the United States in our statements of income, balance sheets or statements of cash flows. Non-GAAP financial measures do not include operating, other statistical measures or ratios calculated using exclusively financial measures calculated in accordance with GAAP. Non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Moreover, the way we calculate the non-GAAP financial measures may differ from that of other companies reporting measures with similar names.

We calculate tangible equity as total shareholders' equity, less goodwill and other intangible assets, net of accumulated amortization, and tangible book value per share as tangible equity divided by shares of common stock outstanding at the end of the relevant period. The most directly comparable GAAP financial measure for tangible book value per share is book value per share.

We calculate tangible assets as total assets less goodwill and other intangible assets, net of accumulated amortization. The most directly comparable GAAP financial measure for tangible equity to tangible assets is total shareholders' equity to total assets.

We believe that tangible book value per share and tangible equity to tangible assets are measures that are important to many investors in the marketplace who are interested in book value per share and total shareholders' equity to total assets, exclusive of change in intangible assets.

The following table reconciles, as of the dates set forth below, total shareholders' equity to tangible equity, total assets to tangible assets and presents book value per share, tangible book value per share, tangible equity to tangible assets and total shareholders' equity to total assets:

|  | <u>3/31/2021</u>    | <u>12/31/2020</u>   | <u>9/30/2020</u>    | <u>6/30/2020</u>    | <u>3/31/2020</u>    |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Tangible Equity                            |                     |                     |                     |                     |                     |
| Total shareholders' equity                 | \$ 545,349          | \$ 546,451          | \$ 540,921          | \$ 537,356          | \$ 536,874          |
| Adjustments:                               |                     |                     |                     |                     |                     |
| Goodwill                                   | 80,950              | 80,950              | 80,950              | 80,950              | 80,950              |
| Other intangibles                          | 3,991               | 4,171               | 4,303               | 4,496               | 4,700               |
| Tangible equity                            | <u>\$ 460,408</u>   | <u>\$ 461,330</u>   | <u>\$ 455,668</u>   | <u>\$ 451,910</u>   | <u>\$ 451,224</u>   |
| Tangible Assets                            |                     |                     |                     |                     |                     |
| Total assets                               | \$ 4,028,639        | \$ 3,949,217        | \$ 3,814,672        | \$ 3,901,725        | \$ 3,425,650        |
| Adjustments:                               |                     |                     |                     |                     |                     |
| Goodwill                                   | 80,950              | 80,950              | 80,950              | 80,950              | 80,950              |
| Other intangibles                          | 3,991               | 4,171               | 4,303               | 4,496               | 4,700               |
| Tangible assets                            | <u>\$ 3,943,698</u> | <u>\$ 3,864,096</u> | <u>\$ 3,729,419</u> | <u>\$ 3,816,279</u> | <u>\$ 3,340,000</u> |
| Common shares outstanding                  | 24,442              | 24,613              | 24,713              | 24,755              | 24,746              |
| Book value per share                       | \$ 22.31            | \$ 22.20            | \$ 21.89            | \$ 21.71            | \$ 21.70            |
| Tangible book value per share              | \$ 18.84            | \$ 18.74            | \$ 18.44            | \$ 18.26            | \$ 18.23            |
| Total shareholders' equity to total assets | 13.54%              | 13.84%              | 14.18%              | 13.77%              | 15.67%              |
| Tangible equity to tangible assets         | 11.67%              | 11.94%              | 12.22%              | 11.84%              | 13.51%              |

Investor Relations:

Justin M. Long

281.325.5013

[investors@CBoTX.com](mailto:investors@CBoTX.com)

Media Contact:

Ashley Warren

713.210.7622

[awarren@CBoTX.com](mailto:awarren@CBoTX.com)