

Annual Disclosure Statement
December 31, 2025
FFIEC 051

Southwestern National Bank
Houston, TX 77036

I, the undersigned officer, attest to the correctness of this statement and declare that it has been examined by me and to the best of my knowledge and belief has been prepared in accordance with instructions issued by the appropriate Federal regulatory authority and is true and correct.



This statement has not been reviewed, or confirmed for accuracy or relevance, by the Federal Deposit Insurance Corporation.

Consolidated Report of Income

December 31, 2025

Dollar Amounts in Thousands

	Prior Year 2024	Current Year 2025
Interest income:		
Interest and fee income on loans:		
Loans secured by real estate:		
Loans secured by 1-4 family residential properties.....	4,490	6,268
All other loans secured by real estate.....	58,570	66,505
Commercial and industrial loans.....	4,478	5,004
Loans to individuals for household, family, and other personal expenditures:		
Credit cards.....	0	0
Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans).....	28	19
All other loans.....	0	0
Total interest and fee income on loans.....	67,566	77,796
Income from lease financing receivables.....	0	0
Interest income on balances due from depository institutions.....	4,987	4,234
Interest and dividend income on securities:		
U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities).....	95	88
Mortgage-backed securities.....	1,335	1,681
All other securities (includes securities issued by states and political subdivisions in the U.S.).....	37	37
Interest income on federal funds sold and securities purchased under agreements to resell.....	0	0
Other interest income.....	163	162
Total interest income.....	74,183	83,998
Interest expense:		
Interest on deposits:		
Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....	2,052	2,530
Nontransaction accounts:		
Savings deposits (includes MMDAs).....	5,370	6,808
Time deposits of \$250,000 or less.....	14,943	13,935
Time deposits of more than \$250,000.....	16,278	14,339
Expense of federal funds purchased and securities sold under agreements to repurchase.....	0	0
Other interest expense.....	22	471
Total interest expense.....	38,665	38,083
Net interest income.....	35,518	45,915
Provisions for credit losses.....	714	405
Noninterest income:		
Income from fiduciary activities.....	0	0
Service charges on deposit accounts.....	1,070	1,640
Income from securities-related and insurance activities:		
Fees and commissions from securities brokerage, investment banking, advisory, and underwriting activities.....	0	0
Income from insurance activities.....	0	0

Consolidated Report of Income

December 31, 2025

Dollar Amounts in Thousands

	Prior Year 2024	Current Year 2025
Noninterest income (continued):		
Net servicing fees.....	0	0
Net gains (losses) on sales of loans and leases.....	4,313	3,819
Net gains (losses) on sales of other real estate owned.....	0	123
Net gains (losses) on sales of other assets.....	0	(210)
Other noninterest income.....	2,398	2,425
Total noninterest income.....	7,781	7,797
Realized gains (losses) on held-to-maturity securities.....	0	0
Realized gains (losses) on available-for-sale debt securities.....	0	(154)
Noninterest expense:		
Salaries and employee benefits.....	17,258	19,267
Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest).....	2,697	3,184
Goodwill impairment losses.....	0	0
Amortization expense and impairment losses for other intangible assets.....	0	0
Other noninterest expense.....	7,053	9,310
Total noninterest expense.....	27,008	31,761
Income (loss) before change in net unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations.....	15,577	21,392
Change in net unrealized holding gains (losses) on equity securities not held for trading.....	0	0
Income (loss) before applicable income taxes and discontinued operations.....	15,577	21,392
Applicable income taxes.....	2,925	4,303
Income (loss) before discontinued operations.....	12,652	17,089
Discontinued operations, net of applicable income taxes.....	0	0
Net income (loss) attributable to bank and noncontrolling (minority) interests.....	12,652	17,089
LESS: Net income (loss) attributable to noncontrolling (minority) interests.....	0	0
Net income (loss) attributable to bank.....	12,652	17,089
Memoranda		
Income on tax-exempt loans and leases to states and political subdivisions in the U.S.....	0	0
Income on tax-exempt securities issued by states and political subdivisions in the U.S.....	37	37
Number of full-time equivalent employees at end of current period (round to the nearest whole number).....	Number 142	Number 147
<i>The following item is to be completed by:</i>		
• banks with \$300 million or more in total assets, and		
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans.		
Interest and fee income on loans to finance agricultural production and other loans to farmers.....	0	0

Consolidated Report of Income
December 31, 2025

Dollar Amounts in Thousands		Prior Year 2024	Current Year 2025
Memoranda (continued)			
Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?.....		YES / NO	YES / NO
		NO	NO
<i>The following items are to be completed by institutions with \$1 billion or more in total assets and offer one or more consumer deposit account products.</i>			
Components of service charges on deposit accounts:			
Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....		165	273
Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....		0	0
Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....		0	0
All other service charges on deposit accounts.....		905	1,367

Consolidated Report of Income

December 31, 2025

Dollar Amounts in Thousands

	Prior Year 2024	Current Year 2025
Changes in Bank Equity Capital		
Total bank equity capital most recently reported for the December 31, 2024 Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	125,137	137,452
Cumulative effect of changes in accounting principles and corrections of material accounting errors.....	0	0
Balance end of previous calendar year as restated.....	125,137	137,452
Net income (loss) attributable to bank.....	12,652	17,089
Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions).....	0	0
Treasury stock transactions, net.....	0	0
Changes incident to business combinations, net.....	0	0
LESS: Cash dividends declared on preferred stock.....	0	0
LESS: Cash dividends declared on common stock.....	0	0
Other comprehensive income.....	(337)	1,579
Other transactions with stockholders (including a parent holding company).....	0	(3,000)
Total bank equity capital end of current period.....	137,452	153,120
Changes in Allowances for Credit Losses		
Loans and Leases Held for Investment		
Balance most recently reported for the December 31, 2024, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	11,450	12,252
Recoveries.....	0	130
LESS: Charge-offs.....	196	0
LESS: Write-downs arising from transfers of financial assets.....	0	0
Provisions for credit losses.....	998	578
Adjustments.....	0	0
Balance end of current period.....	12,252	12,960
Changes in Allowances for Credit Losses		
Held-to-Maturity Debt Securities		
Balance most recently reported for the December 31, 2024, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	0	0
Recoveries.....	0	0
LESS: Charge-offs.....	0	0
LESS: Write-downs arising from transfers of financial assets.....	0	0
Provisions for credit losses.....	0	0
Adjustments.....	0	0
Balance end of current period.....	0	0

Consolidated Report of Income

December 31, 2025

Dollar Amounts in Thousands

	Prior Year 2024	Current Year 2025
Changes in Allowances for Credit Losses		
Available-for-Sale Debt Securities		
Balance most recently reported for the December 31, 2024, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	0	0
Recoveries.....	0	0
LESS: Charge-offs.....	0	0
LESS: Write-downs arising from transfers of financial assets.....	0	0
Provisions for credit losses.....	0	0
Adjustments.....	0	0
Balance end of current period.....	0	0
Memoranda		
Provisions for credit losses on other financial assets measured at amortized cost.....	0	0
Allowance for credit losses on other financial assets measured at amortized cost.....	0	0
Provisions for credit losses on off-balance-sheet credit exposures.....	(284)	(173)

Consolidated Report of Condition

December 31, 2025

Dollar Amounts in Thousands

	Prior Year 2024	Current Year 2025
Assets		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin.....	28,361	29,337
Interest-bearing balances.....	88,588	141,902
Securities:		
Held-to-maturity securities.....	0	0
Available-for-sale debt securities.....	47,248	51,055
Equity securities with readily determinable fair values not held for trading.....	0	0
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold.....	50	50
Securities purchased under agreements to resell.....	0	0
Loans and lease financing receivables:		
Loans and leases held for sale.....	19,842	19,606
Loans and leases held for investment.....	1,007,079	1,109,598
LESS: Allowance for credit losses on loans and leases.....	12,252	12,960
Loans and leases held for investment, net of allowance.....	994,827	1,096,638
Trading assets.....	0	0
Premises and fixed assets (including right-of-use assets).....	5,758	7,209
Other real estate owned.....	0	0
Investments in unconsolidated subsidiaries and associated companies.....	0	0
Direct and indirect investments in real estate ventures.....	0	0
Intangible assets.....	0	0
Other assets.....	27,554	31,361
Total assets.....	1,212,228	1,377,158
Liabilities		
Deposits:		
In domestic offices.....	1,047,098	1,215,447
Noninterest-bearing.....	183,558	204,609
Interest-bearing.....	863,540	1,010,838
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased.....	0	0
Securities sold under agreements to repurchase.....	0	0
Trading liabilities.....	0	0
Other borrowed money (includes mortgage indebtedness).....	20,000	0
Subordinated notes and debentures.....	0	0
Other liabilities.....	7,678	8,591
Total liabilities.....	1,074,776	1,224,038
Equity Capital		
Bank Equity Capital		
Perpetual preferred stock and related surplus.....	0	0
Common stock.....	4,674	4,674
Surplus (excludes all surplus related to preferred stock).....	49,287	49,287
Retained earnings.....	85,957	100,046
Accumulated other comprehensive income.....	(2,466)	(887)
Other equity capital components.....	0	0
Total bank equity capital.....	137,452	153,120
Noncontrolling (minority) interests in consolidated subsidiaries.....	0	0
Total equity capital.....	137,452	153,120
Total liabilities and equity capital.....	1,212,228	1,377,158

Consolidated Report of Condition

December 31, 2025

**Past Due and Nonaccrual Loans, Leases,
and Other Assets**

	Prior Year - 2024		Current Year - 2025	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Dollar Amounts in Thousands				
Loans secured by real estate:				
Construction, land development, and other land loans:				
1-4 family residential construction loans.....	0	0	0	0
Other construction loans and all land development and other land loans.....	0	0	0	0
Secured by farmland.....	0	0	0	0
Secured by 1-4 family residential properties:				
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	0	0	0	0
Closed-end loans secured by 1-4 family residential properties:				
Secured by first liens.....	0	0	0	0
Secured by junior liens.....	0	0	0	0
Secured by multifamily (5 or more) residential properties.....	0	0	0	0
Secured by nonfarm nonresidential properties:				
Loans secured by owner-occupied nonfarm nonresidential properties.....	0	0	0	2,845
Loans secured by other nonfarm nonresidential properties.....	0	0	0	1,310
Loans to depository institutions and acceptances of other banks.....	0	0	0	0
Commercial and industrial loans.....	214	214	0	306
Loans to individuals for household, family, and other personal expenditures:				
Credit cards.....	0	0	0	0
Automobile loans.....	0	0	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans).....	0	0	0	0
All other loans.....	0	0	0	0
Lease financing receivables.....	0	0	0	0
Total loans and leases.....	214	214	0	4,461
Debt securities and other assets (exclude other real estate owned and other repossessed assets).....	0	0	0	0
Loans and leases reported in items above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC.....	0	0	0	2,573
Guaranteed portion of loans and leases included in item above, excluding rebooked "GNMA loans".....	0	0	0	1,929
Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item above.....	0	0	0	0
Portion of covered loans and leases included in total above that is protected by FDIC loss-sharing agreements.....	0	0	0	0

Consolidated Report of Condition

December 31, 2025

**Past Due and Nonaccrual Loans, Leases,
and Other Assets**
Memoranda

Dollar Amounts in Thousands

	Prior Year - 2024		Current Year - 2025	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Loan modifications to borrowers experiencing financial difficulty included in items above:				
Construction, land development, and other land loans:				
1-4 family residential construction loans.....	0	0	0	0
Other construction loans and all land development and other land loans.....	0	0	0	0
Loans secured by 1-4 family residential properties.....	0	0	0	0
Secured by multifamily (5 or more) residential properties.....	0	0	0	0
Secured by nonfarm nonresidential properties:				
Loans secured by owner-occupied nonfarm nonresidential properties.....	0	0	0	0
Loans secured by other nonfarm nonresidential properties.....	0	0	0	0
Commercial and industrial loans.....	0	0	0	0
All other loans (include loans to individuals for household, family, and other personal expenditures).....	0	0	0	0
<i>Itemize loan categories included in item above that exceed 10% of total loan modifications to borrowers experiencing financial difficulty that are past due 30 days or more or in nonaccrual status:</i>				
Loans secured by farmland.....	0	0	0	0
Loans to individuals for household, family, and other personal expenditures:				
Credit cards.....	0	0	0	0
Automobile loans.....	0	0	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans).....	0	0	0	0
<i>The following item is to be completed by:</i>				
• Banks with \$300 million or more in total assets				
• Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans				
Loans to finance agricultural production and other loans to farmers included in item above.....	0	0	0	0
Total loan modifications to borrowers experiencing financial difficulty included in items above.....	0	0	0	0
Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in items above.....	0	0	0	0

Consolidated Report of Condition
December 31, 2025

Past Due and Nonaccrual Loans, Leases,
and Other Assets

Memoranda Dollar Amounts in Thousands

The following item is to be completed by:

- Banks with \$300 million or more in total assets
- Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans

Loans to finance agricultural production and other loans to farmers (included in items above).....

Loans and leases held for sale (included in items above).....

Prior Year - 2024		Current Year - 2025	
Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
0	0	0	0
0	0	0	0

Dollar Amounts in Thousands

Additions to nonaccrual assets during the previous six months.....

Nonaccrual assets sold during the previous six months.....

Prior Year 2024	Current Year 2025
214	2,902
0	0

Memoranda Dollar Amounts in Thousands

Loans to nondepository financial insitutions included in "All other loans," above.....

Prior Year - 2024		Current Year - 2025	
Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
0	0	0	0

2025 ANNUAL DISCLOSURE STATEMENT NOTICE OF AVAILABILITY

In accordance with Federal regulation, this bank will provide an Annual Disclosure Statement to our customers, shareholders, and the general public, upon request, containing the bank's financial information for the last two years. This information will be updated annually and made available on or before March 31, 2026.

To request a copy

of the Annual Disclosure Statement, please contact:

Southwestern National Bank

Houston, TX 77036