



Allegiance Bancshares, Inc.[®]

Third Quarter 2018
Earnings Presentation

Safe Harbor Statement

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GAAP Reconciliation of Non-GAAP Financial Measures

Allegiance’s management uses certain non-GAAP financial measures to evaluate its performance. A reconciliation of the non-GAAP financial measures is included on page 10 of the earnings release issued concurrently herewith.

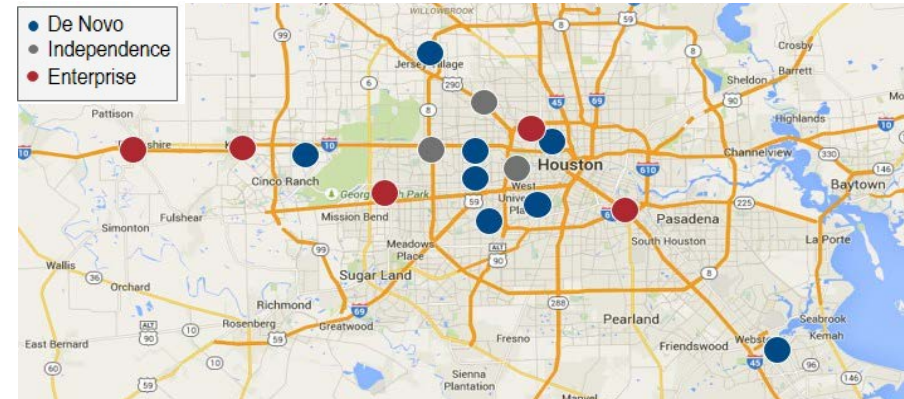
Allegiance Bancshares, Inc.

Company Overview

- Holding company for Allegiance Bank based in Houston, Texas
- Headquartered in Houston, Texas
- NASDAQ Ticker: ABTX
- 16 full service banking locations and one loan production office within the Houston MSA
- Super-community banking model
- Two acquisitions completed:
 - 2013: Independence Bank with \$222.1 million in total assets
 - 2015: Enterprise Bank (F&M Bancshares, Inc.) with \$569.7 million in total assets
- Closed acquisition of Post Oak Bank, N.A. (Post Oak Bancshares, Inc.) on October 1, 2018



Branch Map

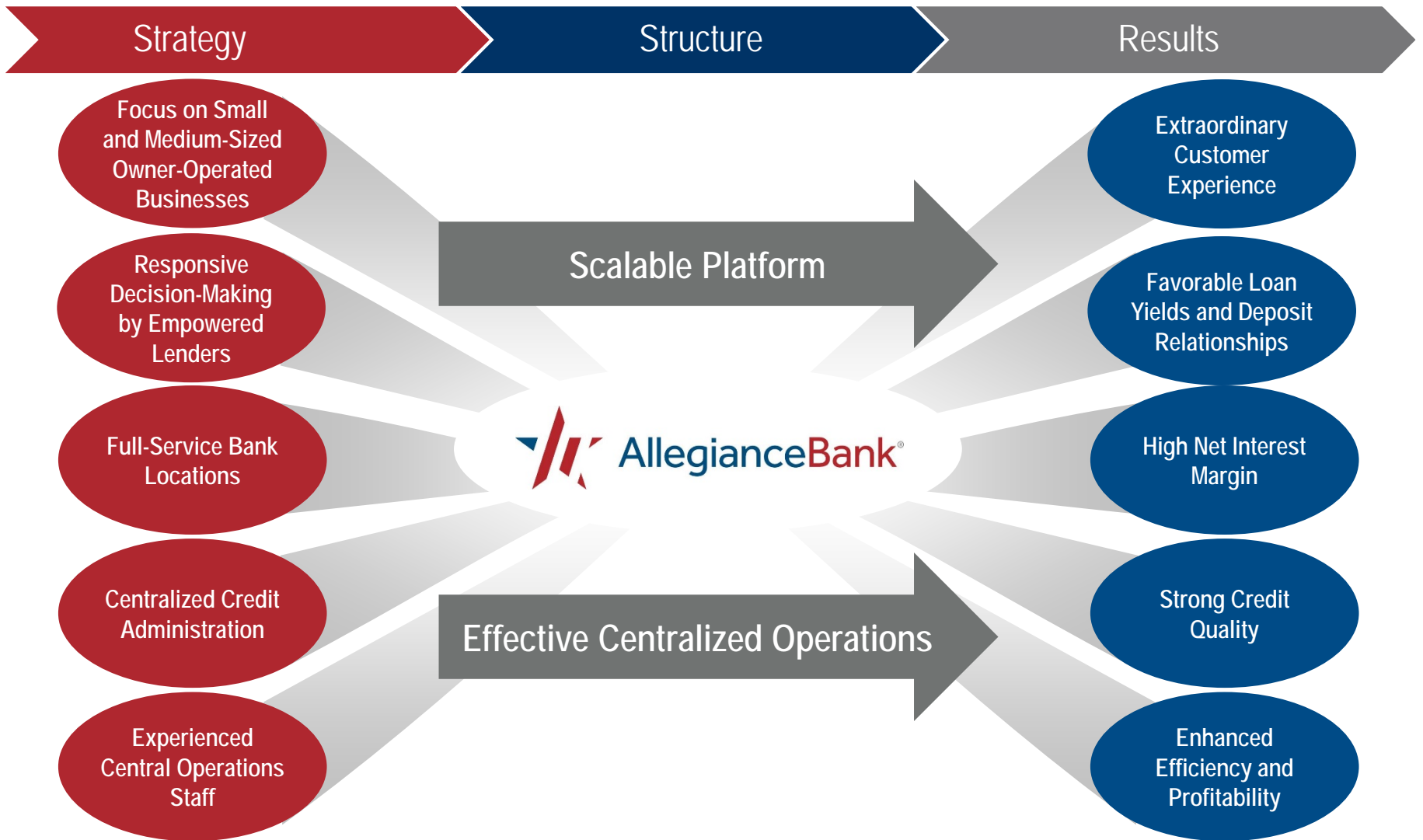


Summary Financials

Allegiance Bancshares, Inc.				
(\$ in thousands)	9/30/2018	12/31/2017	12/31/2016	12/31/2015
Total Assets	\$ 3,035,539	\$ 2,860,231	\$ 2,450,948	\$ 2,084,579
Total Loans	2,440,926	2,270,876	1,891,635	1,681,052
Total Deposits	2,433,791	2,213,974	1,870,183	1,759,133
Total Equity	328,131	306,865	279,817	258,490
Loans/Deposits	100.3%	102.6%	101.1%	95.6%
NPAs/Assets	0.56%	0.49%	0.75%	0.25%
TCE/TA	9.56%	9.38%	9.82%	10.48%
NIM (tax equivalent)	4.10%	4.34%	4.37%	4.68%
ROAA	1.18%	0.65%	0.98%	0.81%
ROATCE	12.40%	6.93%	9.96%	9.52%

*Annualized as of 3Q 2018

Our Super-community Banking Strategy

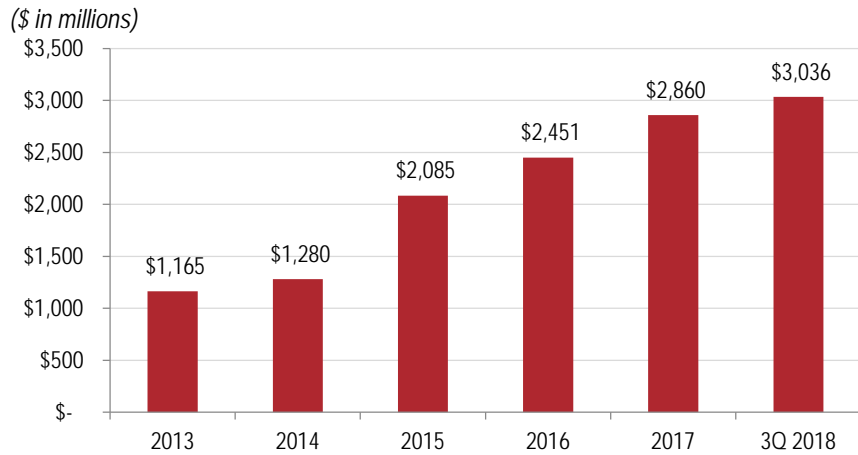


Highlights – Third Quarter 2018

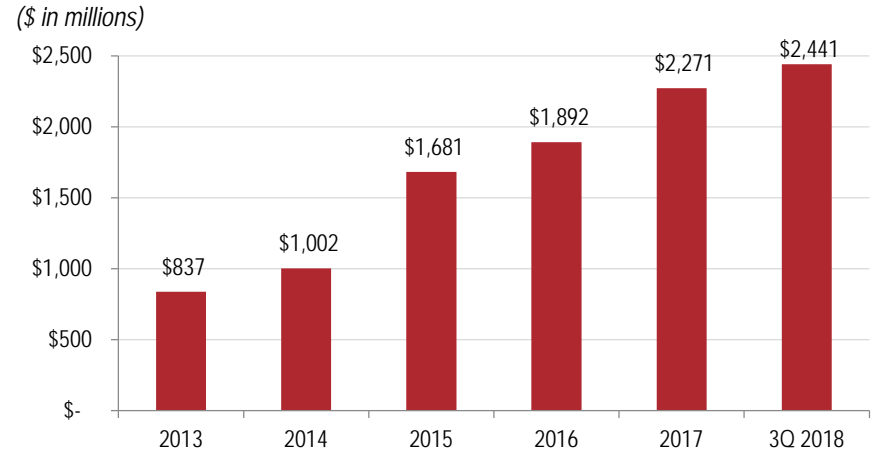
- Record earnings of \$8.9 million and diluted earnings per share of \$0.65 for the third quarter 2018 compared to \$3.0 million and \$0.22 per diluted share earned for the third quarter 2017
- Completed the acquisition of Post Oak on October 1, 2018 with an anticipated operational integration during the first quarter of 2019
- Net interest income increased 3.8% to \$28.0 million for the third quarter 2018 compared to \$27.0 million for the third quarter 2017
- Core loan growth of \$274.1 million, or 14.7%, year over year to \$2.39 billion for the third quarter 2018 compared to \$2.12 billion for the third quarter 2017
- Deposit growth of \$147.2 million, or 6.4%, year over year to \$2.43 billion for the third quarter 2018 compared to \$2.29 billion for the third quarter ended 2017
- Assets of \$3.04 billion, loans of \$2.44 billion, deposits of \$2.43 billion and shareholder's equity of \$328.1 million at September 30, 2018
- Houston Business Journal 2018 Best Places to Work for the sixth consecutive year

Historical Growth

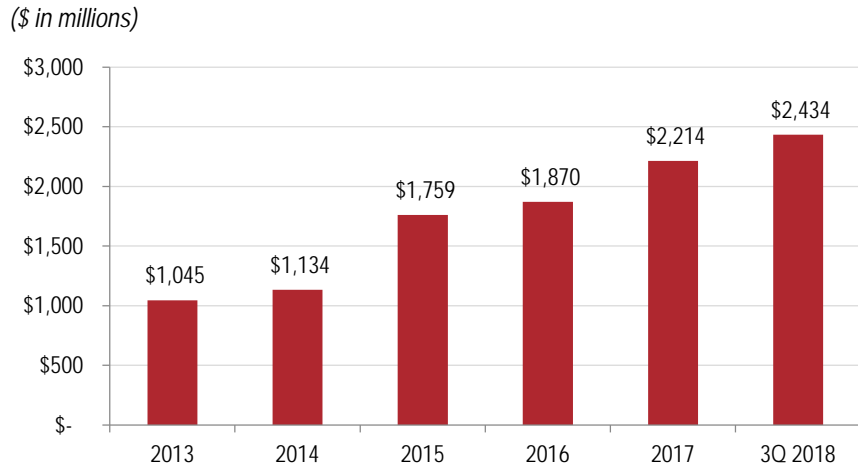
Total Assets



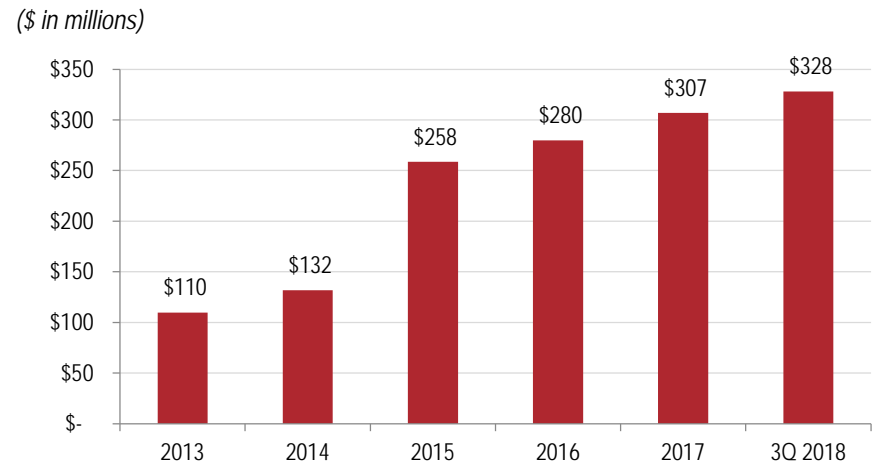
Total Loans



Total Deposits

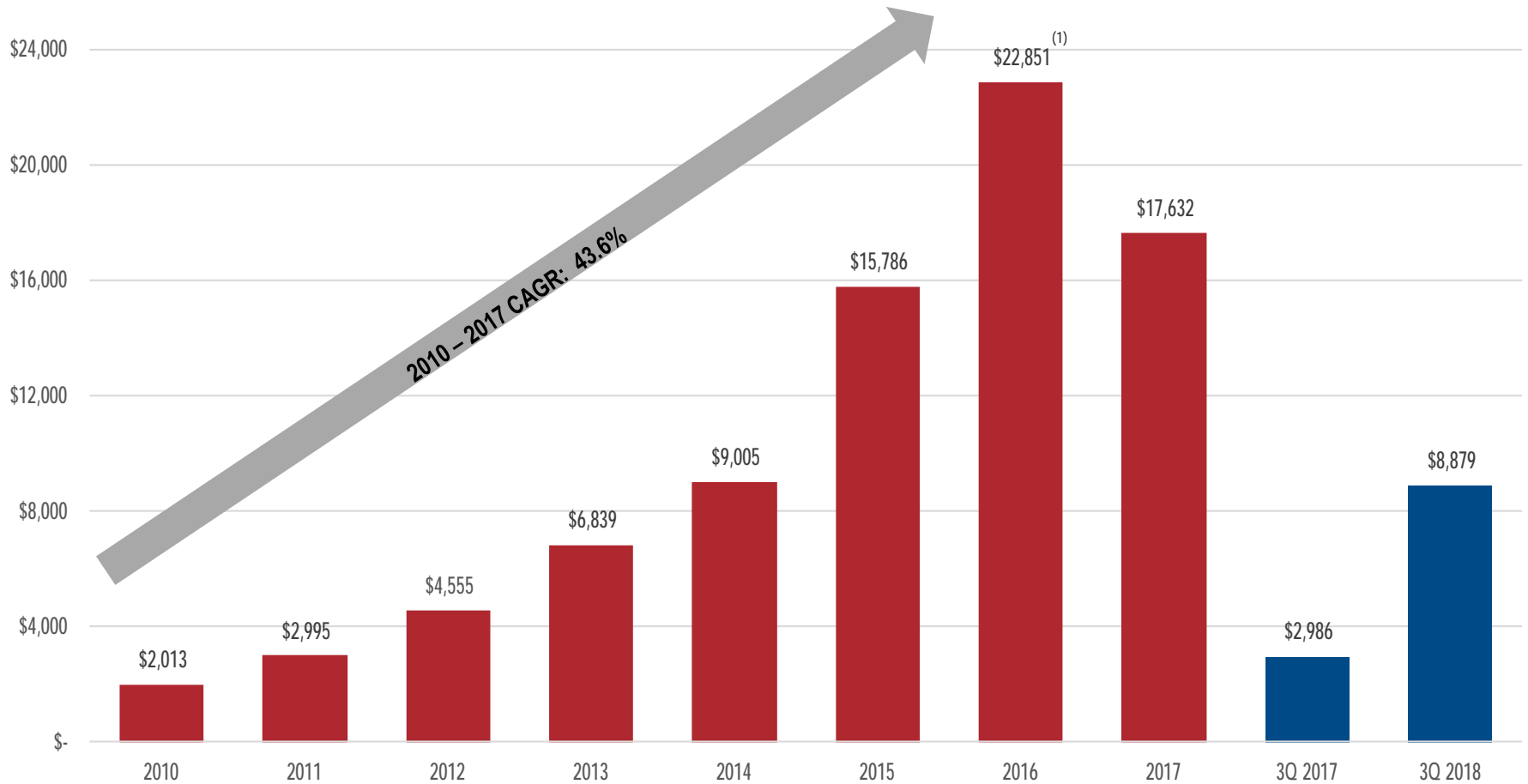


Total Equity



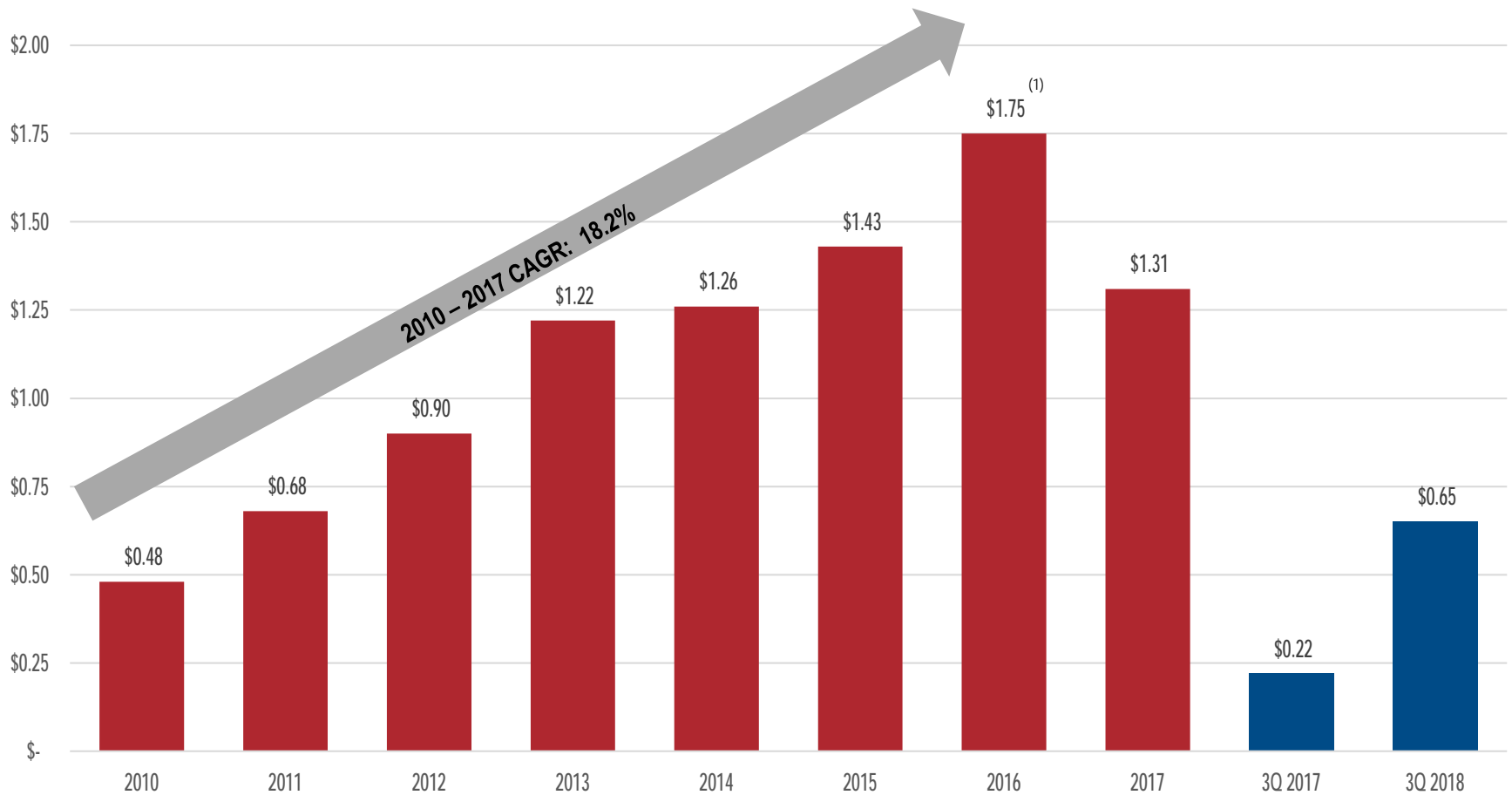
Net Income Growth

(\$ in thousands)



(1) Includes a one-time gain from sale of branches of \$1.3 million (after-tax)

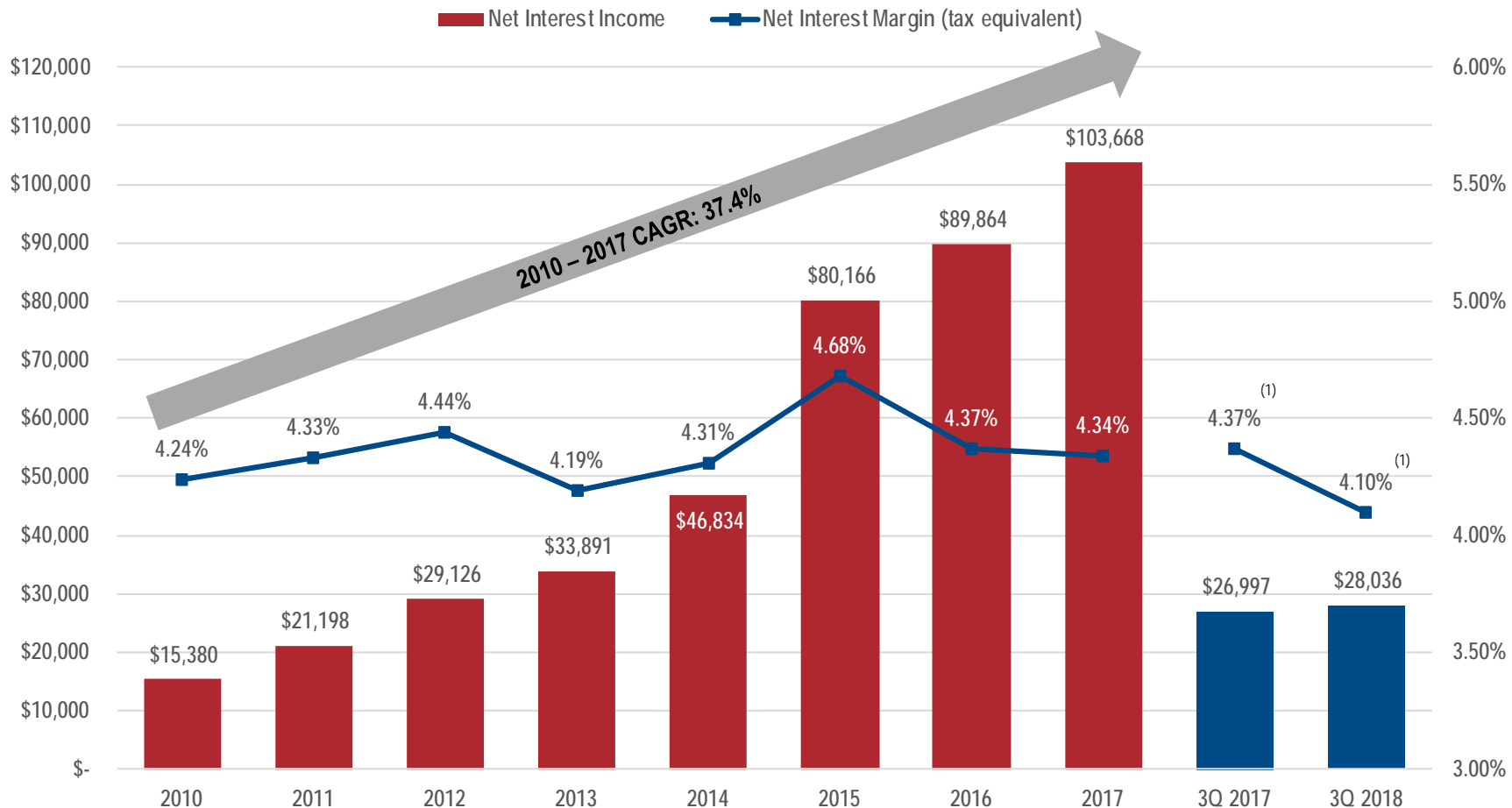
Diluted EPS Growth



(1) Includes a one-time gain from sale of branches of \$1.3 million (after-tax).

Net Interest Income and Margin

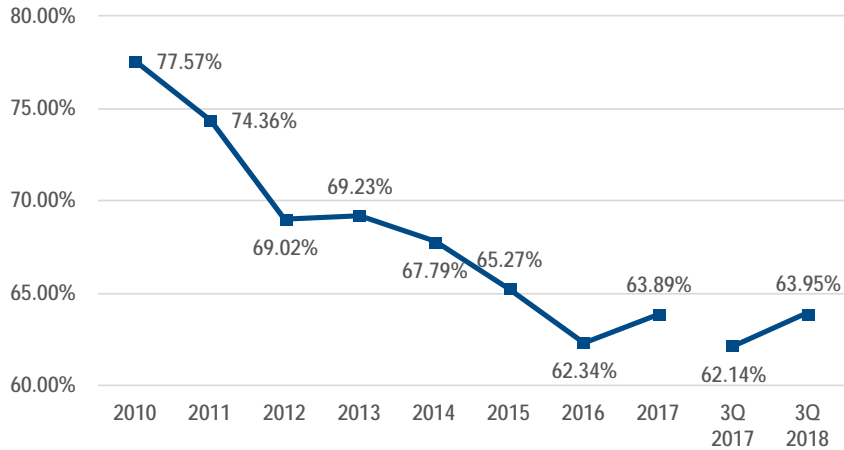
(\$ in thousands)



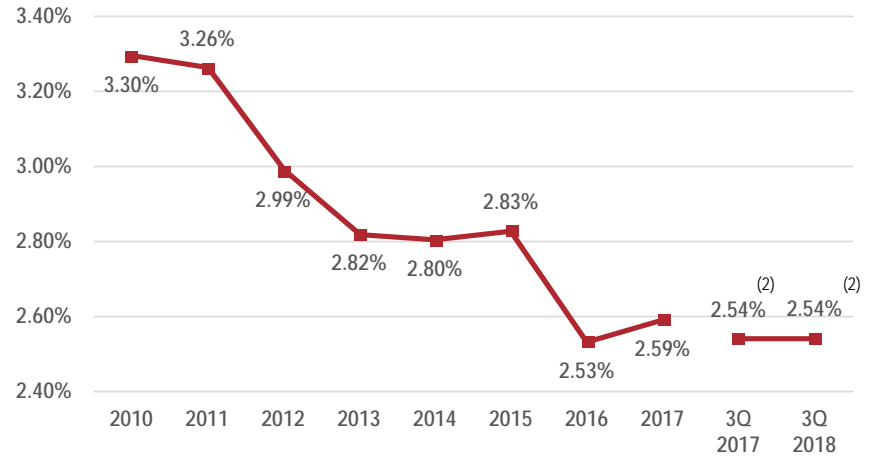
(1) Annualized

Performance Metrics

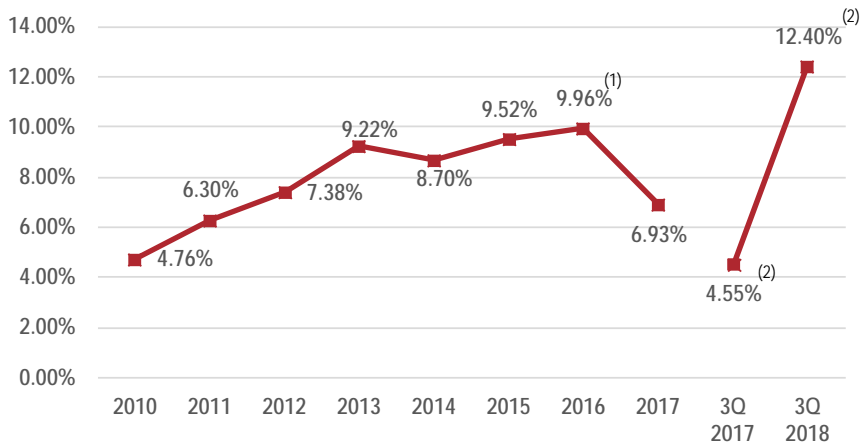
Efficiency



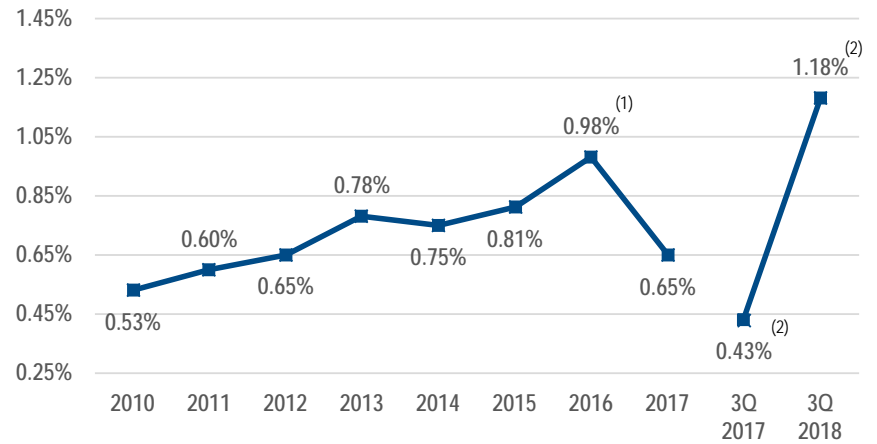
Noninterest Expense / Average Assets



ROATCE



ROAA

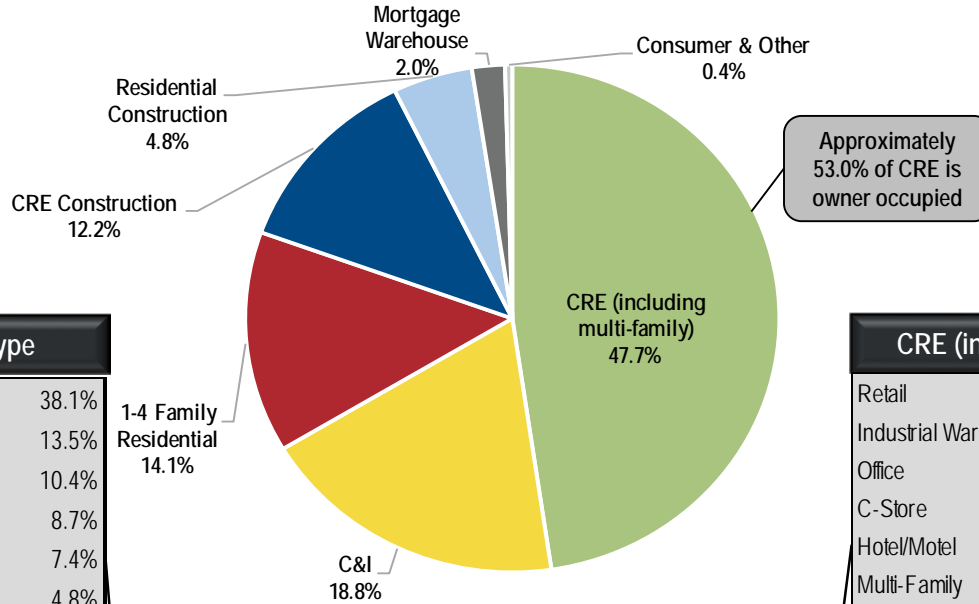


(1) Includes a one-time gain from sale of branches of \$1.3 million (after-tax)

(2) Annualized

Loan Portfolio Composition

(\$ in millions)



Approximately 53.0% of CRE is owner occupied

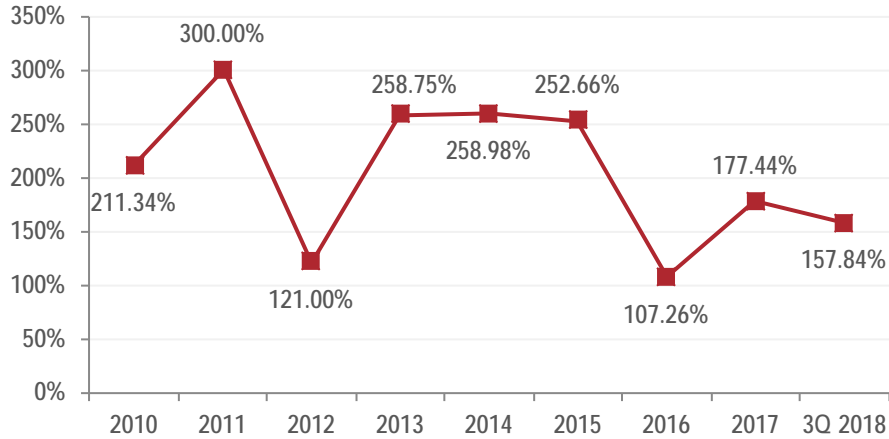
CRE Construction by Property Type		
Improved Land	\$ 113.4	38.1%
C-Store	40.3	13.5%
Retail/Wholesale	31.1	10.4%
Office	26.1	8.7%
Hotel/Motel	22.2	7.4%
Industrial/Warehouse	14.3	4.8%
Health Care	13.6	4.6%
Car Wash	5.9	2.0%
Day Care	4.9	1.6%
Church Facility	4.2	1.4%
Mini Storage	1.8	0.6%
Restaurant/Bar	1.6	0.5%
Investment Property	1.0	0.3%
Other	18.5	6.2%
Total CRE Construction	\$ 298.9	100.0%

Loan Portfolio (as of September 30, 2018)		
CRE (including multi-family)	\$ 1,161,992	47.7%
C&I	458,434	18.8%
1-4 Family Residential	344,342	14.1%
CRE Construction	298,916	12.2%
Residential Construction	117,740	4.8%
Mortgage Warehouse	48,876	2.0%
Consumer & Other	10,626	0.4%
Total Loans	\$ 2,440,926	100.0%

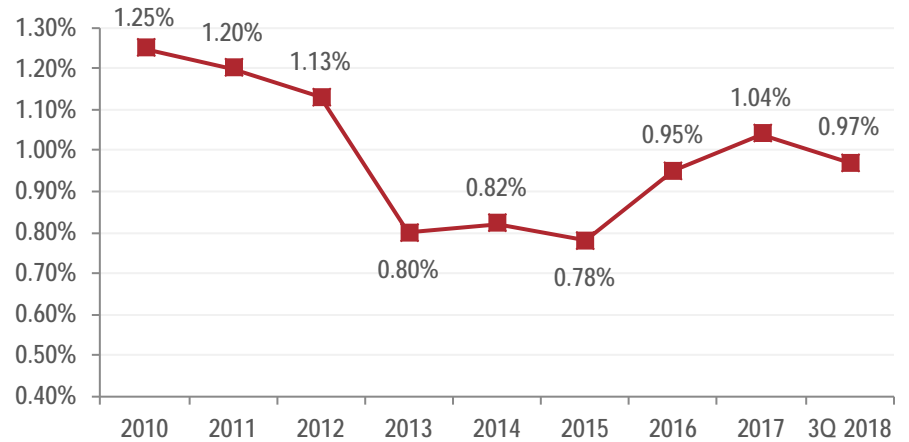
CRE (incl. multi-family) by Property Type		
Retail	\$ 321.4	27.8%
Industrial Warehouse	177.3	15.3%
Office	166.8	14.4%
C-Store	138.1	11.9%
Hotel/Motel	111.2	9.6%
Multi-Family	66.3	5.7%
Day Care	21.8	1.9%
Restaurant/Bar	20.4	1.8%
Church Facility	20.3	1.7%
Health Care	19.5	1.7%
Farmland	19.0	1.6%
Mini Storage	16.6	1.4%
Agriculture	16.3	1.4%
Fitness Center	11.6	1.0%
Car Wash	7.2	0.6%
RV Park	4.9	0.4%
Other	23.3	1.8%
Total CRE (incl. multi-family)	\$ 1,162.0	100.0%

Strong Credit Quality

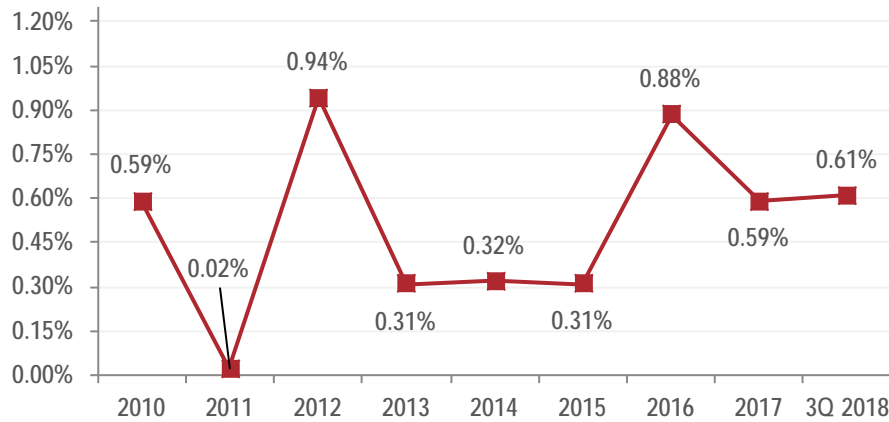
Allowance / Nonperforming Loans



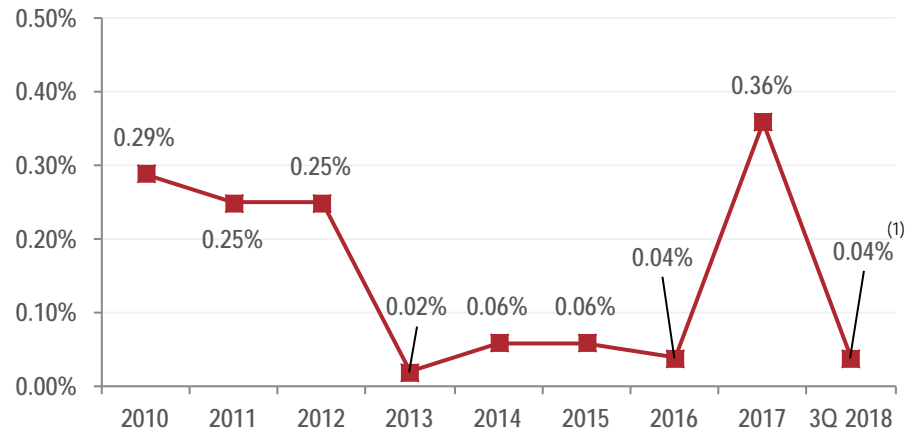
Allowance / Total Loans



Nonperforming Loans / Total Loans



Net Charge-offs / Average Loans

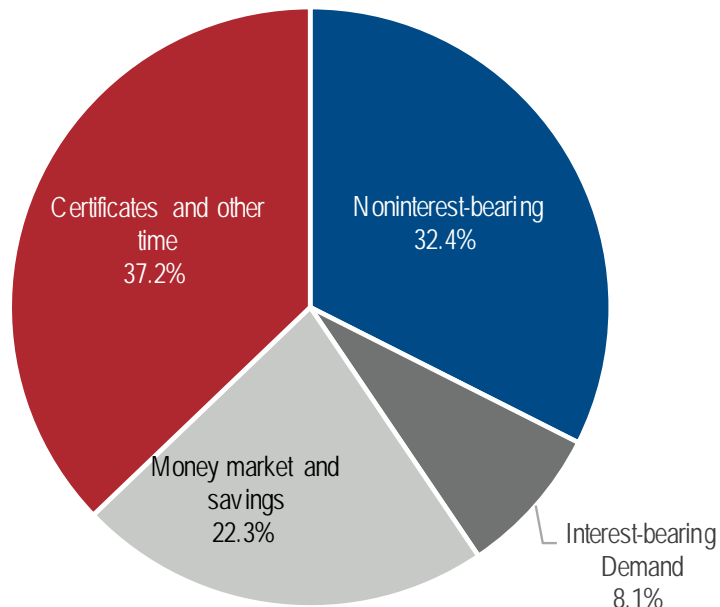


(1) Annualized

Deposit Growth and Composition

Deposit Composition

(as of September 30, 2018)



Deposit Growth

(\$ in millions)

