

COMMERCE STREET *Capital*

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Commerce Street Capital Advises Independence Bank in Agreement to Be Acquired by Allegiance Bancshares Inc.

DALLAS (August 7, 2013) — Commerce Street Capital, LLC (CSC), a Dallas-based investment banking firm, is financial advisor to Independence Bank in a definitive agreement to be acquired by Allegiance Bancshares Inc., the parent of Allegiance Bank Texas (collectively "Allegiance"). This announcement was made today by Dory Wiley, President and CEO of CSC.

CSC's Houston-based Managing Director Tom Lykos, Jr., is the lead financial advisor for Independence Bank and worked closely with Okan Akin, the bank's President and CEO. Lykos assisted the Independence Bank management team in negotiations with Allegiance senior executives.

The acquisition of Independence Bank, founded in May 2002, will move Allegiance across the \$1 billion bank threshold. The agreement, expected to close by fourth quarter of 2013, has been approved by the Board of Directors of each company and is subject to approval by Independence Bank's shareholders and customary regulatory approval.

"This transaction is a great fit — where Independence was headed, Allegiance was headed," stated Lykos, who has known the management teams at both institutions for many years. "In my opinion, both management teams and boards have compatible mindsets and cultures. With Allegiance becoming a billion dollar platform, they will certainly realize cost efficiencies as well."

Independence Bank operates three banking offices in the Houston Metropolitan Area (Northwest Houston, Galleria and West Houston). As of June 30, 2013, Independence Bank reported total assets of \$220 million, total loans of \$133 million and total deposits of \$196 million.

Allegiance Bancshares is a Houston-based financial holding company formed in 2007. Allegiance currently operates seven full service banking offices in Houston, Bellaire and Katy, Texas. As of June 30, 2013, Allegiance Bank Texas reported total assets of \$825 million, total loans of \$633 million and total deposits of \$757 million.

About Commerce Street Capital

Commerce Street Capital, LLC ("CSC"), is a private investment banking firm headquartered in Dallas, Texas. Led by veterans of the banking industry, CSC specializes in investment banking services (mergers and acquisitions, valuations and regulatory issue advising) and bank development (on-site consulting, sales and management of bank capital raises, market assessments and the bank regulatory application process). The firm provides tailored solutions for all or part of a financial institution's business lifecycle. For more information, visit www.commercestreecapital.com or call 214-545-6800. CSC is a member of FINRA/SIPC.

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