



Allegiance Bancshares, Inc.[®]

Proposed Merger with
Post Oak Bancshares, Inc.

Safe Harbor Statement and Additional Information

Safe Harbor Statement

This release may contain forward-looking statements within the meaning of the securities laws that are based on various facts and derived utilizing important assumptions, present expectations, estimates and projections about Allegiance and its subsidiaries. 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 words. Forward-looking statements include information concerning Allegiance'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. Such forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties, many of which are outside of Allegiance's control, which may cause actual results to differ materially from those expressed or implied by the forward-looking statements. These factors may include, but are not limited to, the ability of Allegiance and Post Oak to complete the merger transaction; the ability of Allegiance and Post Oak to satisfy the conditions to the completion of the merger transaction, including the approval of the merger transaction by Allegiance's and Post Oak's shareholders and the receipt of all regulatory approvals required for the merger transaction on the terms expected in the merger agreement; the ability of Allegiance and Post Oak to meet expectations regarding the timing, completion and accounting and tax treatments of the merger transaction; the possibility that any of the anticipated benefits of the merger transaction will not be realized or will not be realized as expected; the failure of the merger transaction to close for any other reason; the effect of the announcement of the merger transaction on Allegiance's operating results; the possibility that the merger transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events and the impact of all other factors generally understood to affect the assets, business, cash flows, financial condition, liquidity, prospects and/or results of operations of financial services companies and the other factors described under the caption "Risk Factors" in Allegiance's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and in other reports and statements Allegiance has filed with the Securities and Exchange Commission. Copies of such filings are available for download free of charge from the Investor Relations section of Allegiance's website at www.allegiancebank.com, under Financial Information, SEC Filings. Any forward-looking statement made by Allegiance in this release speaks only as of the date on which it is made. Factors or events that could cause Allegiance's actual results to differ may emerge from time to time, and it is not possible for Allegiance to predict all of them. Allegiance undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Additional Information About the Merger

In connection with the proposed merger, Allegiance will file with the SEC a Registration Statement on Form S-4 that will include a Joint Proxy Statement of Allegiance and Post Oak and a Prospectus of Allegiance, as well as other relevant documents concerning the proposed transaction. The final proxy statement/prospectus will be distributed to the shareholders of Allegiance and Post Oak in connection with their vote on the proposed transaction.

INVESTORS AND SHAREHOLDERS OF ALLEGIANCE AND POST OAK ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

The Proxy Statement/Prospectus and other relevant materials (when they become available), and any other documents Allegiance filed with the SEC may be obtained free of charge at the SEC's website, <http://www.sec.gov>, or at the investor relations portion of Allegiance's website, <https://www.allegiancebank.com>. Allegiance and Post Oak and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Allegiance and Post Oak in connection with the merger. Information about the directors and executive officers of Allegiance and their ownership of Allegiance's common stock is set forth in Allegiance's proxy statement filed with the SEC on March 15, 2018. Information about the directors and executive officers of Post Oak will be set forth in the Proxy Statement/Prospectus regarding the proposed transaction. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval.

Post Oak Highlights



Post Oak Bancshares, Inc. ("Post Oak") is the holding company of Post Oak Bank, N.A.

Houston's 2nd largest community bank, with nearly exclusive focus on Houston MSA

- Founded 2004, with total assets of approximately \$1.4B
- 12 full-service banking locations in Houston MSA and one in Beaumont
- Organic growth strategy complimented by two completed acquisitions

Track record of delivering exceptional efficiency, profitability and asset quality

- Like Allegiance, top decile NIM performance
- High quality funding base with 34% in noninterest-bearing deposits
- Very similar lending business to ABTX, in both composition and size
- Exceptional asset quality history: 5yr Average Net Charge-offs of 5bps

Post Oak Bancshares, Inc.	As of and for the year ended December 31,				1st Quarter
	2014	2015	2016	2017	2018
	(Dollars in thousands)				
<u>Balance Sheet</u>					
Total Assets	\$901,010	\$1,091,922	\$1,128,730	\$1,429,185	\$1,430,951
Total Loans	720,249	887,450	925,648	1,147,001	1,146,661
Total Deposits	815,144	977,941	1,004,982	1,255,285	1,241,151
<u>Performance Measures</u>					
Net Income	\$ 8,021	\$ 10,412	\$ 11,773	\$ 17,936	\$ 4,430
ROAA	0.97%	1.06%	1.06%	1.38%	1.26%
ROAE	9.95%	11.30%	10.03%	12.84%	11.01%
Net Interest Margin	4.21%	3.94%	4.22%	4.22%	4.09%
Efficiency Ratio	58.85%	57.18%	57.28%	53.28%	57.16%
<u>Capitalization</u>					
TCE/T A	9.43%	9.81%	10.48%	10.44%	11.00%
Tier 1 RB Ratio	11.71%	11.94%	12.52%	13.00%	13.63%
Tier 1 (CET1) Ratio	11.71%	11.94%	12.52%	13.00%	13.63%
Total RB Ratio	12.96%	13.04%	13.71%	14.05%	14.68%
<u>Asset Quality</u>					
NPLs/Loans	0.31%	0.97%	0.82%	0.48%	0.53%
NPAs/Assets	0.28%	0.88%	0.77%	0.39%	0.65%
Allowance/T Total Loans	1.29%	1.11%	1.21%	1.05%	1.05%
Net Chargeoffs/Avg Loans	0.15%	0.01%	0.07%	0.00%	0.10%

*Source: S&P Global Intelligence

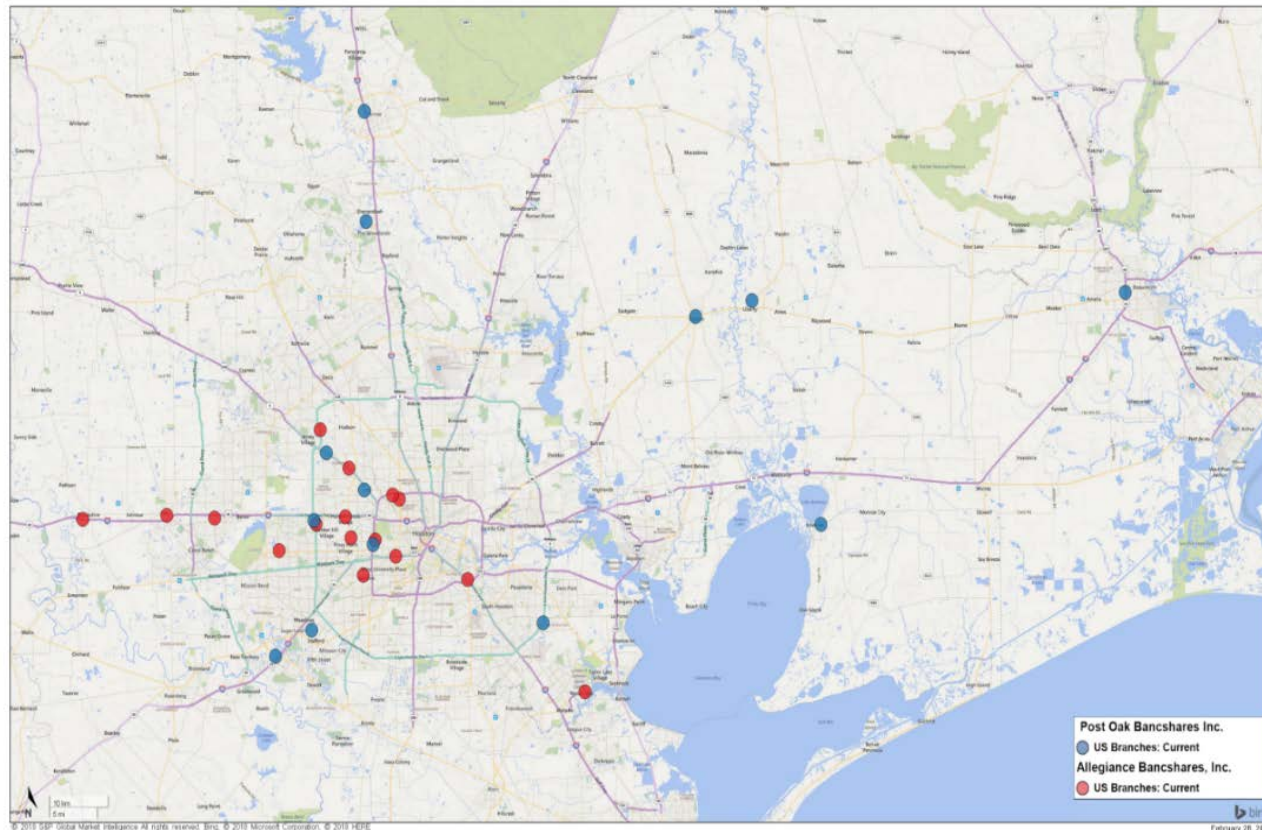
Pro Forma Branch Map

Enhancing Houston's Premier Community Bank Franchise

Combined we are better-positioned to compete and serve customers in broader Houston = Significant Franchise Value

- Harris County & Houston MSA: Will further solidify stature as the largest community bank by a wide margin
- Combination bolsters presence in existing market and provides entry into surrounding counties

S&P Global
Market Intelligence



As of June 30, 2017

	\$ of Deposits		
	ABTX	Post Oak	Combined
Harris	\$ 2,034,033	\$ 870,171	\$ 2,904,204
Fort Bend	56,898	50,967	107,865
Liberty	-	75,450	75,450
Jefferson	-	64,167	64,167
Montgomery	-	62,698	62,698
Chambers	-	54,456	54,456
Waller	33,950	-	33,950
Total	\$ 2,124,881	\$ 1,177,909	\$ 3,302,790
	% of Deposits		
	ABTX	Post Oak	Combined
Harris	95.7%	73.9%	87.9%
Fort Bend	2.7%	4.3%	3.3%
Liberty	-	6.4%	2.3%
Jefferson	-	5.5%	1.9%
Montgomery	-	5.3%	1.9%
Chambers	-	4.6%	1.7%
Waller	1.6%	-	1.0%
Total	100.0%	100.0%	100.0%

*Source: S&P Global Intelligence

Houston MSA Deposit Market Share

Houston deserves its own bank: Significant opportunity exists for a truly Houston-focused community bank with scale

Note: Proforma company will have one bank office located in Beaumont, outside of Houston MSA

Institution (ST)	2017					% of Company Deposits	2016		Size Profile
	2017 Rank	2016 Rank	Branches	Total Deposits In Market (\$000)	Total Market Share (%)		Total Deposits In Market (\$000)	Total Market Share (%)	
Houston-The Woodlands-Sugar Land, TX									
JPMorgan Chase & Co. (NY)	1	1	203	104,722,596	44.79	7.28	83,271,690	39.32	>\$1T
Wells Fargo & Co. (CA)	2	2	199	25,919,285	11.09	1.98	25,093,713	11.85	>\$1T
Bank of America Corp. (NC)	3	3	111	20,631,966	8.83	1.63	20,473,519	9.67	>\$1T
BBVA	4	4	77	13,521,065	5.78	3.00	14,641,975	6.91	>\$100B
Zions Bancorp. (UT)	5	5	62	9,781,593	4.18	18.68	9,739,148	4.60	>\$50B
Prosperity Bancshares Inc. (TX)	6	6	58	5,028,843	2.15	29.46	5,190,140	2.45	>\$20B
Capital One Financial Corp. (VA)	7	7	40	4,869,620	2.08	2.03	4,590,498	2.17	>\$100B
Cullen/Frost Bankers Inc. (TX)	8	8	35	4,403,967	1.88	17.19	4,171,965	1.97	>\$30B
Woodforest Financial Grp Inc. (TX)	9	10	103	3,347,281	1.43	73.87	3,204,640	1.51	>\$5B
Pro Forma				3,238,623	1.39	98.19	2,936,617	1.39	~\$4.3B
Comerica Inc. (TX)	10	9	48	3,165,915	1.35	5.58	3,313,533	1.56	>\$50B
Cadence Bancorp. (TX)	11	12	10	3,096,142	1.32	39.04	2,542,169	1.20	>\$10B
Texas Capital Bancshares Inc. (TX)	12	13	2	2,538,854	1.09	14.68	2,134,427	1.01	>\$20B
Allegiance Bancshares Inc. (TX)	13	15	16	2,124,881	0.91	100.00	1,863,710	0.88	~\$2.9B
Green Bancorp Inc. (TX)	14	14	13	1,916,391	0.82	57.03	1,975,123	0.93	~\$4B
BOK Financial Corp. (OK)	15	17	12	1,811,118	0.77	8.12	1,554,822	0.73	>\$30B
Independent Bk Group Inc. (TX)	16	16	14	1,661,496	0.71	24.91	1,637,826	0.77	~\$9B
Regions Financial Corp. (AL)	17	11	24	1,376,854	0.59	1.40	2,656,367	1.25	>\$100B
CBTX Inc. (TX)	18	19	16	1,323,832	0.57	52.60	1,310,326	0.62	~\$3B
East West Bancorp Inc. (CA)	19	20	9	1,288,643	0.55	4.14	1,170,688	0.55	>\$30B
IBERIABANK Corp. (LA)	20	21	8	1,201,381	0.51	7.13	1,135,858	0.54	>\$20B
BB&T Corp. (NC)	21	22	23	1,141,812	0.49	0.73	1,126,676	0.53	>\$100B
Post Oak Bancshares Inc. (TX)	22	23	12	1,113,742	0.48	94.91	1,072,907	0.51	~\$1.4B
Total For Institutions In Market			1,422	233,786,845			211,784,810		

*Source S&P Global Intelligence

(1) Data for 2016 and 2017 are as of June 30 of the respective year

Post Oak Merger Summary

Transaction Value ⁽¹⁾	<ul style="list-style-type: none">• \$350 Million• 2.23 x TBV• 20.7 x LTM earnings
Consideration	<ul style="list-style-type: none">• 100% Stock• 0.7017 Exchange ratio
Option Treatment	<ul style="list-style-type: none">• Post Oak options at closing will convert to Allegiance options, with number and price adjusted by exchange ratio
Pro Forma Ownership	<ul style="list-style-type: none">• ~61.5% Allegiance• ~38.5% Post Oak
Board of Directors	<ul style="list-style-type: none">• Three Post Oak Directors will be appointed to Allegiance's Board of Directors• Post Oak CEO Roland Williams will serve as Executive Vice Chairman of Allegiance Bank
Required Approvals	<ul style="list-style-type: none">• Customary regulatory, Post Oak shareholder and Allegiance shareholder approvals
Anticipated Closing	<ul style="list-style-type: none">• 4th quarter 2018

(1) Estimates based on ABTX closing price of \$40.80 on April 27, 2018

Summary Financial Impact⁽¹⁾

Key Transaction Assumptions

Cost Savings

35% of noninterest expense, fully phased-in
(0% in 2018, 80% realized in 2019, 100% thereafter)

Core Deposit Intangibles

2.0% of transaction accounts, 10 year amortization

Transaction Expenses

\$22.5 million (pretax)

Loan Mark: \$12 million, existing allowance

Estimated Closing in Q4 2018

Attractive Pro Forma

Strong EPS Accretion

~ 6%-7% EPS accretion in 2019
~ 8%-9% EPS accretion in 2020

TBV per share dilution: ~ 7%

~ 4.75 year earn back

Estimated IRR approximately 21%

Strong Capital Position

~ 9.6% TCE/TA at close

\$4.5B+ in assets / improved profitability profile

(1) Estimated financial impact is presented solely for illustrative purposes using consensus estimates. Includes purchase accounting marks and deal related expenses

Transaction Rationale

Post Oak merger will position Allegiance for continued growth and value creation

Bolsters Houston's #1 Community Bank Franchise

- Combination of Houston's two largest community banks will create unique scale and focus on the Houston region
- Concentrated focus on small- to medium-sized owner-operated businesses will remain, which we feel is an underserved market
- Greater geographic breadth, market leadership and scale will be powerful to our brand as we recruit and retain talent

Increased Scale will Drive Stronger Earnings and Profitability

Similar Cultures and Compatible Business Fit

High Quality Balance Sheet: Strong funding composition and asset sensitive balance sheet

Significant Opportunity to Capture Market Share

Strong Credit Profile

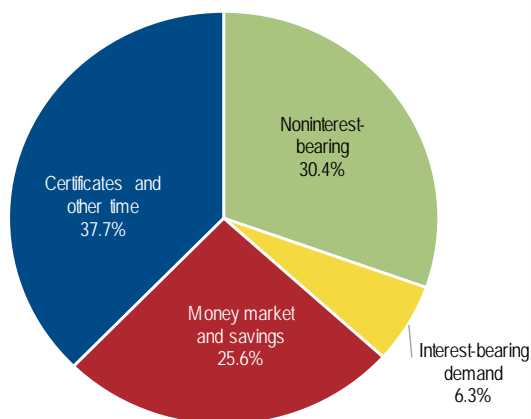
Significant Value Creation Opportunity

- Strong EPS accretion and pro forma company will be better positioned as it relates to capital, business mix and interest rate risk
- Franchise value implications are significant as merger creates a valuable and scarce community bank franchise with significant scale in highly attractive Houston region

Pro Forma Funding Composition⁽¹⁾

Post Oak features a strong funding mix that will be accretive to Allegiance

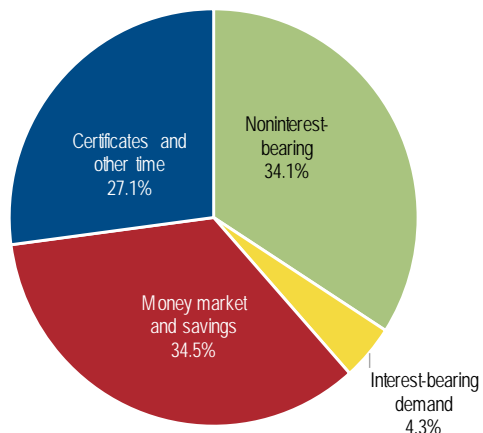
Allegiance



Deposit Portfolio (\$000)		% of Total
Noninterest-bearing	\$ 694,880	30.4%
Interest-bearing demand	143,178	6.3%
Money market and savings	583,967	25.6%
Certificates and other time	862,777	37.7%
Total Deposits	<u>\$2,284,802</u>	<u>100.0%</u>

Cost of Deposits: 0.68%

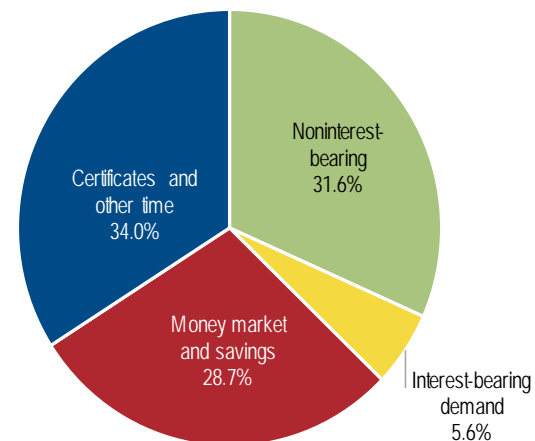
Post Oak



Deposit Portfolio (\$000)		% of Total
Noninterest-bearing	\$ 423,242	34.1%
Interest-bearing demand	53,580	4.3%
Money market and savings	428,185	34.5%
Certificates and other time	336,144	27.1%
Total Deposits	<u>\$1,241,151</u>	<u>100.0%</u>

Cost of Deposits: 0.60%

Pro Forma



Deposit Portfolio (\$000)		% of Total
Noninterest-bearing	\$1,121,505	31.7%
Interest-bearing demand	196,758	5.6%
Money market and savings	1,012,152	28.7%
Certificates and other time	1,198,921	34.0%
Total Deposits	<u>\$3,529,336</u>	<u>100.0%</u>

Cost of Deposits: 0.65%

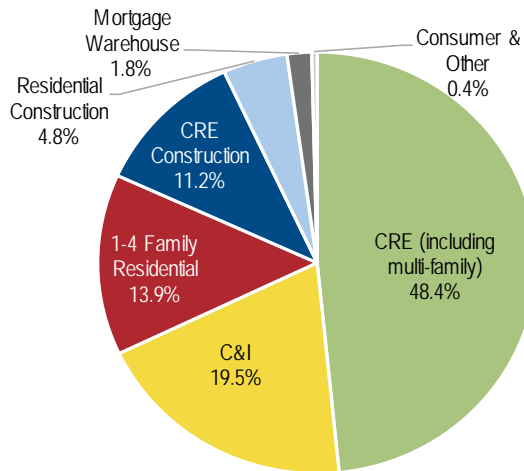
Source: S&P Global Intelligence for Post Oak Bancshares, Inc.

(1) Data as of March 31, 2018

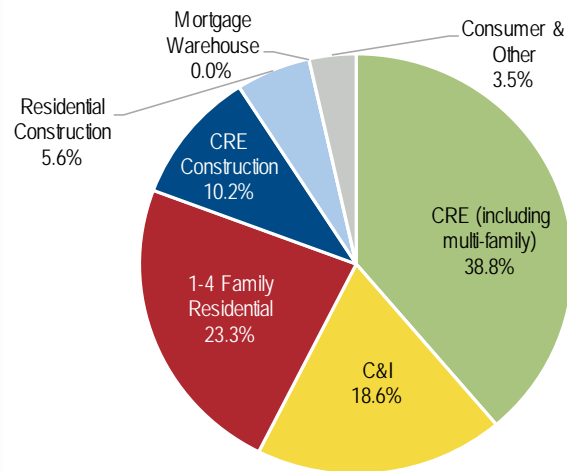
Pro Forma Loan Composition⁽¹⁾

We share similar lending mix, although Post Oak brings relatively more residential lending and relatively less CRE lending

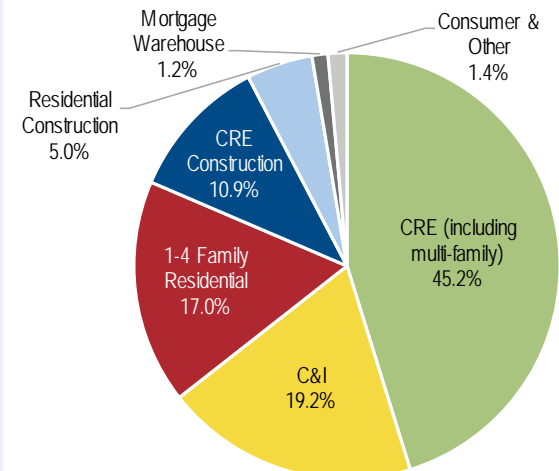
Allegiance



Post Oak



Pro Forma⁽²⁾



Loan Portfolio (\$000)		% of Total
CRE (including multi-family)	\$1,108,537	48.4%
C&I	447,168	19.5%
1-4 Family Residential	317,842	13.9%
CRE Construction	257,566	11.2%
Residential Construction	108,882	4.8%
Mortgage Warehouse	41,572	1.8%
Consumer & Other	8,927	0.4%
Total Loans	\$2,290,494	100.0%

Yield on Loans: 5.40%

Loan Portfolio (\$000)		% of Total
CRE (including multi-family)	\$ 445,159	38.8%
C&I	213,385	18.6%
1-4 Family Residential	266,843	23.3%
CRE Construction	117,116	10.2%
Residential Construction	63,941	5.6%
Mortgage Warehouse	-	0.0%
Consumer & Other	40,217	3.5%
Total Loans	\$1,146,661	100.0%

Yield on Loans: 5.22%

Loan Portfolio (\$000)		% of Total
CRE (including multi-family)	\$1,553,696	45.2%
C&I	660,553	19.2%
1-4 Family Residential	584,685	17.0%
CRE Construction	374,682	10.9%
Residential Construction	172,823	5.0%
Mortgage Warehouse	41,572	1.2%
Consumer & Other	49,144	1.4%
Total Loans	\$3,437,155	100.0%

Yield on Loans: 5.34%

Source: S&P Global Intelligence for Post Oak Bancshares, Inc.

(1) Data as of March 31, 2018

(2) Excludes purchase accounting adjustments