



Allegiance Bancshares, Inc.[®]

First Quarter 2018
Earnings Presentation

Safe Harbor Statement

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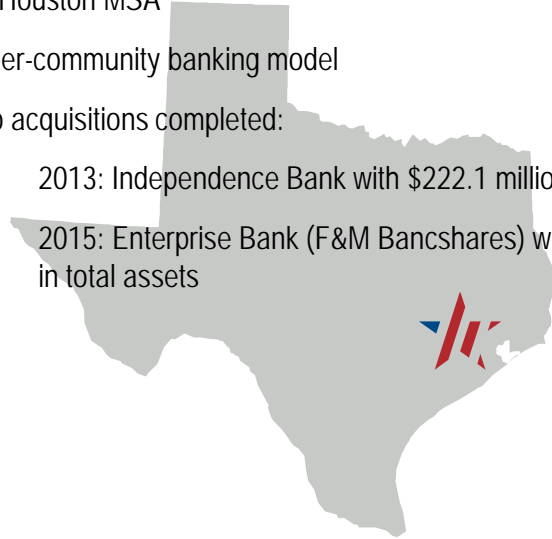
GAAP Reconciliation of Non-GAAP Financial Measures

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 9 of the earnings release issued concurrently herewith.

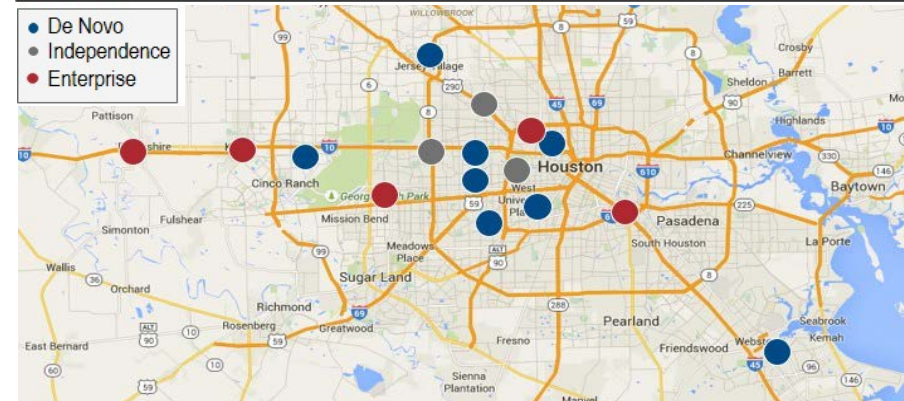
Allegiance Bancshares, Inc.

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) with \$569.7 million in total assets



Branch Map

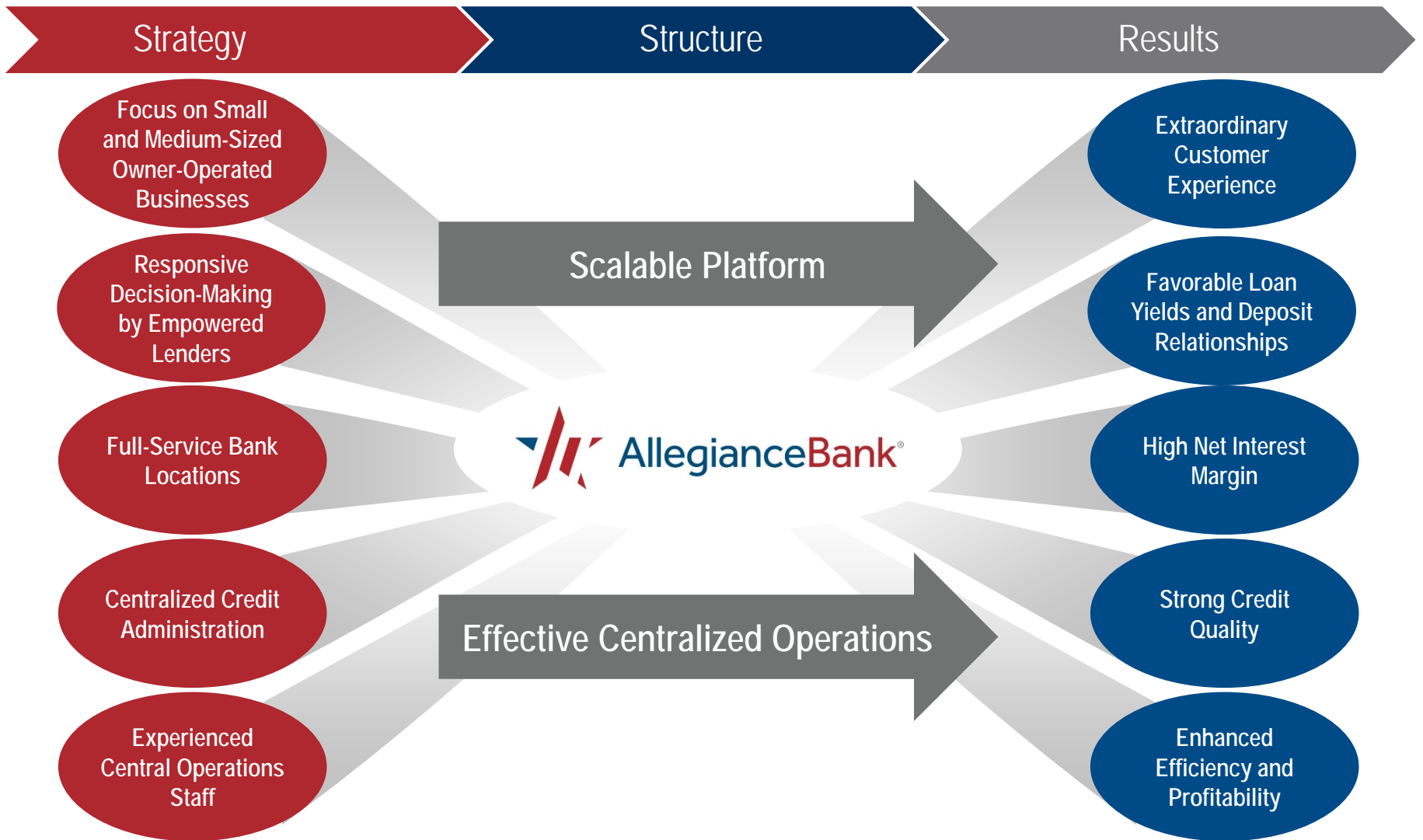


Summary Financials

Allegiance Bancshares, Inc.				
(\$ in thousands)	3/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Assets	\$ 2,886,484	\$ 2,860,231	\$ 2,450,948	\$ 2,084,579
Total Loans	2,290,494	2,270,876	1,891,635	1,681,052
Total Deposits	2,284,802	2,213,974	1,870,183	1,759,133
Total Equity	311,988	306,865	279,817	258,490
Loans/Deposits	100.2%	102.6%	101.1%	95.6%
NPAs/Assets	0.49%	0.49%	0.75%	0.25%
TCE/TA	9.48%	9.38%	9.82%	10.48%
NIM (tax equivalent)	4.20%*	4.34%	4.37%	4.68%
ROAA	1.09%*	0.65%	0.98%	0.81%
ROATCE	11.71%*	6.93%	9.96%	9.52%

*Annualized as of 1Q 2018

Our Super-community Banking Strategy



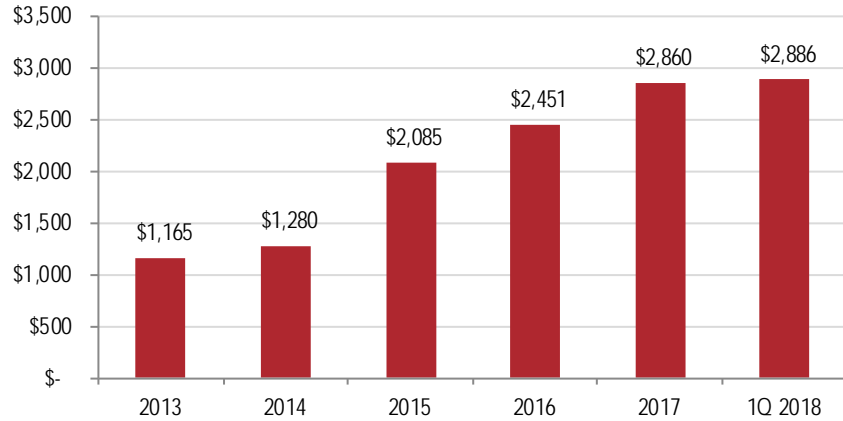
Highlights – First Quarter 2018

- Net income increased 27.5% to \$7.7 million and diluted earnings per share of \$0.57 for the first quarter 2018 compared to \$6.0 million and \$0.45 for the first quarter 2017
- Net interest income increased 11.4% to \$26.9 million for the first quarter 2018 compared to \$24.1 million for the first quarter 2017
- Efficiency ratio increased slightly to 65.59% for the first quarter 2018 from 64.98% for the first quarter 2017
- Assets of \$2.89 billion, loans of \$2.29 billion, deposits of \$2.28 billion and shareholder's equity of \$312.0 million at March 31, 2018
- Core loan growth of \$326.6 million, or 17.0%, year over year to \$2.29 billion for the first quarter 2018 compared to \$1.99 billion for the first quarter 2017
- Deposit growth of \$272.2 million, or 13.5%, year over year to \$2.28 billion for the first quarter 2018 compared to \$2.01 billion for the first quarter ended 2017
- Named Largest Houston-Area Community Bank by the Houston Business Journal
- Recognized in 2017 as a Finalist for Corporate Philanthropy by the Houston Business Journal
- Houston Business Journal 2017 Best Places to Work recipient
- Named one of the Best Banks to Work For in 2017 by the American Banker Magazine
- Recognized as a 2017 Top Workplace in Houston by the Houston Chronicle

Historical Growth

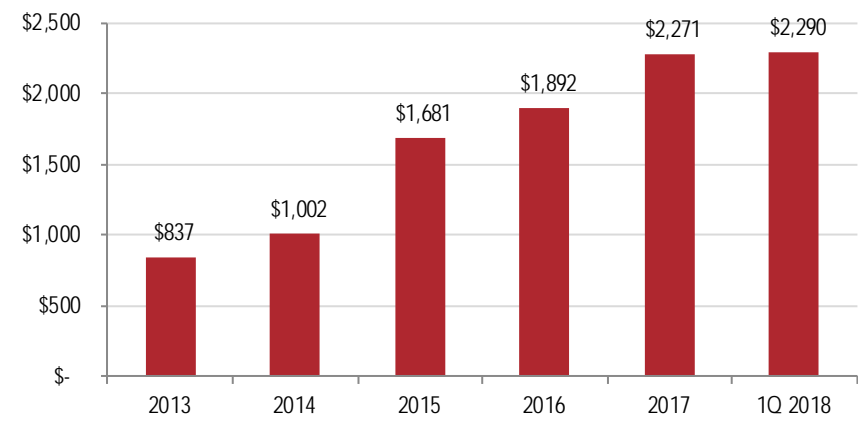
Total Assets

(\$ in millions)



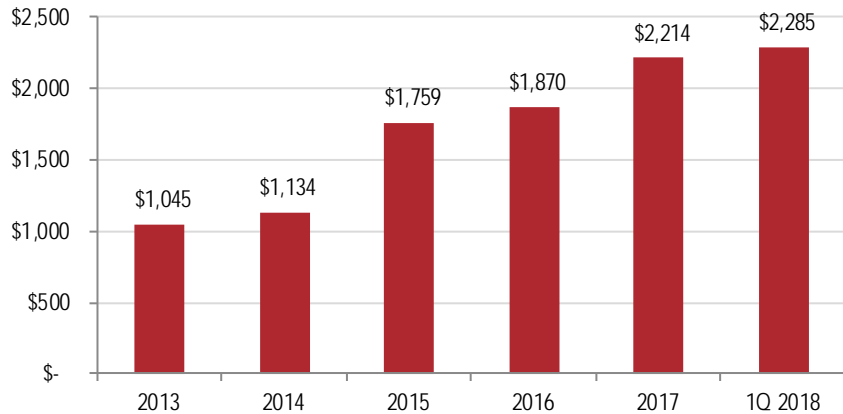
Total Loans

(\$ in millions)



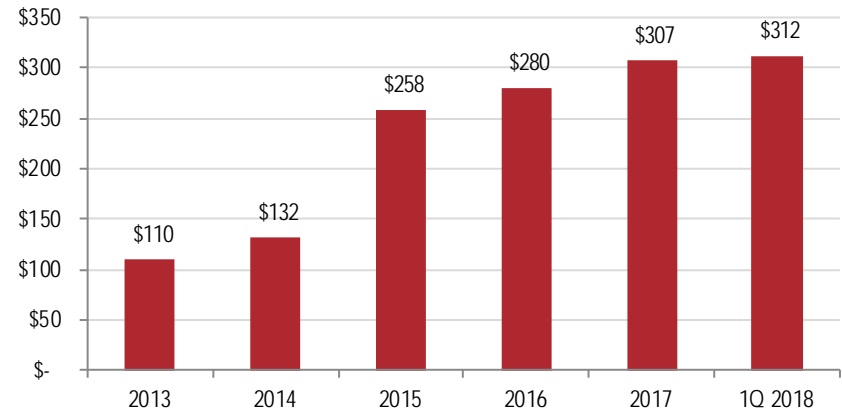
Total Deposits

(\$ in millions)



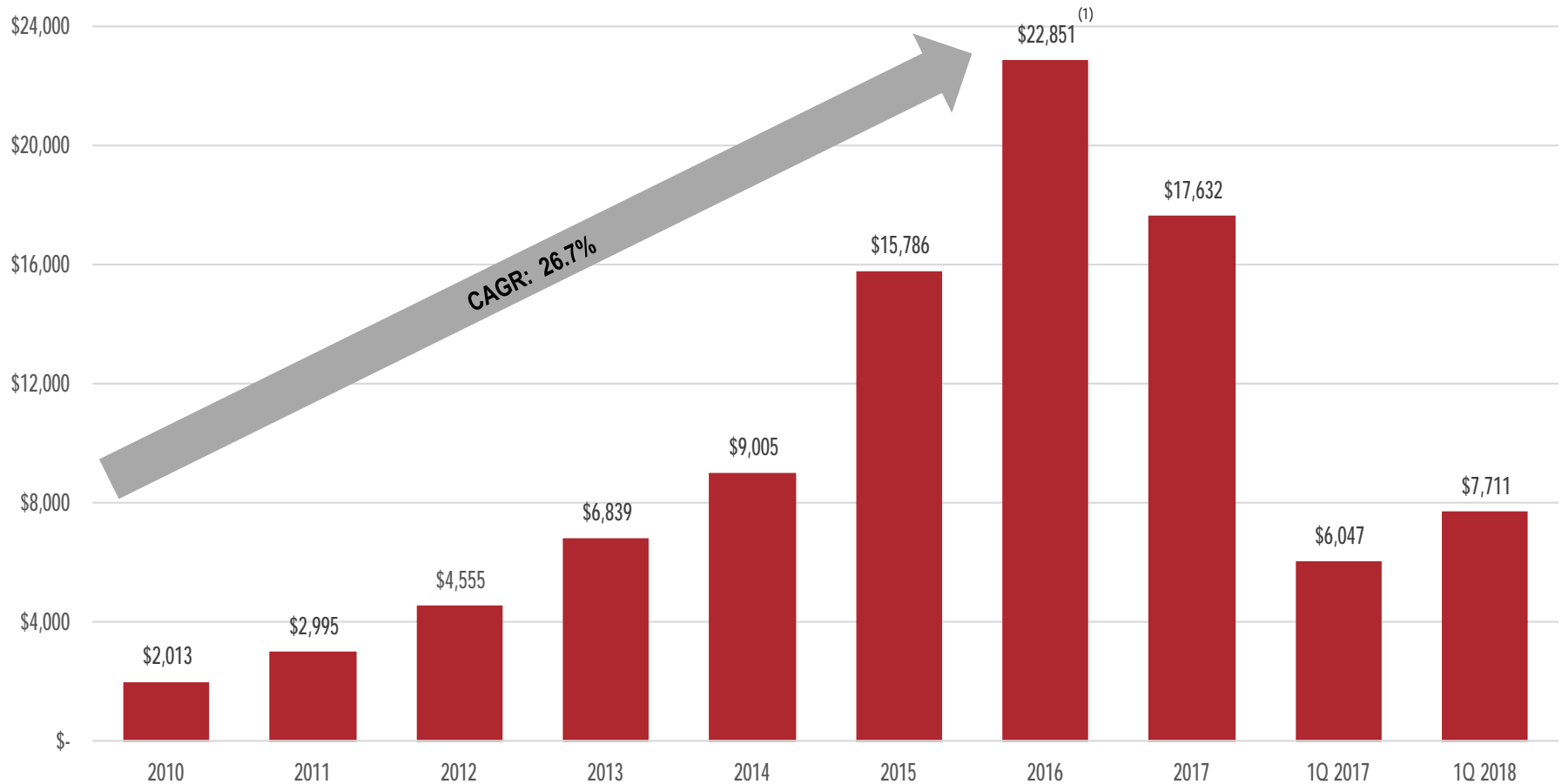
Total Equity

(\$ in millions)



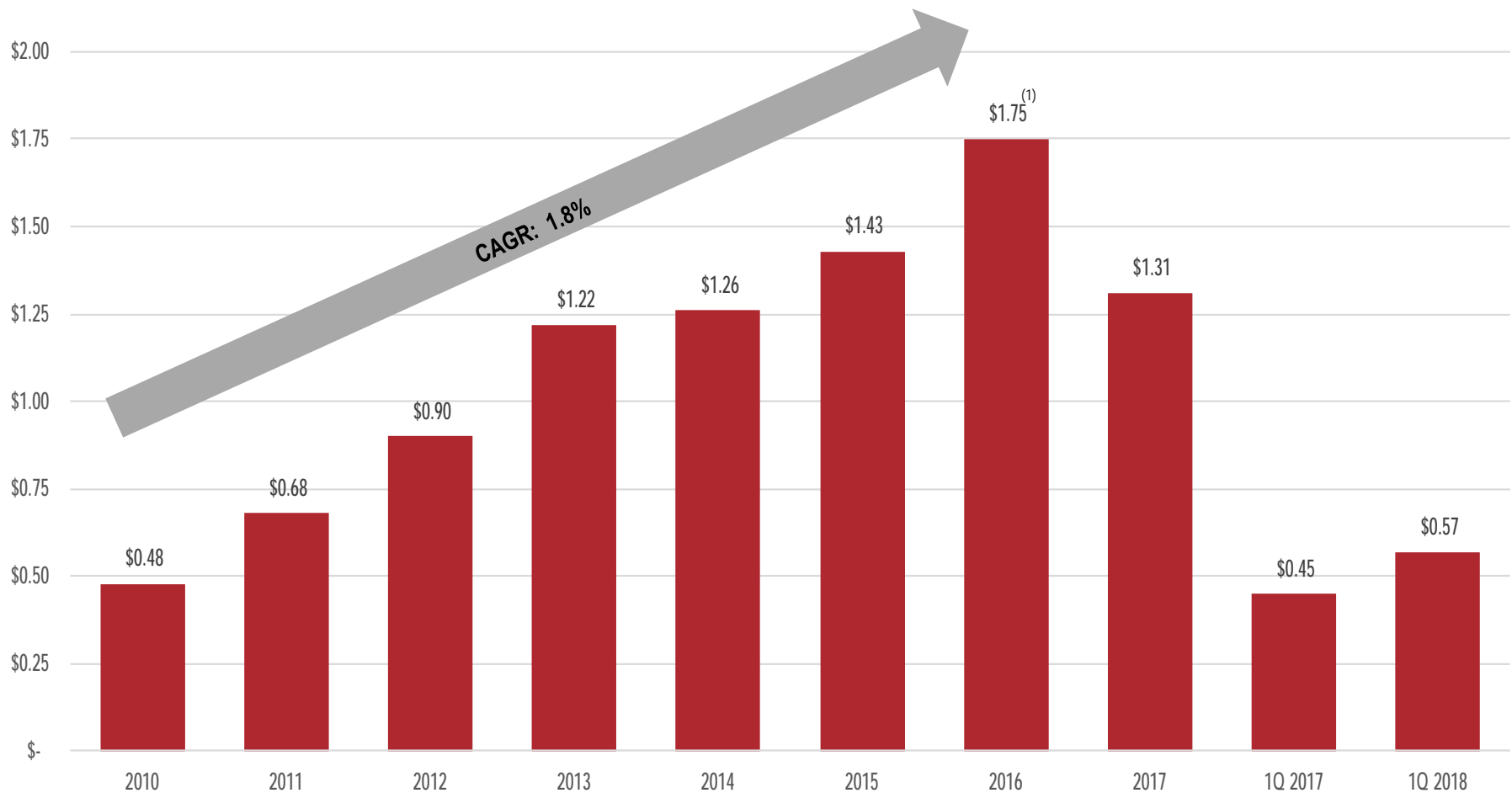
Net Income Growth

(\$ in thousands)



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

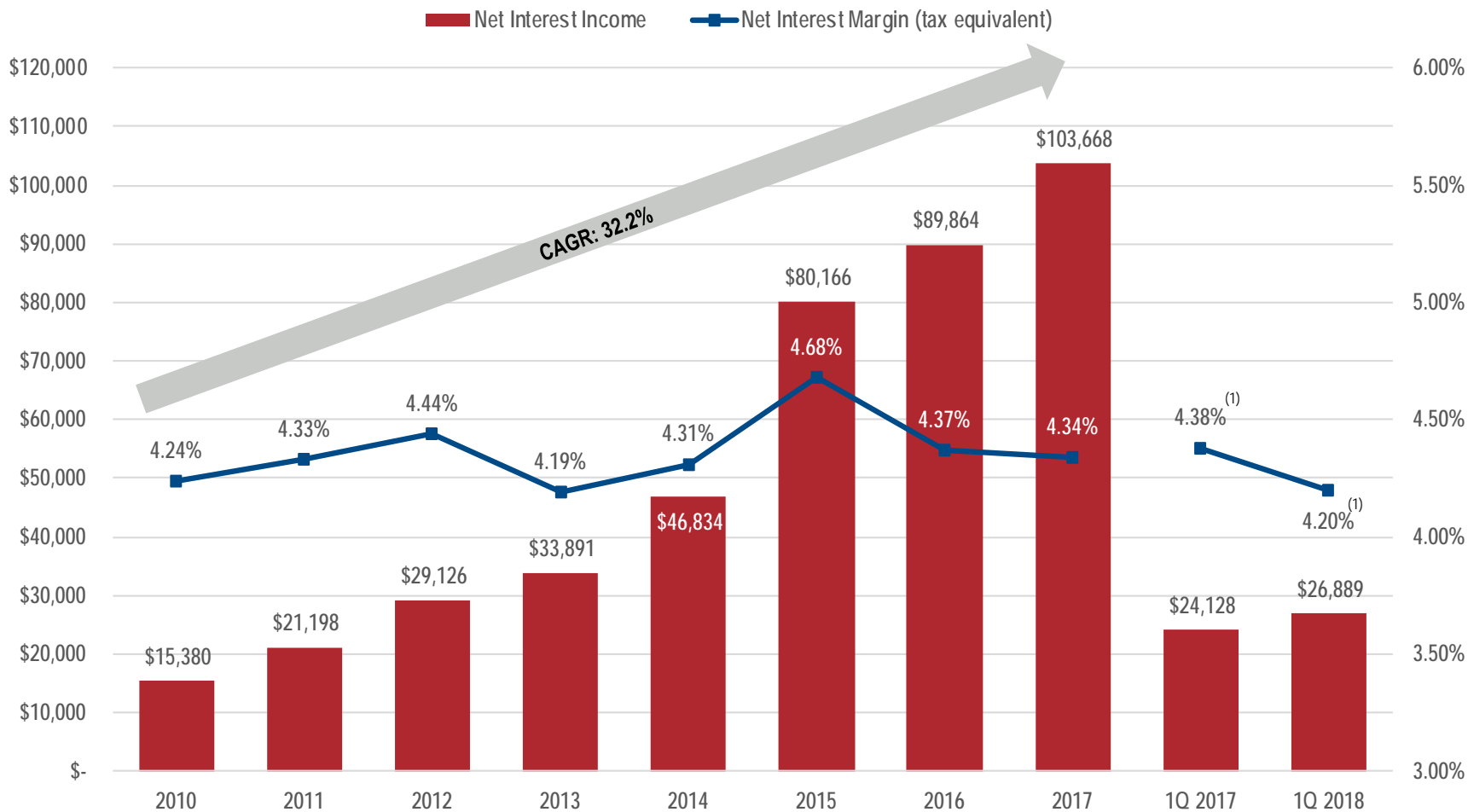
Diluted EPS Growth



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

Net Interest Income and Margin

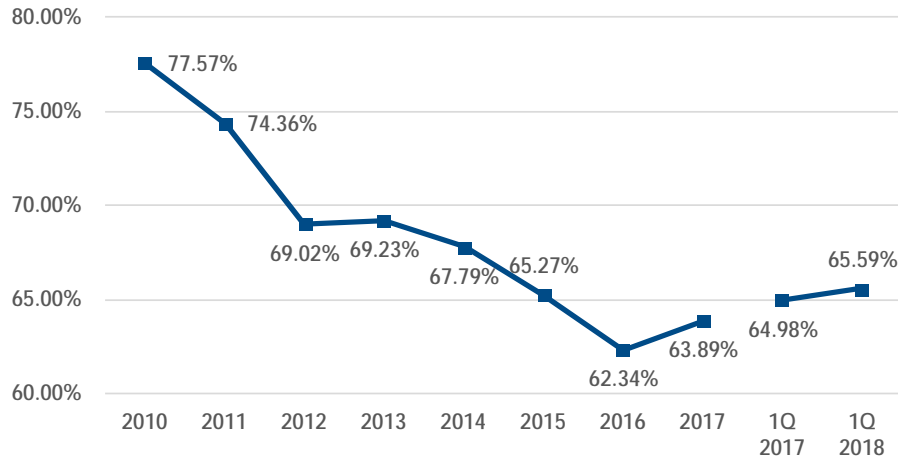
(\$ in thousands)



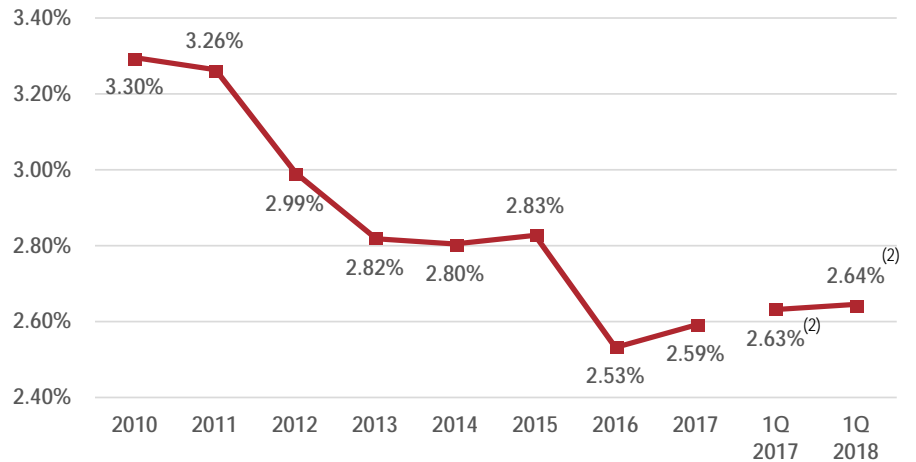
(1) Annualized

Performance Metrics

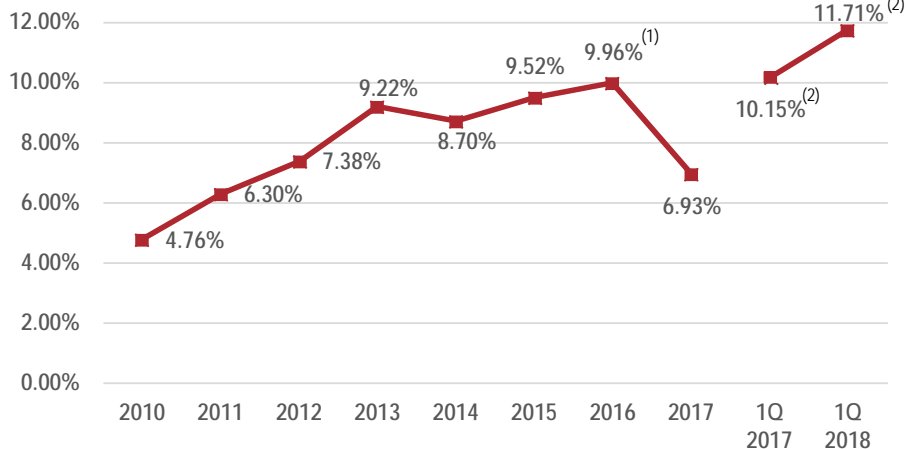
Efficiency



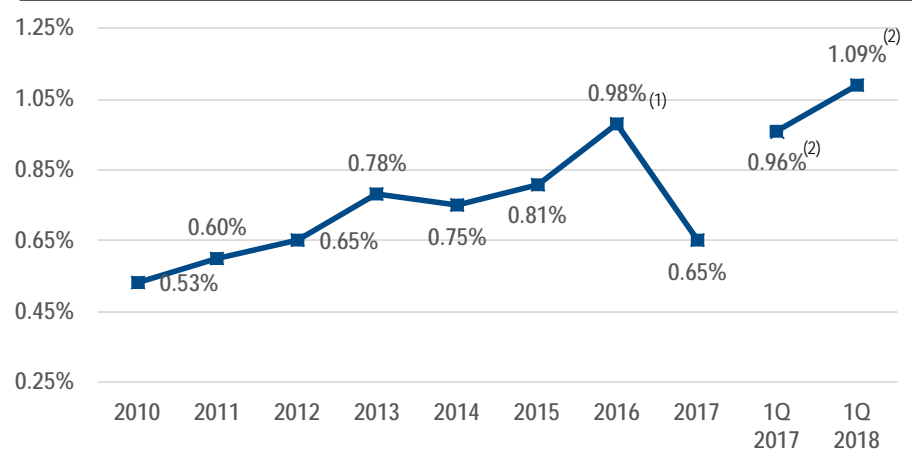
Noninterest Expense / Average Assets



ROATCE



ROAA

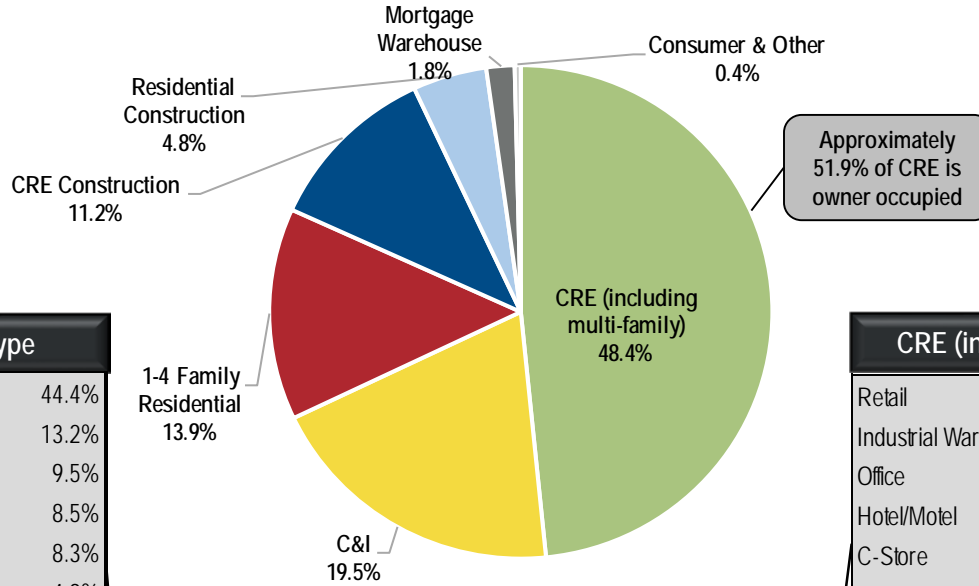


(1) Includes a one-time gain from sale of branches of \$1.3 million (after-tax)

(2) Annualized

Loan Portfolio Composition

(\$ in millions)



Approximately 51.9% of CRE is owner occupied

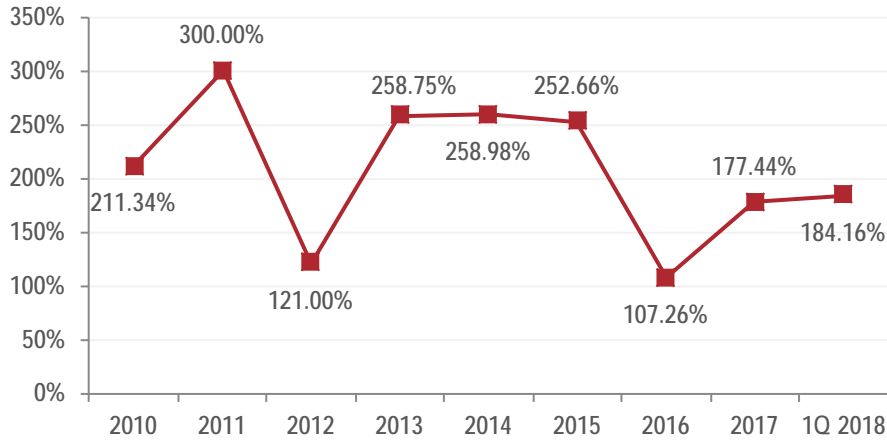
CRE Construction by Property Type		
Vacant Land (Lots/Teardowns)	\$ 114.1	44.4%
Retail	34.0	13.2%
C-Store	24.6	9.5%
Office	21.9	8.5%
Hotel/Motel	21.4	8.3%
Health Care	12.7	4.9%
Industrial/Warehouse	10.8	4.2%
Investment Property	3.1	1.2%
Other	15.0	5.8%
Total CRE Construction	\$ 257.6	100.0%

Loan Portfolio (as of March 31, 2018)		
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%

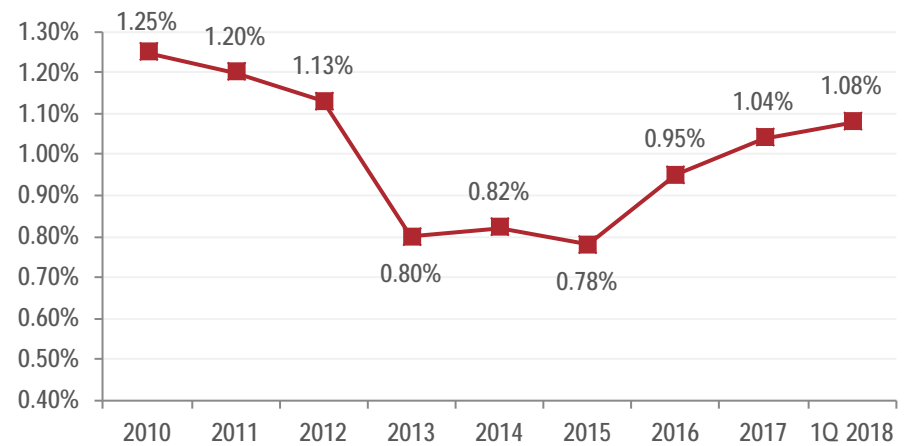
CRE (incl. multi-family) by Property Type		
Retail	\$ 304.1	27.5%
Industrial Warehouse	177.6	16.0%
Office	157.5	14.2%
Hotel/Motel	107.3	9.7%
C-Store	124.5	11.2%
Multi-Family	68.2	6.2%
Day Care	23.4	2.1%
Health Care	20.1	1.8%
Church Facility	17.9	1.6%
Farmland	16.7	1.5%
Restaurant/Bar	15.4	1.4%
Other	75.8	6.8%
Total CRE (incl. multi-family)	\$ 1,108.5	100.0%

Strong Credit Quality

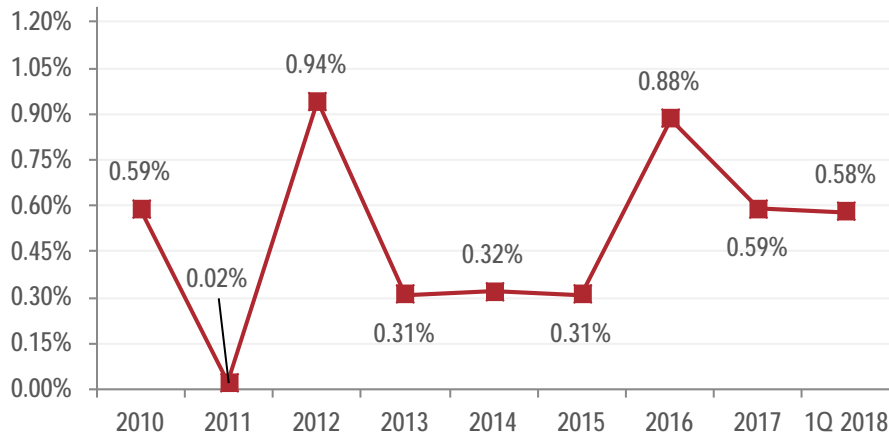
Allowance / Nonperforming Loans



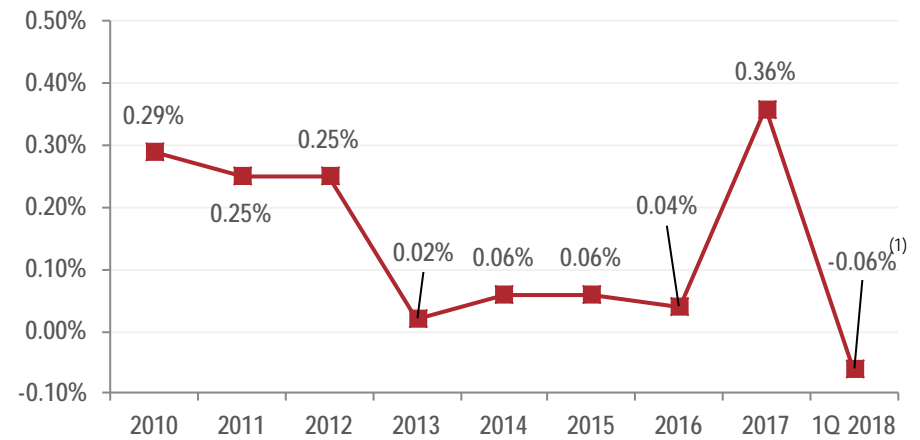
Allowance / Total Loans



Nonperforming Loans / Total Loans



Net Charge-offs / Average Loans

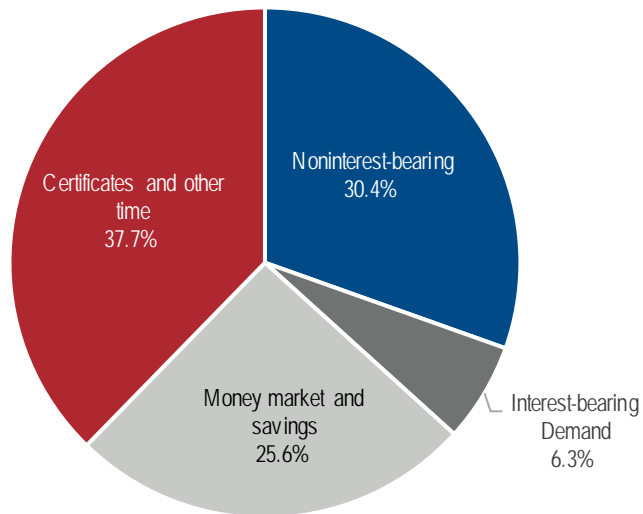


(1) Annualized

Deposit Growth and Composition

Deposit Composition

(as of March 31, 2018)



Deposit Growth

(\$ in millions)

