



Transformational Merger of Equals Creating a Premier Texas Franchise

INVESTOR PRESENTATION

November 8, 2021



Disclaimer

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation which are not historical in nature are intended to be, and are hereby identified as, “forward-looking statements” for purposes of the safe harbor provided by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

These statements include, but are not limited to, statements about the benefits of the proposed merger of Allegiance and CBTX, including future financial and operating results (including the anticipated impact of the transaction on Allegiance’s and CBTX’s respective earnings and book value), statements related to the expected timing of the completion of the merger, the combined company’s plans, objectives, expectations and intentions, and other statements that are not historical facts. Forward-looking statements may be identified by terminology such as “may,” “will,” “should,” “scheduled,” “plans,” “intends,” “anticipates,” “expects,” “believes,” “estimates,” “potential,” or “continue” or negatives of such terms or other comparable terminology.

All forward-looking statements are subject to risks, uncertainties and other factors that may cause the actual results, performance or achievements of Allegiance or CBTX to differ materially from any results expressed or implied by such forward-looking statements.

Such factors include, among others: (1) the risk that the cost savings and any revenue synergies from the merger may not be fully realized or may take longer than anticipated to be realized; (2) disruption to the parties’ businesses as a result of the announcement and pendency of the merger; (3) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; (4) the risk that the integration of each party’s operations will be materially delayed or will be more costly or difficult than expected or that the parties are otherwise unable to successfully integrate each party’s businesses into the other’s businesses; (5) the failure to obtain the necessary approvals by the shareholders of Allegiance or CBTX; (6) the amount of the costs, fees, expenses and charges related to the merger; (7) the ability by each of Allegiance and CBTX to obtain required governmental approvals of the merger (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction); (8) reputational risk and the reaction of each company’s customers, suppliers, employees or other business partners to the merger; (9) the failure of the closing conditions in the merger agreement to be satisfied, or any unexpected delay in closing the merger; (10) the possibility that the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (11) the dilution caused by CBTX’s issuance of additional shares of its common stock in the merger; (12) general competitive, economic, political and market conditions; (13) 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, of CBTX or the ability of CBTX to obtain required regulatory approvals; (14) the possible results and amount of civil money penalties related to such FinCEN investigation and CBTX’s BSA/AML program; and (15) other factors that may affect future results of CBTX and Allegiance including changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; the impact, extent and timing of technological changes; capital management activities; and other actions of the Board of Governors of the Federal Reserve System and Office of the Comptroller of the Currency and legislative and regulatory actions and reforms.

Additional factors which could affect future results of Allegiance and CBTX can be found in Allegiance’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and the Current Reports on Form 8-K, and CBTX’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, in each case filed with the SEC and available on the SEC’s website at <https://www.sec.gov>.

Allegiance and CBTX disclaim any obligation and do not intend to update or revise any forward-looking statements contained in this communication, which speak only as of the date hereof, whether as a result of new information, future events or otherwise, except as required by federal securities laws. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

Information about the Merger and Where to Find It

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. In connection with the proposed merger, CBTX intends to file a registration statement on Form S-4 with the SEC to register the shares of CBTX common stock that will be issued to Allegiance shareholders in connection with the merger. The registration statement will include a joint proxy statement/prospectus and other relevant materials in connection with the proposed merger, which will be sent to the shareholders of CBTX and Allegiance seeking their approval of the proposed merger.

WE URGE INVESTORS AND SECURITY HOLDERS TO READ THE REGISTRATION STATEMENT ON FORM S-4, THE JOINT PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4 AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IN CONNECTION WITH THE PROPOSED MERGER BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT ALLEGIANCE, CBTX AND THE PROPOSED MERGER.

Investors and security holders may obtain free copies of these documents, once they are filed, and other documents filed with the SEC by Allegiance or CBTX through the website maintained by the SEC at <https://www.sec.gov>. Documents filed with the SEC by CBTX will be available free of charge by accessing the CBTX’s website at www.communitybankcoftx.com under the heading “Investor Relations” or, alternatively, by directing a request by mail or telephone to CBTX, Inc., 9 Greenway Plaza, Suite 110, Houston, Texas 77046, Attn: Investor Relations, 713-210-7600, and documents filed with the SEC by Allegiance will be available free of charge by accessing Allegiance’s website at www.allegiancebank.com under the heading “Investor Relations” or, alternatively, by directing a request by mail or telephone to Allegiance Bancshares, Inc., 8847 West Sam Houston Parkway, N., Suite 200, Houston, Texas 77040, 281-894-3200.

Participants in the Solicitation

CBTX, Allegiance and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of CBTX and Allegiance in connection with the proposed merger. Certain information regarding the interests of these participants and a description of their direct or indirect interests, by security holdings or otherwise, will be included in the joint proxy statement/prospectus regarding the proposed merger when it becomes available. Additional 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 for its annual meeting of shareholders, filed with the SEC on March 10, 2021. Additional information about the directors and executive officers of CBTX and their ownership of CBTX’s common stock is set forth in CBTX’s proxy statement for its annual meeting of shareholders, filed with the SEC on April 14, 2021. These documents can be obtained free of charge from the sources described above.

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PRESENTERS



Steven F. Retzloff



Robert R. Franklin, Jr.



Paul P. Egge

Executive Summary








CBTX, INC.



Allegiance Bancshares, Inc.

A Premier Texas Franchise

-  Creates a premier Texas financial institution by combining two of the largest Houston-focused banks
-  Generates significant shareholder value through materially enhanced metrics
-  True merger-of-equals – combined management team and equal board contribution
-  Complementary branch network, with meaningful overlap to support cost savings
-  Shared vision, community focus, and commitment to clients and employees

 **ABTX BRANCH** (27)

 **CBTX BRANCH** (35)

 **HOUSTON REGION**

Houston-The Woodlands-Sugar Land
and Beaumont-Port Arthur MSAs



Key Merger Terms

CONSIDERATION & MERGER PRICING ⁽¹⁾

100% stock consideration ⁽²⁾

CBTX will be the legal acquirer and ABTX will be the accounting acquirer

Fixed exchange ratio of 1.4184 CBTX shares for each ABTX share outstanding

ABTX options will roll over into CBTX options

Combined market capitalization of approximately \$1.5B

PRO FORMA OWNERSHIP

Approximately 54% ABTX / 46% CBTX

HEADQUARTERS

Houston, TX

NAME

Holding company and bank name to be determined

TIMING AND REQUIRED APPROVALS

Approval of ABTX and CBTX shareholders

Customary regulatory approvals

Anticipated closing in second quarter 2022

(1) Based on CBTX total shares outstanding of 24,579,599 (including 159,961 shares of restricted stock to be vested upon CIC) & ABTX total shares outstanding of 20,247,480

(2) Cash to be exchanged in lieu of fractional shares

Note: Market data as of November 5, 2021

Seasoned and Deep Combined Leadership Team

SELECTED EXECUTIVE LEADERSHIP TEAM



Robert "Bob" Franklin Jr.
HC CEO



Joe West
Bank Chief Credit
Officer



Justin M. Long
General Counsel



Steven F. Retzloff
Executive Chairman

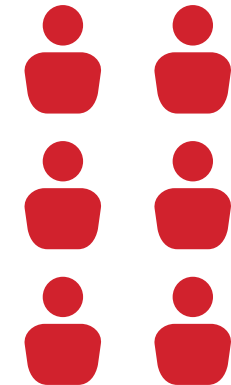
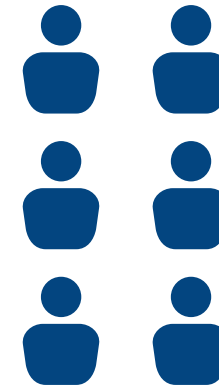


Ramon "Ray" Vitulli, III
Bank CEO



Paul P. Egge
CFO

BOARD OF DIRECTORS



Merger Rationale



Merger Rationale



TRANSFORMATIVE MERGER

Combined company projected to have approximately \$11 billion in assets and stronger financial performance

The ability to grow, generate top tier profitability, and create value for shareholders is materially enhanced

Better positioned to grow non-interest income

Enhanced scarcity value as a large, metropolitan Texas franchise



CULTURAL ALIGNMENT

Each company has similar corporate cultures and customer focus/orientation

Both companies are responsive community banks with deep ties to their markets

Shared vision for continued growth in greater Houston region and throughout Texas



CREATES COMPELLING MARKET SHARE

The merger will create the 6th largest deposit market share in Houston region of all banks and #1 among local banks

Combined company will continue to have the dominant share of the Beaumont market and will be better positioned to grow in DFW

Improved positioning to be the local lender of choice for small-to-medium sized businesses

Meaningful runway for continued growth



ENHANCES SHAREHOLDER VALUE

Material future EPS accretion expected

Meaningful improvement to performance, profitability & efficiency

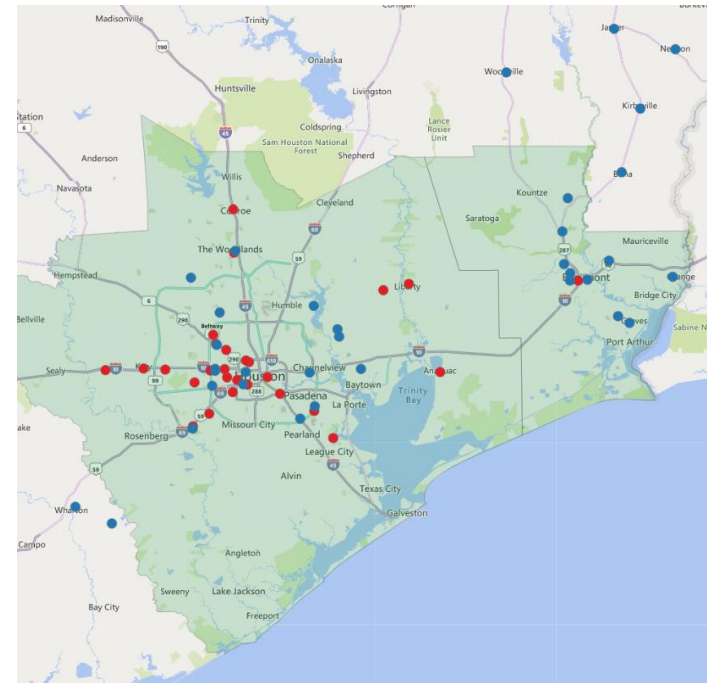
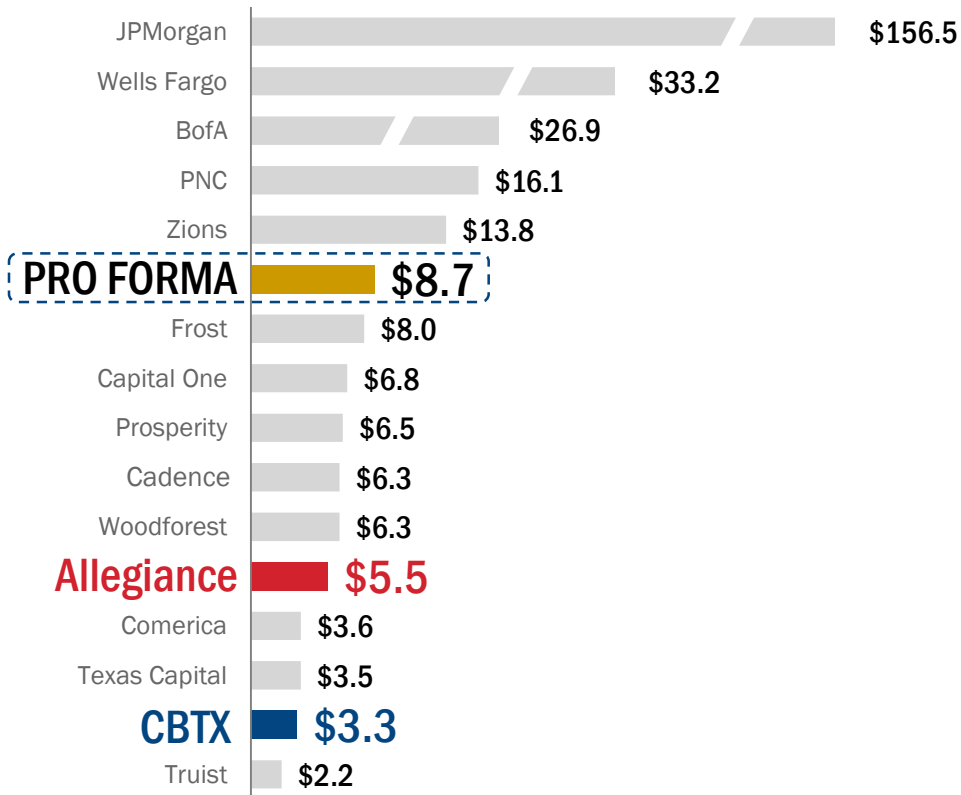
Combined company will have size and performance consistent with highly valued Texas banks

Strong capital position to support growth and share repurchases

Largest Deposit Market Share of any Texas-Based Bank in the Houston Region

HOUSTON REGION (1) MARKET SHARE

Deposits (\$B)



**RANKED #6
PRO FORMA IN
HOUSTON REGION(1)
MARKET SHARE**

HOUSTON REGION
Houston-The Woodlands-
Sugar Land and Beaumont-
Port Arthur MSAs

BRANCHES

Company	Houston Region ⁽¹⁾	Total
● CBTX	27	35
● Allegiance	27	27

Note: Deposit market share based on FDIC data as of June 30, 2021; Pro forma represents deposits in the Houston Region as of June 30, 2021 on a combined basis

(1) By cumulative deposit market share ranking in the Houston-The Woodlands-Sugar Land and Beaumont-Port Arthur MSAs

Source: S&P Capital IQ Pro

Unparalleled Market Focus: Deposits in the Houston Region ⁽¹⁾

Uniquely local in a market dominated by larger competitors

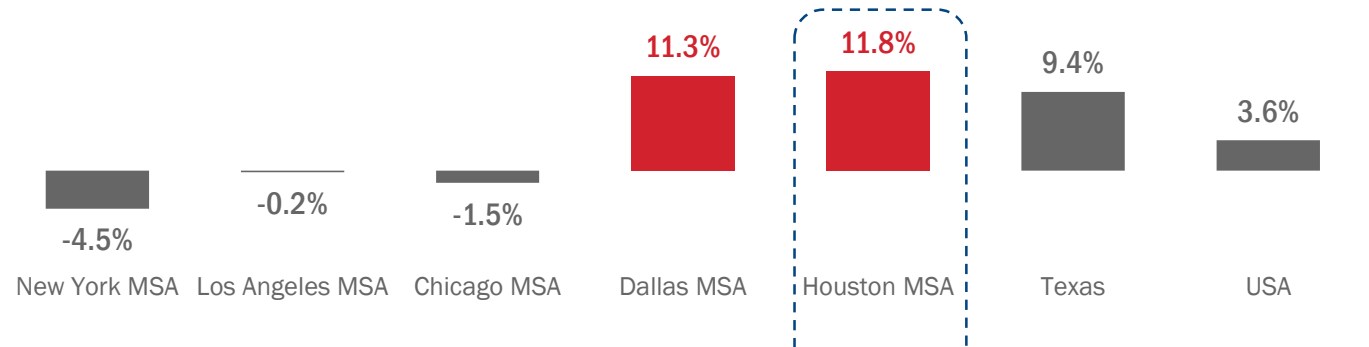
Significant growth opportunity in Houston Region

Name	Total Assets (\$B)	Houston Region ⁽¹⁾ Deposits (\$B)	Percent of Company Deposits (%)
JPMorgan	3,757.6	156.5	6.5%
Wells Fargo	1,954.9	33.2	2.3%
BofA	3,085.4	26.9	1.4%
PNC	553.5	16.1	3.6%
Zions	88.3	13.8	17.8%
PRO FORMA	11.0	8.7	95.0%
Frost	47.9	8.0	20.3%
Capital One	425.4	6.8	2.2%
Prosperity	36.5	6.5	22.1%
Cadence	28.1	6.3	26.8%
Woodforest	9.5	6.3	71.8%
ALLEGIANCE	6.8	5.5	96.3%
Comerica	94.5	3.6	4.3%
Texas Capital	36.4	3.5	11.9%
CBTX	4.2	3.3	92.9%
Truist	529.9	2.2	0.5%

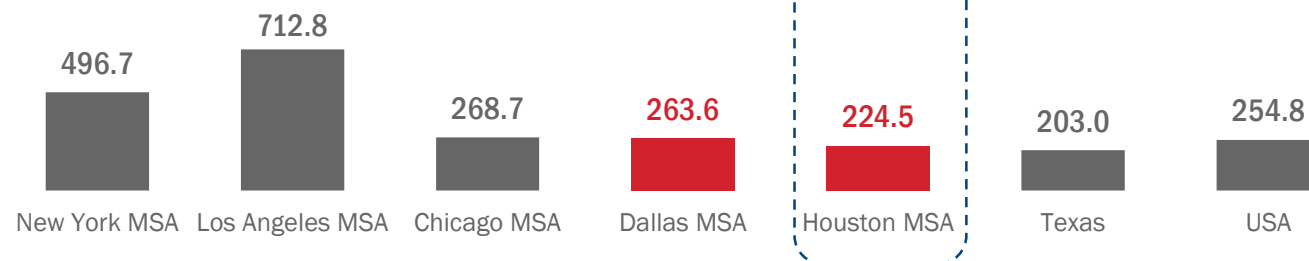
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 (1) By cumulative deposit market share ranking in the Houston-The Woodlands-Sugar Land and Beaumont-Port Arthur MSAs
 Source: S&P Capital IQ Pro

Largest Community Bank Headquartered in 4th Largest City in the US

5-YEAR HISTORICAL POPULATION GROWTH



MEDIAN HOME PRICE (\$000s)



Source: S&P Capital IQ Pro; Texas Medical Center; Houston.org; Wallet Hub; ABC News; Axios

STRONG AND DIVERSIFIED HOUSTON REGION

Houston has the second highest concentration of Fortune 1000 companies in the U.S.

Houston is the #1 most diverse city in the U.S. based on socioeconomic factors, according to Wallet Hub

The Woodlands, a Houston suburb, is #1 on the list of America's 50 Best Places to Live

Houston is home to the Texas Medical Center, which has 10 million patient encounters each year

During the pandemic, Houston saw the second highest growth in jobs available for software and IT workers

Meaningful Texas Franchise

OBSERVATIONS

The combined company will have the 17th largest deposit market share in the state of Texas

Together the companies will have the 9th largest deposit market share of any Texas headquartered bank

TX HQ	2021 Rank	Institution	Branches #	Deposits \$ Billions	Market Share %
	1	JPMorgan Chase & Co.	511	288.5	26.1
	2	Bank of America Corp.	356	180.1	16.3
	3	Wells Fargo & Co.	548	94.7	8.6
	4	The PNC Financial Services Group Inc.	362	41.8	3.8
★	5	Cullen/Frost Bankers Inc.	168	39.2	3.5
★	6	Texas Capital Bancshares Inc.	11	29.3	2.6
★	7	Prosperity Bancshares Inc.	276	27.3	2.5
	8	Citigroup Inc.	2	21.2	1.9
	9	Zions Bancorp. NA	77	15.6	1.4
	10	Capital One Financial Corp.	47	11.9	1.1
★	11	Hilltop Holdings Inc.	60	11.8	1.1
★	12	Independent Bank Group Inc.	62	11.2	1.0
	13	Cadence	93	11.2	1.0
★	14	Comerica Inc.	126	10.9	1.0
★	15	International Bancshares Corporation	148	10.5	1.0
★	16	First Financial Bankshares Inc.	81	9.9	0.9
★		PRO FORMA	62	8.9	0.8
	17	BOK Financial Corp.	32	8.6	0.8
	18	Truist Financial Corp.	103	7.6	0.7
★	19	NexBank Capital Inc.	3	7.3	0.7
★	20	Veritex Holdings Inc.	33	7.1	0.6
★	25	ALLEGIANCE BANCSHARES INC.	27	5.5	0.5
★	32	CBTX INC.	35	3.4	0.3
		All Other Banks	3,156	250.7	22.6
		TOTAL FOR INSTITUTIONS IN MARKET	6,317	1,105.3	100.0

★ - Represents a Texas headquartered bank

Diligence & Financial Impact



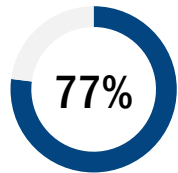
CBTX, INC.



Allegiance Bancshares, Inc.

Robust and Comprehensive Two-Way Due Diligence

EXTERNAL LOAN REVIEW STATISTICS



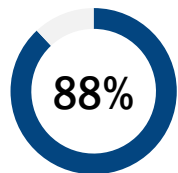
of loans outstanding

>600

individual loans

\$2.4B

of loans



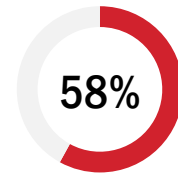
of COVID-sensitive loans

>400

commercial borrowers



of hotel loans



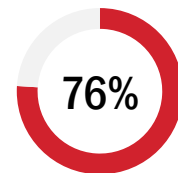
of loans outstanding

>1,200

individual loans

\$2.5B

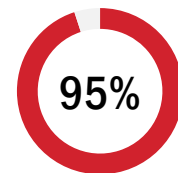
of loans



of COVID-sensitive loans

>800

commercial borrowers



of hotel loans

KEY DILIGENCE ITEMS

- ✓ Culture & Philosophy
- ✓ Credit
- ✓ Regulatory & Compliance
- ✓ Financial
- ✓ Technology
- ✓ Operational Risk
- ✓ Human Resources
- ✓ Internal Audit & Legal

Key Merger Assumptions

EARNINGS

ABTX: Estimated earnings per share of \$3.12 in 2022 and \$3.21 in 2023

CBTX: Estimated earnings per share of \$1.47 in 2022 and \$1.89 in 2023

COST SAVINGS

Estimated \$35.5M of pre-tax net full run-rate savings or 15% of combined operating expenses (net of incremental cost for exceeding \$10 billion in assets)

MERGER RELATED EXPENSES

One-time merger costs of \$45.0M (pre-tax), included in estimated pro forma tangible book value

ESTIMATED CREDIT MARKS ON CBTX BALANCE SHEET

Total credit mark of 1.01% or \$26.1M of CBTX loans at close

- Mark of \$9.5M on PCD loans
- Non-PCD mark of \$16.6M (accreted through earnings over 4 years)

Day 2 allowance of \$16.6M (separate from non-PCD mark) reflected in closing balance sheet

OTHER ESTIMATED MARKS ON CBTX BALANCE SHEET

Loan interest rate write down of \$6.5M or 0.23%

Core deposit intangibles of \$16.9M or 0.52% of non-time deposits (amortized SYD over 7 years)

AOCI mark-up of \$2.4M (amortized through earnings straight line over 4 years)

Deposit write-up of \$1.3M accreted over 1 year

OTHER MERGER ADJUSTMENTS

Durbin adjustment: \$2.6M pre-tax run-rate (50% phased in 2023 and 100% phased in 2024)

Net cost savings include \$1.0M of pre-tax costs for crossing \$10 billion in assets

Repayment of certain FHLB advances at closing

CLOSING DATE

Transaction assumed to close in second quarter 2022

Attractive Pro Forma Financial Metrics

COMPELLING FINANCIAL IMPLICATIONS

EPS Accretion to CBTX ⁽¹⁾ **40%**

EPS Accretion to ABTX ⁽¹⁾ **17%**

TBV per Share Dilution **(3.9%)**

TBVPS Earnback **0.9 YEARS**

ABTX Dividend Accretion ⁽²⁾ **32%**

SCALED FOR SUCCESS

~\$11B
Total Assets

~\$1.5B
Market Cap

~\$142M
Net Income

ENHANCED PROFITABILITY & STRONG CAPITAL

2023E ROAA **~1.3%**

2023E Eff. Ratio **~52%**

2023E ROATCE **~12%**

TCE Ratio at Close **9.7%**

(1) 2023E EPS accretion. See appendix for reconciliation

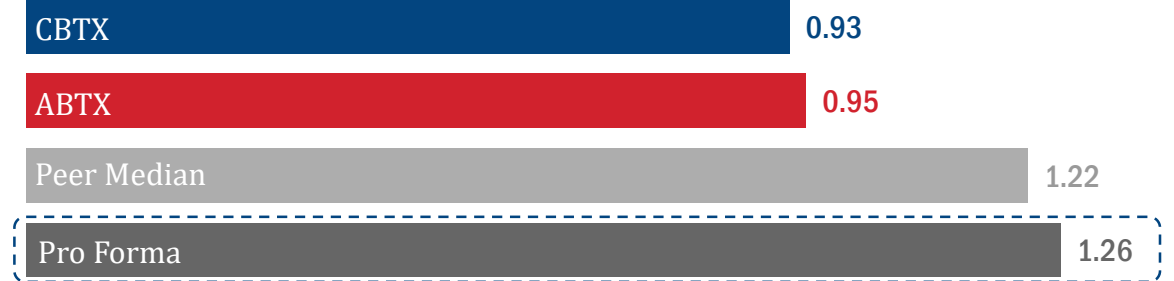
(2) Based continuation of CBTX dividend

Based on merger assumptions on page 16; See glossary for abbreviation definitions

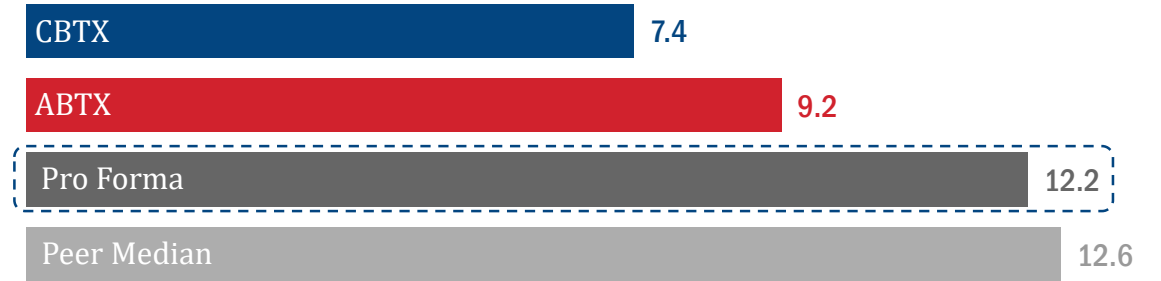
Enhanced Pro Forma Performance Based on 2023 Estimates

TOP-TIER PERFORMANCE POTENTIAL

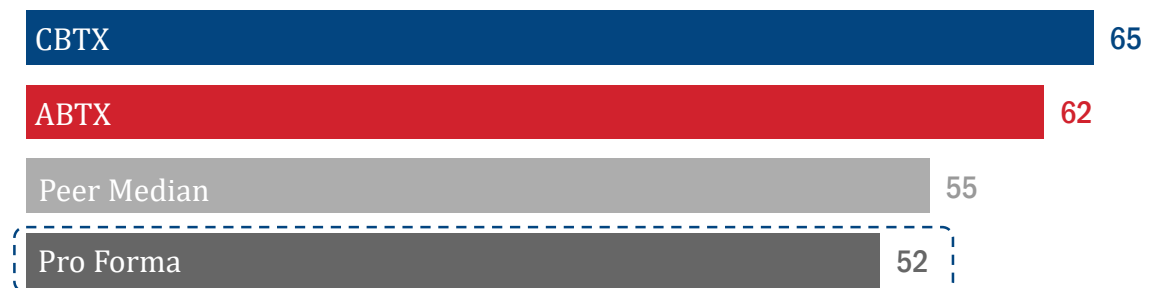
ROAA %



ROATCE %



EFFICIENCY RATIO %



Note: Pro Forma calculated using 2023 estimates with fully phased in cost savings; Peer estimates as of November 5, 2021;
 Source: S&P Capital IQ Pro, FactSet; See glossary for abbreviation definitions
 Based on merger assumptions on page 16; See glossary for abbreviation definitions

Estimated Market Value Creation

OBSERVATIONS

The combination is anticipated to create significant value through cost savings

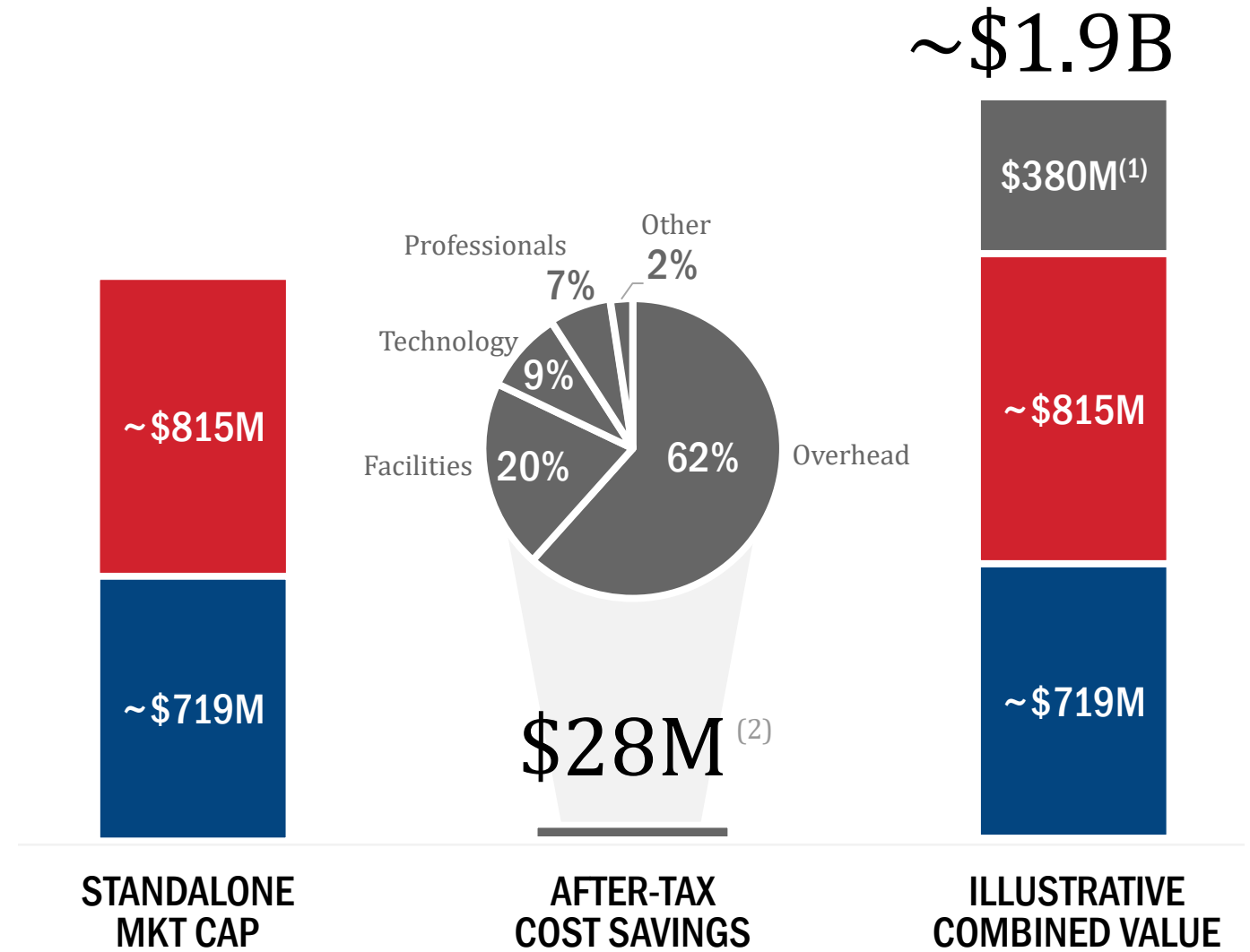
The capitalized value of cost savings is equal to ~20% of the combined company market capitalization

(1) Estimated market value increase gained from cost synergies based on median P/22E for selected Texas banks of 13.6x

(2) Estimated cost savings shown on an after tax basis

Note: Market data as of November 5, 2021

Source: S&P Capital IQ Pro



Conclusions

Expected Benefits to All Constituencies



CLIENTS

Ability to serve more clients

As a larger company, clients will benefit from expanded service offerings



COMMUNITY

Strong commitment to our communities

Opportunity to deepen existing partnerships with community organizations

Community service is a core tenant of each of our respective cultures



TEAM MEMBERS

Similar culture focused on community, clients and team members

Expanded roles and enhanced career paths for team members








SHAREHOLDERS

Enhanced performance metrics as well as earnings per share to each company standalone

Scale and performance should warrant multiple expansion

Greater ability to return capital

A Premier Texas Franchise

-  Creates a premier Texas financial institution by combining two of the largest Houston-focused banks
-  Generates significant shareholder value through materially enhanced metrics
-  True merger-of-equals – combined management team and equal board contribution
-  Complementary branch network, with meaningful overlap to support cost savings
-  Shared vision, community focus, and commitment to clients and employees

 **ABTX BRANCH** (27)

 **CBTX BRANCH** (35)

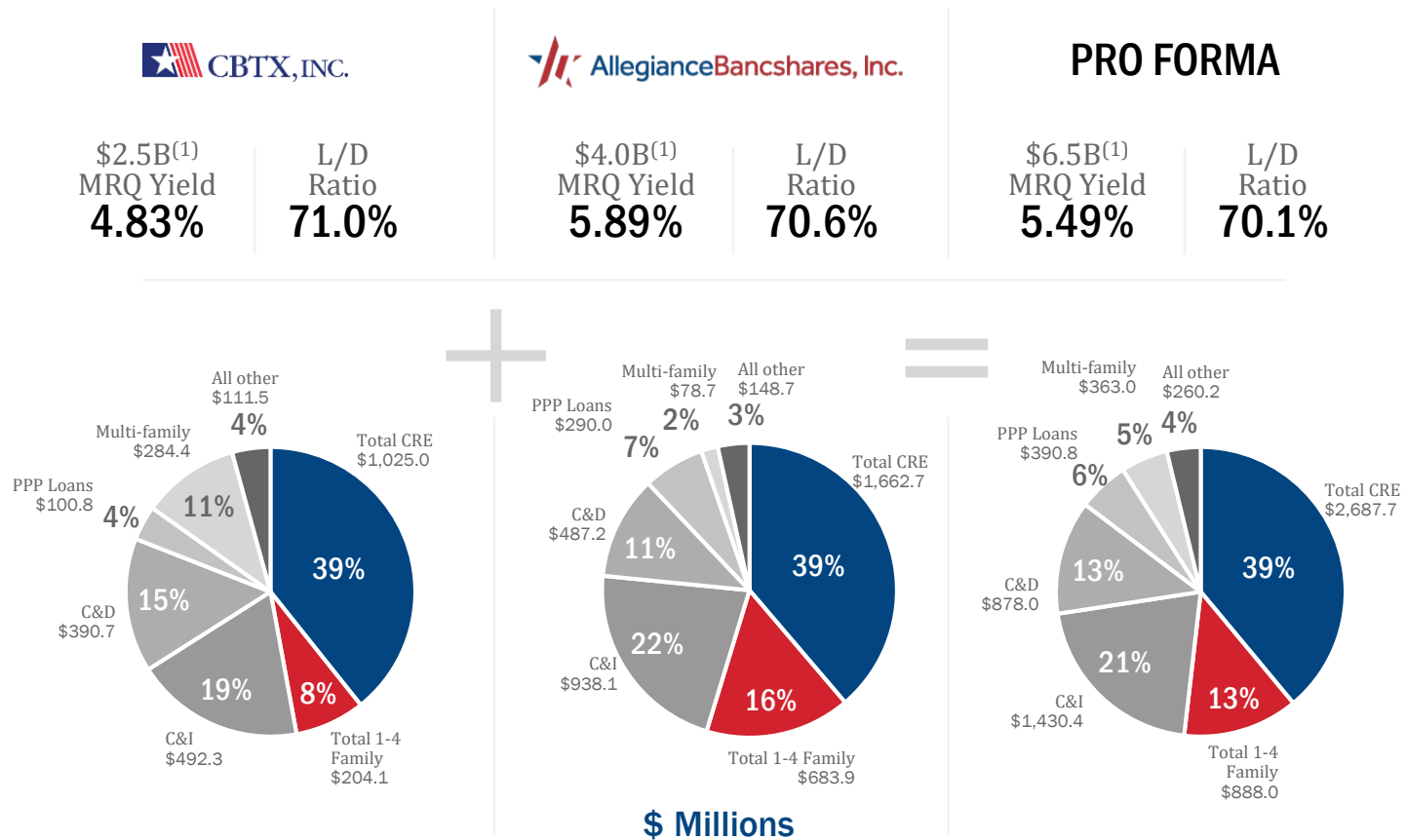
 **HOUSTON REGION**

Houston-The Woodlands-Sugar Land
and Beaumont-Port Arthur MSAs



Appendix

Similar Loan Mix



(1) Loan balances exclude Paycheck Protection Program loans

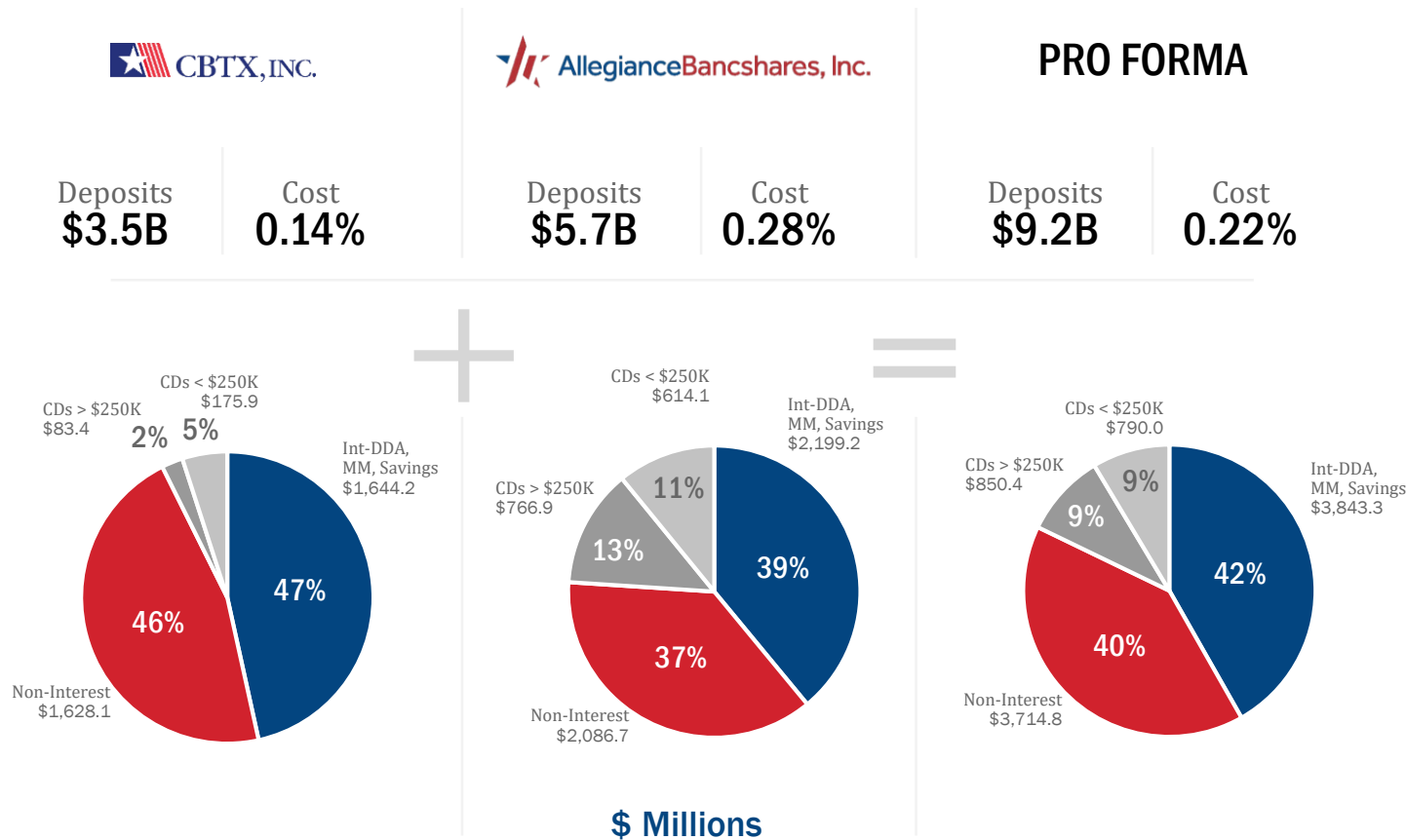
Source: S&P Capital IQ Pro | Note: Loan composition data reflects Holding company level data as of September 30, 2021; Yield on loans includes the effects of Paycheck Protection Program loans

✓ Consistent mix of commercial, CRE and C&D loans

✓ Disciplined, low-risk balance sheets

✓ Emphasis on credit administration and risk management

Attractive Low Cost Deposit Base



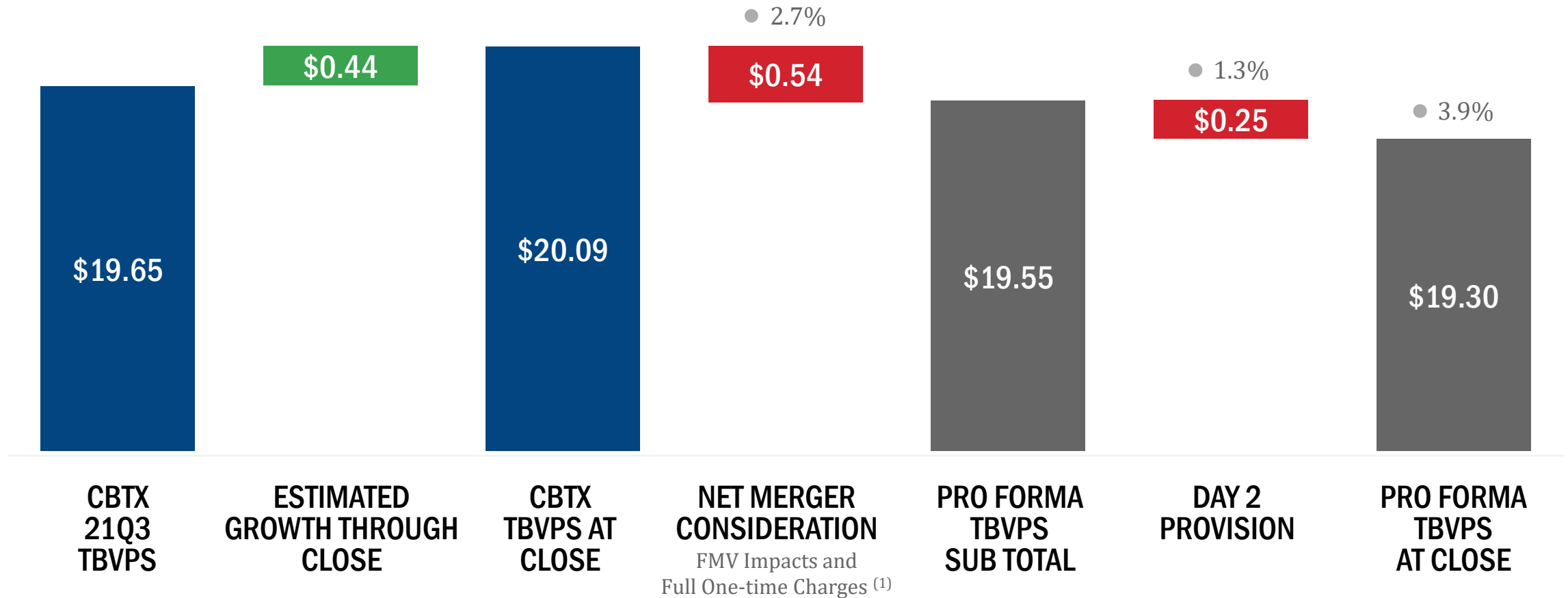
Note: Deposit composition data reflects holding company level data as of September 30, 2021
 Source: S&P Capital IQ Pro

✓ Meaningful level of non-interest bearing balances

✓ Limited reliance on time deposits

✓ Low pro forma cost of deposits

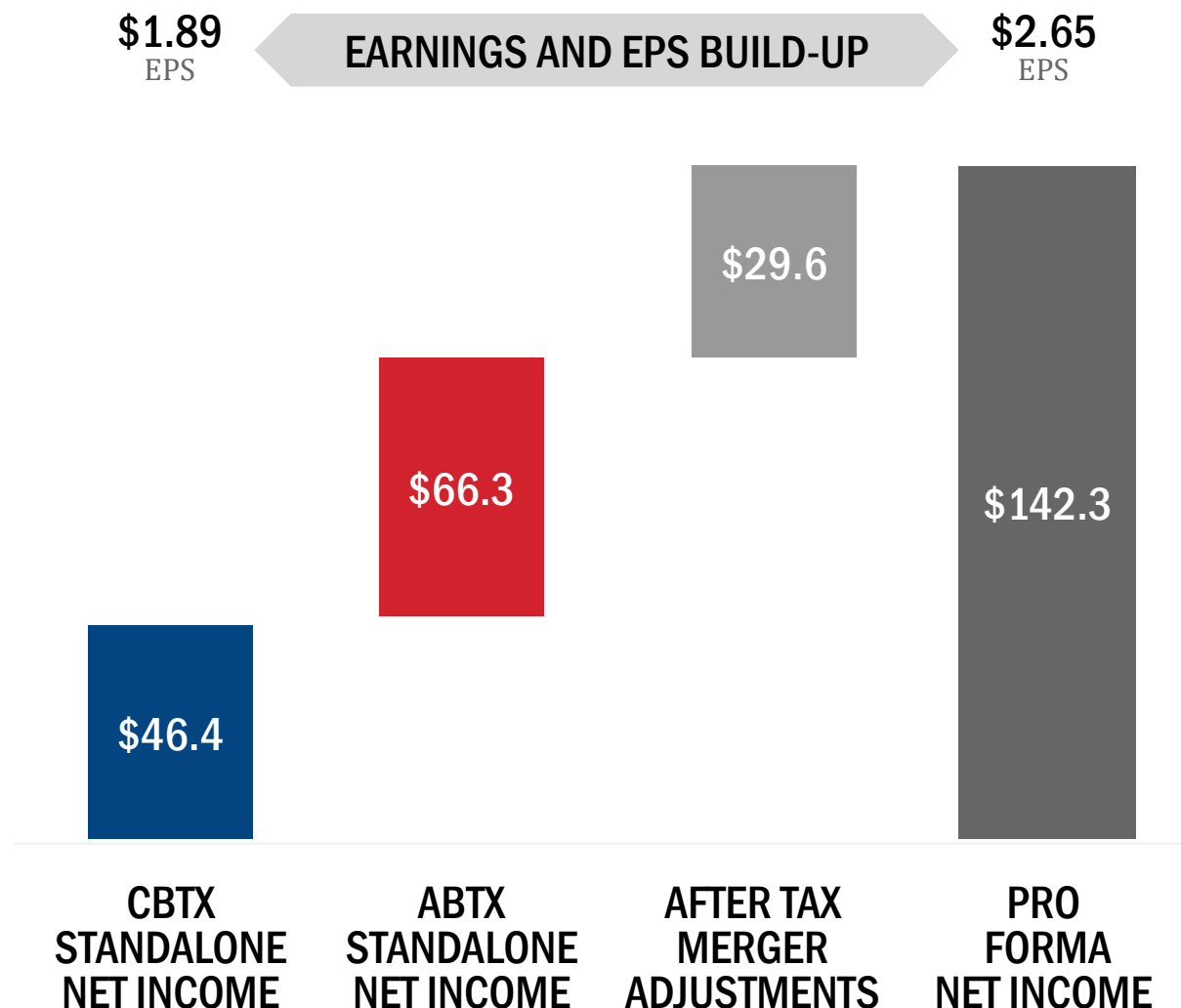
TBVPS Reconciliation



(1) Includes vesting of 159,961 thousand shares of CBTX restricted stock
Based on merger assumptions on page 16; See glossary for abbreviation definitions

EPS Reconciliation

PRO FORMA EARNINGS	2023E
<i>\$s in millions, except per share</i>	
ABTX ESTIMATED NET INCOME	\$66.3
ABTX ESTIMATED EPS	\$3.21
CBTX ESTIMATED NET INCOME	\$46.4
CBTX ESTIMATED EPS	\$1.89
MERGER ADJUSTMENTS	
Cost Savings	\$35.5
CECL Non-PCD Mark Accretion	4.2
Net Spread from Retirement of Borrowings	1.1
Recovery of Loan Loss Provision	0.7
Durbin Adjustment	(1.3)
CDI Amortization	(3.8)
Other Purchase Accounting and Merger Related Impact	1.2
Merger Related Income	37.5
Tax Effect	(7.9)
AFTER TAX MERGER RELATED INCOME	\$29.6
PRO FORMA NET INCOME	\$142.3
PRO FORMA AVG. DIL. SHARES OUTSTANDING	53.8
PRO FORMA EPS	\$2.65
PRO FORMA EPS TO ABTX	\$3.77
ABTX ACCRETION (%)	17.3%
ABTX ACCRETION (\$)	\$0.55
CBTX ACCRETION (%)	40.2%
CBTX ACCRETION (\$)	\$0.76



Note: See glossary for pro forma EPS to ABTX calculation; Estimates based on internal management forecasts

Glossary

<u>TERM</u>	<u>DEFINITION</u>	<u>CALCULATION</u>
ROAA	Return on average assets	Net income divided by average assets
ROATCE	Return on average tangible common equity	Net income divided by average tangible common equity
TBVPS	Tangible book value per share	Tangible common equity divided common shares outstanding
TCE RATIO	Tangible common equity ratio	Tangible common equity divided by tangible assets
EFF. RATIO	Efficiency ratio	Operating revenue divided by operating expense
EPS	Earnings per share	Net income divided by common shares outstanding
PRO FORMA EPS TO ABTX		Pro forma CBTX EPS multiplied by the exchange ratio (1.4184)