Allegiance Bancshares, Inc.
Form 424B3
August 03, 2018

Table of Contents

Index to Financial Statements

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-225845

PROPOSED MERGER AND SHARE ISSUANCE YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On April 30, 2018, Allegiance Bancshares, Inc., a Texas corporation (which we refer to as Allegiance), and Post Oak Bancshares, Inc., a Texas corporation (which we refer to as Post Oak), entered into an Agreement and Plan of Reorganization (which we refer to as the merger agreement) that provides for the acquisition of Post Oak by Allegiance. Subject to the terms and conditions of the merger agreement, Post Oak will merge with and into Allegiance, with Allegiance continuing as the surviving corporation (which we refer to as the merger).

At the effective time of the merger, each outstanding share of the common stock, par value $0.01 per share, of Post Oak (which we refer to as Post Oak common stock), other than shares of Post Oak common stock held by Post Oak and Allegiance and any dissenting shareholder (as defined in this joint proxy statement/prospectus), will be converted into the right to receive 0.7017 of a share (such number being referred to as the exchange ratio) of the common stock, par value $1.00 per share, of Allegiance (which we refer to as the Allegiance common stock), together with cash in lieu of a fractional share, subject to adjustment if Post Oak s tangible common equity is less than the minimum equity required by the merger agreement prior to the closing of the merger. More specifically, the merger consideration that Post Oak shareholders would be entitled to receive in the merger will be reduced on a dollar-for-dollar basis (using the volume-weighted average price of Allegiance common stock on the NASDAQ Stock Market, Inc. Global Market System (which we refer to as NASDAQ), for the twenty trading-day period ending on and including the fifth trading day before the day of completion of the merger (which we refer to as the average closing price) to determine the number of shares to be subtracted from the aggregate merger consideration) to the extent by which Post Oak s tangible common equity, as defined in the merger agreement, is less than the minimum equity required by the merger agreement. The minimum equity required by the merger agreement is set at approximately $154.3 million if closing were to occur on the last business day of October 2018, and increases by $1.8 million for each month after October (and decreases by $1.8 million for each month prior to October). As of the date of this joint proxy statement/prospectus, Post Oak estimates that, assuming closing occurs on the last business day of October 2018, the Post Oak tangible common equity as of the closing of the merger will be $154.3 million or greater, resulting in no downward adjustment to the aggregate merger consideration with respect to the Post Oak tangible common equity.

In addition, if the average closing price of Allegiance common stock is less than $32.52 per share and Allegiance common stock underperforms a selected index of public Texas community bank stocks by more than 20.0%, Post Oak has the right to terminate the merger agreement. Allegiance has the discretion, but not the obligation, to increase the merger consideration by increasing the number of shares of Allegiance common stock in the aggregate merger consideration such that the value of the aggregate merger consideration is equal to at least $278,564,572 (valuing the aggregate stock consideration based on the average closing price in accordance with the merger agreement).

Consequently, you will not know the exact per share merger consideration to be paid to Post Oak shareholders as a result of the merger when you vote at your company s special meeting. Assuming no downward adjustment to the aggregate merger consideration, for each share of Post Oak common stock you own, you will be entitled to receive 0.7017 of a share of Allegiance common stock, plus cash in lieu of a fractional share. In this joint proxy statement/prospectus, we refer to the number of shares of Allegiance common stock that a Post Oak shareholder will receive in the merger, together with cash in lieu of a fractional share, as the merger consideration.

Allegiance common stock is listed on NASDAQ under the symbol ABTX. Based on the following closing prices of Allegiance common stock on NASDAQ: (i) $40.80 on April 27, 2018, the last trading day before public

Table of Contents

Index to Financial Statements

announcement of the merger agreement and (ii) $44.85 on August 1, 2018, the latest practicable trading day before the date of this joint proxy statement/prospectus, the implied value of the per share merger consideration would be approximately $28.63 and $31.47, respectively, and the implied value of the total merger consideration would be approximately $349.9 million and $385.7 million, respectively. Each of the foregoing examples in the preceding sentence assumes there is no adjustment to the merger consideration.

Neither Allegiance nor Post Oak expects the magnitude of any downward adjustment of the aggregate merger consideration to cause Post Oak to re-solicit proxies from its shareholders.

We urge you to obtain current market quotations for Allegiance common stock. There are no current market quotations for Post Oak common stock because Post Oak is a privately-owned corporation and its common stock is not traded on any established public trading market.

Allegiance will hold a special meeting of its shareholders in connection with the merger. At the Allegiance special meeting, the holders of Allegiance common stock (which we refer to as the Allegiance shareholders) will be asked to vote (i) to adopt the merger agreement and approve the merger (which we refer to as the Allegiance Merger Proposal), (ii) to approve the issuance of the Allegiance common stock in connection with the merger (which we refer to as the Allegiance Stock Issuance Proposal), (iii) to approve an amendment to the Amended and Restated Certificate of Formation of Allegiance to increase the amount of authorized capital stock of Allegiance from 41,000,000 shares to 81,000,000 shares (which we refer to as the Allegiance Charter Amendment Proposal) and (iv) to approve the adjournment of the Allegiance special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Allegiance Merger Proposal and the Allegiance Stock Issuance Proposal (which we refer to as the Allegiance Adjournment Proposal). Adoption of each of the Allegiance Merger Proposal and the Allegiance Charter Amendment Proposal requires the affirmative vote of the holders of two-thirds of the outstanding shares of Allegiance common stock. Adoption of each of the Allegiance Stock Issuance Proposal and the Allegiance Adjournment Proposal requires the affirmative vote of a majority of the votes cast by the Allegiance shareholders at the Allegiance special meeting, in person or by proxy, and entitled to vote as of the Allegiance record date.

Post Oak will hold a special meeting of its shareholders in connection with the merger. Post Oak shareholders will be asked to vote (i) to adopt the merger agreement and approve the merger (which we refer to as the Post Oak Merger Proposal) and (ii) to approve the adjournment of the Post Oak special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Post Oak Merger Proposal (which we refer to as the Post Oak Adjournment Proposal). Adoption of the Post Oak Merger Proposal requires the affirmative vote of the holders of two-thirds of the outstanding shares of Post Oak common stock. Adoption of the Post Oak Adjournment Proposal requires the affirmative vote of a majority of the votes cast by the Post Oak shareholders on such proposal at the Post Oak special meeting, in person or by proxy, and entitled to vote as of the Post Oak record date.

Your vote is important regardless of the number of shares that you own. Whether or not you plan to attend your company s special meeting, please take time to vote by following the voting instructions included in the enclosed proxy card. Submitting a proxy now will not prevent you from being able to vote in person at your company s special meeting.

The Allegiance special meeting will be held on September 14, 2018 at The Houstonian Hotel at 111 North Post Oak Lane, Houston, Texas 77024, at 1:00 p.m. local time. The Post Oak special meeting will be held on September 13, 2018 at the corporate office of Post Oak at 2000 West Loop South, Suite 100, Houston, Texas 77027, at 10:30 a.m. local time.

Allegiance s board of directors unanimously recommends that the Allegiance shareholders vote FOR the adoption of the Allegiance Merger Proposal, the Allegiance Stock Issuance Proposal, the Allegiance Charter Amendment Proposal and the Allegiance Adjournment Proposal.

Post Oak s board of directors unanimously recommends that Post Oak shareholders vote FOR the adoption of the Post Oak Merger Proposal and the Post Oak Adjournment Proposal.

Table of Contents

Index to Financial Statements

This joint proxy statement/prospectus describes the Allegiance special meeting, the Post Oak special meeting, the merger, the issuance of the Allegiance common stock in connection with the merger, the documents related to the merger and other related matters. Please carefully read this entire joint proxy statement/prospectus, including Risk Factors, beginning on page 38, for a discussion of the risks relating to the merger. You also can obtain information about Allegiance from documents that it has filed with the Securities and Exchange Commission.

George Martinez	Roland L. Williams
Chairman and Chief Executive Officer	President, Chairman and Chief Executive Officer
Allegiance Bancshares, Inc.	Post Oak Bancshares, Inc.
Telephone: (281) 894-3200	Telephone: (713) 493-3900

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the merger or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Allegiance or Post Oak, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this joint proxy statement/prospectus is August 2, 2018, and it is first being mailed or otherwise delivered to the shareholders of Allegiance and Post Oak on or about August 6, 2018.

Table of Contents

Index to Financial Statements

2000 West Loop South, Suite 100

Houston, Texas 77027

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of Post Oak Bancshares, Inc.:

Notice is hereby given that Post Oak Bancshares, Inc. (Post Oak) will hold a special meeting of its shareholders on September 13, 2018 at 10:30 a.m., local time, at the corporate office of Post Oak at 2000 West Loop South, Suite 100, Houston, Texas 77027 to consider and vote upon the following matters:

- a proposal to adopt the Agreement and Plan of Reorganization (the merger agreement), by and between Allegiance Bancshares, Inc. (Allegiance) and Post Oak, and approve the merger, each as more fully described in the accompanying joint proxy statement/prospectus (the Post Oak Merger Proposal); and

- a proposal to adjourn the Post Oak special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Post Oak Merger Proposal (the Post Oak Adjournment Proposal).

The proposals are described in the accompanying joint proxy statement/prospectus. Post Oak has fixed the close of business on August 1, 2018 as the record date for the Post Oak special meeting (the Post Oak record date). Only Post Oak shareholders of record as of the Post Oak record date are entitled to notice of, and to vote at, the Post Oak special meeting, or any adjournment or postponement of the Post Oak special meeting. Approval of the Post Oak Merger Proposal requires the affirmative vote of holders of two-thirds of the outstanding shares of Post Oak common stock. The Post Oak Adjournment Proposal will be approved if a majority of the votes cast on such proposal at the Post Oak special meeting, in person or by proxy, are voted in favor of such proposal.

Post Oak shareholders have the right to dissent from the merger and obtain payment in cash of the appraised fair value of their shares of Post Oak common stock under applicable provisions of the Texas Business Organizations Code (the TBOC). In order for such Post Oak shareholder to perfect such Post Oak shareholder s right to dissent, such Post Oak shareholder must carefully follow the procedure set forth in the TBOC. A copy of the applicable statutory provisions of the TBOC is included as *Annex F* to the joint proxy statement/prospectus and a summary of the provisions can be found under the section of the joint proxy statement/prospectus entitled The Merger-Dissenters Rights of Post Oak Shareholders.

Post Oak s board of directors has unanimously approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Post Oak and its shareholders, and unanimously recommends that Post Oak shareholders vote FOR the Post Oak Merger Proposal and FOR the Post Oak Adjournment Proposal.

Your vote is very important. Allegiance and Post Oak cannot complete the merger unless Post Oak s shareholders adopt the merger agreement and approve the merger. Regardless of whether you plan to attend the Post Oak special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record of Post Oak, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished by the bank or broker, as the record holder.

This joint proxy statement/prospectus provides a detailed description of the Post Oak special meeting, the Post Oak Merger Proposal, the documents related to the merger and other related matters. Post Oak urges you to read the joint proxy statement/prospectus, including any documents it refers you to, and its annexes carefully and in their entirety. We look forward to seeing and visiting with you at the Post Oak special meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

Roland L. Williams

President, Chairman and Chief Executive Officer

Table of Contents

Index to Financial Statements

ADDITIONAL INFORMATION

This joint proxy statement/prospectus references important business and financial information about Allegiance and Post Oak from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain those documents incorporated by reference in this joint proxy statement/prospectus by accessing the SEC s website maintained at http://www.sec.gov, for documents regarding Allegiance, or by requesting copies in writing or by telephone from the appropriate company, as set forth below, for documents regarding either Allegiance or Post Oak:

Allegiance Bancshares, Inc.	Post Oak Bancshares, Inc.
8847 West Sam Houston Parkway, N., Suite 200	2000 West Loop S, Suite 100
Houston, Texas 77040	Houston, Texas 77027
Attention: George Martinez	Attention: Roland L. Williams
Telephone: (281) 894-3200	Telephone: (713) 439-3900

You will not be charged for any of these documents that you request. To receive timely delivery of these documents in advance of the meetings, you must make your request no later than five business days before the date of your meeting. This means that Allegiance shareholders requesting documents must do so by September 7, 2018, in order to receive them before the Allegiance special meeting, and Post Oak shareholders requesting documents must do so by September 6, 2018, in order to receive them before the Post Oak special meeting.

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission (which we refer to as the SEC) by Allegiance (File No. 333-225845), constitutes a prospectus of Allegiance under Section 5 of the Securities Act of 1933, as amended (which we refer to as the Securities Act), with respect to the shares of Allegiance common stock to be issued to Post Oak shareholders pursuant to the terms of the merger agreement. This document also constitutes a joint proxy statement for both Allegiance and Post Oak under the Securities Exchange Act of 1934, as amended (which we refer to as the Exchange Act). It also constitutes a notice of special meeting with respect to each of the Allegiance special meeting and the Post Oak special meeting.

You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This joint proxy statement/prospectus is dated August 2, 2018, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to Allegiance shareholders or Post Oak shareholders nor the issuance by Allegiance of shares of Allegiance common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer

or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding Allegiance has been provided by Allegiance and information contained in this document regarding Post Oak has been provided by Post Oak.

For more details, see the section of this joint proxy statement/prospectus entitled Where You Can Find More Information beginning on page 152.

Table of Contents

Index to Financial Statements

TABLE OF CONTENTS

Table of Contents

Index to Financial Statements

QUESTIONS AND ANSWERS

The following are some questions that you, as an Allegiance shareholder or a Post Oak shareholder, may have about the merger, the Allegiance special meeting and the Post Oak special meeting, as applicable, and brief answers to those questions. Allegiance and Post Oak urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger, the Allegiance special meeting and the Post Oak special meeting or the proposals presented at those meetings, as applicable. Additional important information is also contained in the annexes to this joint proxy statement/prospectus. For details about where you can find additional important information, please see the section of this joint proxy statement/prospectus entitled Where You Can Find More Information beginning on page 152.

Unless the context otherwise requires, references in this joint proxy statement/prospectus to Allegiance refer to Allegiance Bancshares, Inc., a Texas corporation, and its affiliates, including Allegiance Bank, a Texas state bank and a wholly-owned subsidiary of Allegiance (which we refer to as Allegiance Bank). Additionally, unless the context otherwise requires, references in this joint proxy statement/prospectus to Post Oak refer to Post Oak Bancshares, Inc., a Texas corporation, and its affiliates, including Post Oak Bank, N.A., a national banking association and a wholly-owned subsidiary of Post Oak (which we refer to as Post Oak Bank).

Q: What is the merger?

A: Allegiance and Post Oak entered into the merger agreement on April 30, 2018. Under the merger agreement, Post Oak will merge with and into Allegiance, with Allegiance continuing as the surviving corporation (which we refer to as the merger). Immediately following the merger (or at such later time as Allegiance may determine), Allegiance will cause Post Oak Bank to merge with and into Allegiance Bank, with Allegiance Bank as the surviving bank (which we refer to as the bank merger).

A copy of the merger agreement is included in this joint proxy statement/prospectus as *Annex A*.

The merger cannot be completed unless, among other things:

- the holders of at least two-thirds of the outstanding shares of Allegiance common stock vote in favor of Allegiance Merger Proposal;
- a majority of the votes cast by the Allegiance shareholders at the Allegiance special meeting, in person or by proxy, are voted in favor of the Allegiance Stock Issuance Proposal; and
- the holders of at least two-thirds of the outstanding shares of Post Oak common stock vote in favor of the Post Oak Merger Proposal.

Q: Why am I receiving this joint proxy statement/prospectus?

A: Allegiance and Post Oak are delivering this document to you because it is a joint proxy statement being used by both Allegiance s board of directors (which we refer to as the Allegiance Board) and Post Oak s board of directors (which we refer to as the Post Oak Board) to solicit proxies of their respective shareholders entitled to vote on the matters in connection with approval of the merger and the issuance of shares of Allegiance common stock in the merger, as applicable, and related matters.

Allegiance has called a special meeting of its shareholders to consider and vote on the Allegiance Merger Proposal, the Allegiance Stock Issuance Proposal, the Allegiance Charter Amendment Proposal and other matters described herein. This document serves as the proxy statement for the Allegiance special meeting and describes the proposals to be presented at the Allegiance special meeting. This document also constitutes a notice of special meeting with respect to the Allegiance special meeting.

Table of Contents

Index to Financial Statements

Post Oak has called a special meeting of its shareholders to consider the Post Oak Merger Proposal. This document serves as the proxy statement for the Post Oak special meeting and describes the proposals to be presented at the Post Oak special meeting. It also constitutes a notice of special meeting with respect to the Post Oak special meeting.

In addition, this document is a prospectus that is being delivered to Post Oak shareholders because Allegiance is offering shares of Allegiance common stock to Post Oak shareholders in connection with the merger.

This joint proxy statement/prospectus contains important information about the merger, the proposals being voted on at the Allegiance and Post Oak special meetings and important information to consider in connection with an investment in Allegiance common stock. You should read it carefully and in its entirety. The enclosed materials allow you to have your shares of common stock voted by proxy without attending your company s special meeting. Your vote is important, and Allegiance and Post Oak encourage you to submit your proxy as soon as possible.

Q: What are the Allegiance shareholders being asked to vote on at the Allegiance special meeting?

A: Allegiance is soliciting proxies from the Allegiance shareholders with respect to the following proposals:

- the Allegiance Merger Proposal;
- the Allegiance Stock Issuance Proposal;
- the Allegiance Charter Amendment Proposal; and
- a proposal to adjourn the Allegiance special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Allegiance Merger Proposal and the Allegiance Stock Issuance Proposal (which we refer to as the Allegiance Adjournment Proposal).

Completion of the merger is not conditioned upon approval of the Allegiance Charter Amendment Proposal or the Allegiance Adjournment Proposal.

Q: What are Post Oak shareholders being asked to vote on at the Post Oak special meeting?

A: Post Oak is soliciting proxies from its common shareholders with respect to the following proposals:

- the Post Oak Merger Proposal; and

a proposal to adjourn the Post Oak special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Post Oak Merger Proposal (which we refer to as the Post Oak Adjournment Proposal). Completion of the merger is not conditioned upon approval of the Post Oak Adjournment Proposal.

Q: What will Post Oak shareholders be entitled to receive in the merger?

A: If the merger is completed, each outstanding share of Post Oak common stock (other than shares of Post Oak common stock held by Post Oak or Allegiance, and any Post Oak shareholder who has perfected such shareholder s dissenter s rights (which we refer to as a dissenting shareholder) under applicable law including the terms and provisions of Chapter 10, Subchapter H of the Texas Business Organizations Code (which we refer to as the TBOC)) will be converted into the right to receive 0.7017 of a share (such number being referred to as the exchange ratio) of Allegiance common stock (and cash in lieu of a fractional share).

The aggregate merger consideration that Post Oak shareholders would be entitled to receive in the merger will be reduced on a dollar-for-dollar basis (using the volume-weighted average price of Allegiance common stock on the NASDAQ Stock Market, Inc. Global Market System (which we refer to as NASDAQ), for the twenty trading-day period ending on and including the fifth trading day before the day of completion of the merger (which we refer to as the average closing price) to determine the number of shares to be subtracted from the aggregate merger consideration) to the extent by which Post Oak s tangible common equity, as defined in the merger agreement, is less than the minimum equity required by the merger agreement. The minimum equity required by the merger agreement is set at approximately $154.3 million if closing were to occur on the last business day of October 2018, and increases by $1.8 million for each month after October (and decreases by $1.8 million for each month prior to October). As of the date of this joint proxy statement/prospectus, Post Oak estimates that, assuming closing occurs on the last business day of October 2018, the Post Oak tangible common equity as of the closing of the merger will be $154.3 million or greater, resulting in no downward adjustment to the aggregate merger consideration with respect to the Post Oak tangible common equity.

For a discussion of the possible downward adjustment to the aggregate merger consideration including Post Oak s estimates of its tangible common equity, see The Merger Agreement Structure of the Merger Adjustments to Merger Consideration beginning on page 113.

In addition, if the average closing price of Allegiance common stock is less than $32.52 per share and Allegiance common stock underperforms a selected index of public Texas community bank stocks by more than 20.0%, Post Oak has the right to terminate the merger agreement. Allegiance has the discretion, but not the obligation, to increase the merger consideration by increasing the number of shares of Allegiance common stock in the aggregate merger consideration such that the value of the aggregate merger consideration is equal to at least $278,564,572 (valuing the aggregate stock consideration based on the average closing price in accordance with the merger agreement). As a result, the number of shares of Allegiance common stock that Post Oak shareholders will receive in the merger may fluctuate with the market price of Allegiance common stock and will not be known at the time that Post Oak shareholders vote on the merger agreement.

Allegiance will not issue any fractional shares of Allegiance common stock in the merger. Post Oak shareholders who would otherwise be entitled to a fraction of a share of Allegiance common stock upon the completion of the merger will instead receive, for the fraction of a share, an amount in cash determined by multiplying the fractional share by the average closing price of Allegiance common stock.

As a result of the foregoing, based on the number of shares of Allegiance common stock and Post Oak common stock outstanding as of August 1, 2018, the last date before the date of this joint proxy statement/prospectus for which it was practicable to obtain this information, approximately 61.6% of outstanding Allegiance common stock following the merger will be held by shareholders who were holders of Allegiance common stock immediately prior to the effective time and approximately 38.4% of outstanding Allegiance common stock will be held by shareholders who were holders of Post Oak common stock immediately prior to the effective time.

Q: What will Allegiance shareholders be entitled to receive in the merger?

A: Allegiance shareholders will not be entitled to receive any merger consideration and will continue to hold the shares of Allegiance common stock that they held immediately prior to the completion of the merger. Following the merger, shares of Allegiance common stock will continue to be traded on NASDAQ under the symbol ABTX.

Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time the merger is completed?

A: Yes, the value of the aggregate merger consideration will fluctuate between the date of this joint proxy statement/prospectus and the completion of the merger based upon the market value for Allegiance common

Table of Contents

Index to Financial Statements

stock. Any fluctuation in the market price of Allegiance common stock after the date of this joint proxy statement/prospectus will change the value of the shares of Allegiance common stock that Post Oak shareholders will be entitled to receive. Consequently, you will not know the exact per share merger consideration to be paid to Post Oak shareholders as a result of the merger when you vote at your company s special meeting.

The table below sets forth the implied value of the per share merger consideration based on the closing price of Allegiance common stock as quoted by NASDAQ on the specified dates:

Date	**Closing Price of Allegiance Common Stock**	**Implied Value of Per Share Stock Consideration**[(1)]	**Aggregate Merger Consideration**[(1)]
April 27, 2018[(2)]	$ 40.80	$ 28.63	$ 349,925,165[(3)]
August 1, 2018[(4)]	44.85	31.47	385,653,718[(5)]

(1) Assumes there is no adjustment to the merger consideration. For a discussion of the possible adjustments to the merger consideration, see The Merger Agreement Structure of the Merger Adjustments to Merger Consideration beginning on page 113.

(2) The last trading day before public announcement of the merger agreement.

(3) Calculated based on 11,828,154 shares of Post Oak common stock issued and outstanding as of April 27, 2018, and the issuance of 572,850 shares upon the exercise of outstanding Post Oak options with a weighted average exercise price of $8.93.

(4) The latest practicable trading day before the date of this joint proxy statement/prospectus.

(5) Calculated based on 11,882,629 shares of Post Oak common stock issued and outstanding as of August 1, 2018, and the issuance of 518,950 shares upon the exercise of outstanding Post Oak options with a weighted average exercise price of $8.94.

The aggregate merger consideration that Post Oak shareholders would be entitled to receive in the merger will be reduced on a dollar-for-dollar basis (using the average closing price of Allegiance common stock to determine the number of shares to be subtracted from the aggregate merger consideration) to the extent by which Post Oak s tangible common equity, as defined in the merger agreement, is less than the minimum equity required by the merger agreement. The minimum equity required by the merger agreement is set at approximately $154.3 million if closing were to occur on the last business day of October 2018, and increases by $1.8 million for each month after October (and decreases by $1.8 million for each month prior to October). For a discussion of the possible downward adjustment to the aggregate merger consideration including Post Oak s estimates of its tangible common equity, see The Merger Agreement Structure of the Merger Adjustments to Merger Consideration beginning on page 113.

In addition, if the average closing price of Allegiance common stock is less than $32.52 per share and Allegiance common stock underperforms the selected index by more than 20.0%, Post Oak has the right to terminate the merger agreement. Allegiance has the discretion, but not the obligation, to increase the merger consideration by increasing the number of shares of Allegiance common stock in the aggregate merger consideration such that the value of the aggregate merger consideration is equal to at least $278,564,572 (valuing the aggregate stock consideration based on the average closing price in accordance with the merger agreement). As a result, the number of shares of Allegiance common stock that Post Oak shareholders will receive in the merger may fluctuate with the market price of Allegiance common stock and will not be known at the time that Post Oak shareholders vote on the merger agreement.

Q: How does the Allegiance Board recommend that I vote at the Allegiance special meeting?

A: The Allegiance Board unanimously recommends that you vote FOR the Allegiance Merger Proposal, FOR the Allegiance Stock Issuance Proposal, FOR the Allegiance Charter Amendment Proposal and FOR the Allegiance Adjournment Proposal.

Table of Contents

Index to Financial Statements

Q: How does the Post Oak Board recommend that I vote at the Post Oak special meeting?

A: The Post Oak Board unanimously recommends that you vote FOR the Post Oak Merger Proposal and FOR the Post Oak Adjournment Proposal.

Q: When and where are the special meetings?

A: The Allegiance special meeting will be held at The Houstonian Hotel, 111 North Post Oak Lane, Houston, Texas 77024 on September 14, 2018, at 1:00 p.m. local time.

The Post Oak special meeting will be held at the corporate office of Post Oak at 2000 West Loop South, Suite 100, Houston, Texas 77027 on September 13, 2018, at 10:30 a.m. local time.

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at your special meeting. If you hold your shares in your name as a shareholder of record, we request that you complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. If you hold your shares in street name through a bank or broker, we request that you direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker. Street name shareholders who wish to vote in person at their special meeting will need to obtain a legal proxy from the institution that holds their shares.

Q: What is the difference between a shareholder of record and a street name holder?

A: If you are an Allegiance shareholder and if your shares of Allegiance common stock are registered directly in your name with Computershare Trust Company, N.A. (which we refer to as Computershare), Allegiance s stock transfer agent, you are considered the shareholder of record with respect to those shares of Allegiance common stock. This joint proxy statement/prospectus and the Allegiance proxy card have been sent directly to you by Computershare at Allegiance s request. On the close of business on August 1, 2018, the record date for the Allegiance special meeting, Allegiance had approximately 488 holders of record.

If you are a Post Oak shareholder and if your shares of Post Oak common stock are registered directly in your name, you are considered the shareholder of record with respect to those shares of Post Oak common stock. On the close of business on August 1, 2018, the record date for the Post Oak special meeting, Post Oak had approximately 907 holders of record.

If your shares of Allegiance common stock or Post Oak common stock are held in a stock brokerage account or by a bank or other nominee, the nominee is considered the record holder of those shares. You are considered the beneficial owner of these shares, and your shares are held in street name. This joint proxy statement/prospectus and the

Allegiance proxy card or Post Oak proxy card, as applicable, have been forwarded to you by your nominee. As the beneficial owner, you have the right to direct your nominee concerning how to vote your shares by using the voting instructions it included in the mailing or by following its instructions for voting.

Q: If my shares of Allegiance common stock or Post Oak common stock, as applicable, are held in street name by my bank or broker, will my bank or broker automatically vote my shares for me?

A: No. Your bank or broker cannot vote your shares without instructions from you. You should instruct your bank or broker how to vote your shares in accordance with the instructions provided to you. Please check the voting form used by your bank or broker.

Table of Contents

Index to Financial Statements

Q: What is a broker non-vote?

A: A broker non-vote occurs when a broker or nominee holding shares for a beneficial owner does not vote on a particular proposal because the broker or nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner.

If you are an Allegiance shareholder, your broker does not have discretionary authority to vote your shares with respect to the Allegiance Merger Proposal, the Allegiance Stock Issuance Proposal, the Allegiance Charter Amendment Proposal or the Allegiance Adjournment Proposal. If you wish for the vote of your shares to be counted, you must direct your broker how to vote your shares.

If you are a Post Oak shareholder, your broker does not have discretionary authority to vote your shares with respect to the Post Oak Merger Proposal or the Post Oak Adjournment Proposal. If you wish for the vote of your shares to be counted, you must direct your broker how to vote your shares.

Q: How are broker non-votes and abstentions treated?

A: Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum.

Abstentions and broker non-votes by Allegiance shareholders will not have the effect of a vote against the Allegiance Stock Issuance Proposal.

Abstentions and broker non-votes will have the effect of a vote against the Allegiance Merger Proposal, the Allegiance Charter Amendment Proposal and the Post Oak Merger Proposal because Texas law requires these proposals to be approved by the affirmative vote of the holders of two-thirds of the outstanding shares entitled to vote.

Abstentions and broker non-votes will not have the effect of a vote against the Allegiance Adjournment Proposal or the Post Oak Adjournment Proposal.

Q: What constitutes a quorum for the Allegiance special meeting?

A: The presence (in person or by proxy) of holders of at least a majority of the voting power represented by all issued and outstanding shares of Allegiance common stock entitled to be voted at the Allegiance special meeting constitutes a quorum for transacting business at the Allegiance special meeting. All shares of Allegiance common stock present in person or represented by proxy, including abstentions and broker non-votes, if any, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Allegiance special meeting.

Q: What constitutes a quorum for the Post Oak special meeting?

A: The presence (in person or by proxy) of holders of at least a majority of the voting power represented by all issued and outstanding shares of Post Oak common stock entitled to be voted at the Post Oak special meeting constitutes a quorum for transacting business at the Post Oak special meeting. All shares of Post Oak common stock present in person or represented by proxy, including abstentions and broker non-votes, if any, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Post Oak special meeting.

Q: What is the vote required to approve each proposal at the Allegiance special meeting?

A: *Allegiance Merger Agreement Proposal:* The affirmative vote of two-thirds of the outstanding shares of Allegiance common stock is required to approve the Allegiance Merger Proposal. If you mark ABSTAIN on your proxy card, fail to submit a proxy card or vote in person at the Allegiance special meeting or fail to

Table of Contents

Index to Financial Statements

instruct your bank or broker how to vote with respect to the Allegiance Merger Proposal, it will have the effect of a vote AGAINST the proposal.

Allegiance Stock Issuance Proposal: The affirmative vote of a majority of the votes cast on the proposal at the Allegiance special meeting, in person or by proxy, is required to approve the Allegiance Stock Issuance Proposal. If you mark ABSTAIN on your proxy card, fail to submit a proxy card or vote in person at the Allegiance special meeting or fail to instruct your bank or broker how to vote with respect to the Allegiance Stock Issuance Proposal, it will have no effect on the proposal.

Allegiance Charter Amendment Proposal: The affirmative vote of two-thirds of the outstanding shares of Allegiance common stock is required to approve the Allegiance Charter Amendment Proposal. If you mark ABSTAIN on your proxy card, fail to submit a proxy card or vote in person at the Allegiance special meeting or fail to instruct your bank or broker how to vote with respect to the Allegiance Charter Amendment Proposal, it will have the effect of a vote AGAINST the proposal.

Allegiance Adjournment Proposal: The affirmative vote of a majority of the votes cast on the proposal at the Allegiance special meeting, in person or by proxy, is required to approve the Allegiance Adjournment Proposal. If you mark ABSTAIN on your proxy card, fail to submit a proxy card or vote in person at the Allegiance special meeting or fail to instruct your bank or broker how to vote with respect to the Allegiance Adjournment Proposal, it will have no effect on the proposal.

Q: What is the vote required to approve each proposal at the Post Oak special meeting?

A: *Post Oak Merger Proposal*: The affirmative vote of two-thirds of the outstanding shares of Post Oak common stock is required to approve the Post Oak Merger Proposal. If you mark ABSTAIN on your proxy card, fail to submit a proxy card or vote in person at the Post Oak special meeting or fail to instruct your bank or broker how to vote with respect to the Post Oak Merger Proposal, it will have the effect of a vote AGAINST the proposal.

Post Oak Adjournment Proposal: The affirmative vote of a majority of the votes cast on the proposal at the Post Oak special meeting, in person or by proxy, is required to approve the Post Oak Adjournment Proposal. If you mark ABSTAIN on your proxy card, fail to submit a proxy card or vote in person at the Post Oak special meeting or fail to instruct your bank or broker how to vote with respect to the Post Oak Adjournment Proposal, it will have no effect on the proposal.

Q: Why is my vote important?

A: If you do not vote, it will be more difficult for Allegiance or Post Oak to obtain the necessary quorum to hold their respective special meetings and to obtain approval of the proposals to be voted upon at the special meetings. In addition, if you are a Post Oak shareholder, your failure to vote will have the effect of a vote AGAINST the Post Oak Merger Proposal, and, if you are an Allegiance shareholder, your failure to vote will have the effect of a vote AGAINST the Allegiance Merger Proposal and the Allegiance Charter Amendment Proposal. The Allegiance Board unanimously recommends that you, as an Allegiance shareholder, vote FOR the Allegiance

Merger Proposal, FOR the Allegiance Stock Issuance Proposal and FOR the Allegiance Charter Amendment Proposal. The Post Oak Board unanimously recommends that you, as a Post Oak shareholder, vote FOR the Post Oak Merger Proposal.

Q: Can I attend the special meeting?

A: All shareholders of Allegiance and Post Oak as of the Allegiance record date and the Post Oak record date, respectively (including shareholders of record and shareholders who hold their shares in street name through banks, brokers, nominees or any other holder of record) are invited to attend their respective special

Table of Contents

Index to Financial Statements

meetings. If you plan to attend your special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, all shareholders of Allegiance and Post Oak must bring a form of personal photo identification in order to be admitted.

Allegiance and Post Oak reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meetings is prohibited without Allegiance s or Post Oak s express written consent, respectively.

Q: If I attend the special meeting, can I vote my shares in person?

Holders of record and beneficial owners of Allegiance common stock can vote in person at the Allegiance special meeting. If you are a beneficial owner of Allegiance common stock, you must obtain a proxy card, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the Allegiance special meeting.

Only Post Oak shareholders of record as of the Post Oak record date can vote in person at the Post Oak special meeting. If you are a beneficial owner of Post Oak common stock who holds shares in street name through a broker, bank, trustee or other nominee, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker.

Q: Can I change my vote?

A: *Allegiance shareholders*: Yes. If you are a holder of record of Allegiance common stock, you may change your vote or revoke any proxy at any time before the Allegiance special meeting is called to order by (i) delivering a written notice of revocation to Allegiance s Corporate Secretary, (ii) completing, signing and returning a new proxy card with a later date than your original proxy card prior to such time that the proxy card for any such holder of common stock must be received, and any earlier proxy will be revoked automatically, (iii) logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically and following the instructions indicated on the proxy card, or (iv) attending the Allegiance special meeting in person, notifying the Corporate Secretary that you are revoking your proxy and voting by ballot at the Allegiance special meeting. Your attendance by itself at the Allegiance special meeting will not automatically revoke your proxy unless you give written notice of revocation to the Corporate Secretary of Allegiance before the Allegiance special meeting is called to order. A revocation or later-dated proxy received by Allegiance after the Allegiance special meeting is called to order will not be recognized and will not affect the vote. All written notices of revocation and other communications with respect to revocation or proxies should be sent to: Allegiance Bancshares, Inc., 8847 West Sam Houston Parkway, N., Suite 200, Houston, Texas 77040, Attention: Corporate Secretary.

If you hold your shares of Allegiance common stock in street name through a bank or broker, you should contact your bank or broker to change your vote or revoke your proxy.

Post Oak shareholders: Yes. If you are a holder of record of Post Oak common stock, you may change your vote or revoke any proxy at any time before it is voted by (i) attending and voting in person at the Post Oak special meeting;

(ii) giving notice of revocation of the proxy at the Post Oak special meeting; or (iii) delivering to the Secretary of Post Oak (A) a written notice of revocation or (B) a duly executed proxy card relating to the same shares, bearing a date later than the proxy card previously executed. Attendance at the Post Oak special meeting by itself will not automatically revoke your proxy. A revocation or later-dated proxy received by Post Oak after the vote will not be recognized and will not affect the vote. Post Oak s Secretary s mailing address is: 2000 West Loop South, Suite 100, Houston, Texas 77027.

If you hold your shares of Post Oak common stock in street name through a bank or broker, you should contact your bank or broker to change your vote or revoke your proxy.

Table of Contents

Index to Financial Statements

Q: What are the expected U.S. federal income tax consequences of the merger?

A: The obligations of Allegiance and Post Oak to complete the merger are conditioned on, among other things, the receipt by Allegiance and Post Oak of tax opinions from Bracewell LLP (Bracewell) and Fenimore, Kay, Harrison & Ford, LLP (Fenimore Kay), respectively, dated as of the closing date of the merger, to the effect that, on the basis of facts, representations and assumptions that are consistent with the facts existing at the effective time of the merger and as set forth and referred to in such opinions, the merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). If the merger qualifies as a reorganization under Section 368(a) of the Code, holders of Post Oak common stock generally will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Post Oak common stock for shares of Allegiance common stock, except with respect to any cash received in lieu of a fractional share of Allegiance common stock. If any of the tax opinion representations and assumptions are incorrect, incomplete or false or are violated, the validity of the opinions described above may be affected and the tax consequences of the merger could differ from those described in this joint proxy statement/prospectus.

For further information, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page 128. The U.S. federal income tax consequences described above may not apply to all holders of Post Oak common stock. Your tax consequences will depend on your individual situation. Accordingly, holders are urged to consult their own tax advisors for a full understanding of the particular tax consequences to them of the merger.

Q: Are Post Oak shareholders entitled to dissenters rights?

A: Yes, Post Oak shareholders may assert dissenters rights. For further information, see The Merger Dissenters Rights of Post Oak Shareholders beginning on page 108, which discussion is qualified by the full text of the provisions of the TBOC relating to rights of dissent set forth in *Annex F* hereto.

Q: If I am a Post Oak shareholder, should I send in my Post Oak stock certificates now?

A: No. Please do not send in your Post Oak stock certificates with your proxy. After the merger, Allegiance s exchange agent, Computershare, will send you instructions for exchanging Post Oak stock certificates for the per share merger consideration. See The Merger Agreement Conversion of Shares; Exchange of Certificates beginning on page 115.

Q: Whom may I contact if I cannot locate my Post Oak stock certificate(s)?

A: If you are unable to locate your original Post Oak stock certificate(s), you should contact Renee Bourland, at (713) 439-3902 or renee.bourland@postoakbank.com.

Q: What should I do if I receive more than one set of voting materials?

A: Allegiance shareholders and Post Oak shareholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of Allegiance common stock or Post Oak common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of Allegiance common stock or Post Oak common stock and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a holder of both Allegiance common stock and Post Oak common stock, you will receive one or more separate proxy cards or voting instruction cards for each company. Please

Table of Contents

Index to Financial Statements

complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint proxy statement/prospectus to ensure that you vote every share of Allegiance common stock and/or Post Oak common stock that you own.

Q: When do you expect to complete the merger?

A: Allegiance and Post Oak currently expect to complete the merger in the fourth quarter of 2018. However, neither Allegiance nor Post Oak can assure you of when or if the merger will be completed. Before the merger is completed, Allegiance must obtain the approval of Allegiance shareholders for the Allegiance Merger Proposal and the Allegiance Stock Issuance Proposal, Post Oak must obtain the approval of Post Oak shareholders for the Post Oak Merger Proposal, necessary regulatory approvals must be obtained and certain other closing conditions must be satisfied.

Q: What happens if the merger is not completed?

A: If the merger is not completed, holders of Post Oak common stock will not receive any consideration for their shares in connection with the merger. Instead, Post Oak will remain an independent company. In addition, if the merger agreement is terminated in certain circumstances, Post Oak may be required to pay a termination fee to Allegiance or pay Allegiance s merger-related expenses. See the section of this joint proxy statement/prospectus entitled The Merger Agreement Termination Fee beginning on page 125 for a complete discussion of the circumstances under which termination fees will be required to be paid.

Q: Whom should I call with questions?

A: *Allegiance shareholders*: If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Allegiance common stock, please contact Investor Relations at (281) 894-3200 or ir@allegiancebank.com or Shareholder Services at Computershare at (800) 962-4284.

Post Oak shareholders: If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Post Oak common stock, please contact Renee Bourland, at (713) 439-3902 or renee.bourland@postoakbank.com.

Table of Contents

Index to Financial Statements

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. Allegiance and Post Oak urge you to read carefully the entire joint proxy statement/prospectus, including the annexes, and the other documents to which they refer in order to fully understand the merger. A copy of the merger agreement is attached as Annex A. In addition, we incorporate by reference into this joint proxy statement/prospectus important business and financial information about Allegiance. See Where You Can Find More Information beginning on page 152. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.

Information about the Companies

Allegiance

Allegiance Bancshares, Inc. is a Texas corporation and registered bank holding company headquartered in Houston, Texas. Through its wholly-owned subsidiary, Allegiance Bank, Allegiance provides a diversified range of commercial banking services primarily to Houston metropolitan area-based small to medium-sized businesses, professionals and individual customers. Allegiance believes the size, growth and increasing economic diversity of the Houston metropolitan area, when combined with its super-community banking strategy, provides it with excellent opportunities for long-term, sustainable growth. Allegiance s super-community banking strategy is designed to foster strong customer relationships while benefitting from a platform and scale that is competitive with larger regional and national banks. Allegiance believes this strategy presents a significant market advantage when serving small to medium-sized business customers and further enables Allegiance to attract talented bankers.

Allegiance currently operates 16 full-service banking locations and one loan production office in the Houston metropolitan area. Allegiance has experienced significant growth since it began banking operations in 2007, resulting from both organic growth, including de novo branching, and two whole-bank acquisitions. As of March 31, 2018, Allegiance had total assets of $2.89 billion, total gross loans of $2.29 billion, total deposits of $2.28 billion and total shareholders equity of $312.0 million.

Allegiance s stock is traded on NASDAQ under the symbol ABTX .

Allegiance s principal office is located at 8847 West Sam Houston Parkway, N., Suite 200, Houston, Texas 77040, and its telephone number at that location is (281) 894-3200. Additional information about Allegiance and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See Where You Can Find More Information, beginning on page 152.

Post Oak

Formed in 2008, Post Oak is a Texas corporation that owns all of the outstanding shares of common stock of Post Oak Bank, N.A., a national banking association formed in 2004, with operational headquarters in Houston, Texas. Post Oak Bank is a traditional commercial bank offering a variety of banking services to commercial and consumer customers throughout the Houston metropolitan area and Beaumont, Texas. Post Oak Bank offers a range of lending services, including real estate, commercial and consumer loans to individuals and small- to medium-sized business and professional firms that are located in or conduct a substantial portion of their business in Post Oak Bank s market areas.

Post Oak Bank operates 13 banking locations: 12 located throughout the greater Houston metropolitan area and one in Beaumont, outside of Houston. As of March 31, 2018, Post Oak, on a consolidated basis, reported total assets of $1.43 billion, total loans of $1.15 billion, total deposits of $1.24 billion and shareholders equity of $162.7 million. Post Oak does not file reports with the SEC because Post Oak is not a publicly-traded company.

Table of Contents

Index to Financial Statements

Post Oak s principal executive offices are located at 2000 West Loop South, Suite 100, Houston, Texas 77027, and its telephone number at that location is (713) 439-3900. Additional information about Post Oak and its subsidiaries is included in documents referred to in the section of this joint proxy statement/prospectus entitled Where You Can Find More Information, beginning on page 152.

In the Merger, Post Oak Shareholders Will Be Entitled To Receive Shares of Allegiance Common Stock

Merger Consideration

Allegiance and Post Oak are proposing a strategic merger. If the merger is completed, each share of Post Oak common stock (other than shares of Post Oak common stock held by Post Oak, Allegiance and any dissenting shareholder) will be converted into the right to receive 0.7017 of a share of Allegiance common stock. Allegiance will not issue any fractional shares of Allegiance common stock in the merger. Post Oak shareholders who would otherwise be entitled to a fraction of a share of Allegiance common stock upon the completion of the merger will instead receive, for the fraction of a share, an amount in cash determined by multiplying the fractional share by the average closing price of Allegiance common stock.

The Allegiance common stock is listed on NASDAQ under the symbol ABTX. See Description of Capital Stock of Allegiance for additional information about the Allegiance common stock. See Comparison of Shareholders Rights and Comparative Market Prices and Dividends for comparative information about the Allegiance common stock and the Post Oak common stock and the rights of holders thereof.

The market value of the shares of Allegiance common stock to be paid as consideration will fluctuate with the market price of Allegiance common stock and will not be known at the time the Post Oak shareholders vote on the Post Oak Merger Proposal and the Allegiance shareholders vote on the Allegiance Merger Proposal and the Allegiance Stock Issuance Proposal.

The table below sets forth the implied value of the per share merger consideration based on the closing price of Allegiance common stock as quoted by NASDAQ on the specified dates:

Date	Closing Price of Allegiance Common Stock	Implied Value of Per Share Stock Consideration(1)	Aggregate Merger Consideration(1)
April 27, 2018(2)	$ 40.80	$ 28.63	$ 349,925,165(3)
August 1, 2018(4)	44.85	31.47	385,653,718(5)

(1) Assumes there is no adjustment to the merger consideration. For a discussion of the possible adjustments to the merger consideration, see The Merger Agreement Structure of the Merger Adjustments to Merger Consideration beginning on page 113.
(2) The last trading day before public announcement of the merger agreement.
(3) Calculated based on 11,828,154 shares of Post Oak common stock issued and outstanding as of April 27, 2018, and the issuance of 572,850 shares upon the exercise of outstanding Post Oak options with a weighted average

exercise price of $8.93.

(4) The latest practicable trading day before the date of this joint proxy statement/prospectus.

(5) Calculated based on 11,882,629 shares of Post Oak common stock issued and outstanding as of August 1, 2018, and the issuance of 518,950 shares upon the exercise of outstanding Post Oak options with a weighted average exercise price of $8.94.

The merger agreement governs the merger. The merger agreement is included in this joint proxy statement/prospectus as *Annex A*. All descriptions in this summary and elsewhere in this joint proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the merger.

Table of Contents

Index to Financial Statements

Adjustments to Merger Consideration

The aggregate merger consideration that Post Oak shareholders would be entitled to receive in the merger will be reduced on a dollar-for-dollar basis (using the average closing price of Allegiance common stock to determine the number of shares to be subtracted from the aggregate merger consideration) to the extent by which Post Oak s tangible common equity, as defined in the merger agreement, is less than the minimum equity required by the merger agreement. The minimum equity required by the merger agreement is set at approximately $154.3 million if closing were to occur on the last business day of October 2018, and increases by $1.8 million for each month after October (and decreases by $1.8 million for each month prior to October). As of the date of this joint proxy statement/prospectus, Post Oak estimates that, assuming closing occurs on the last business day of October 2018, the Post Oak tangible common equity as of the closing of the merger will be $154.3 million or greater, resulting in no downward adjustment to the aggregate merger consideration with respect to the Post Oak tangible common equity. For additional information regarding the composition and determination of Post Oak tangible common equity, see The Merger Agreement Structure of the Merger Adjustments to Merger Consideration beginning on page 113.

In addition, if (1) the average closing price of the Allegiance common stock is less than $32.52 and (2) the number obtained by dividing the average closing price by $40.65 is less than the number obtained by dividing (A) the Final Index Price by (B) the Initial Index Price and subtracting 0.20 from such quotient, then Post Oak may give notice of its intent to terminate the merger agreement, at which time Allegiance has the discretion, but not the obligation, to increase the merger consideration by increasing the number of shares of Allegiance common stock in the aggregate merger consideration such that the value of the aggregate merger consideration is equal to at least $278,564,572 (valuing the aggregate stock consideration based on the average closing price in accordance with the merger agreement). The Final Index Price, as such term is used herein, is the average of the daily closing value of the Index for the 20 consecutive trading days ending on and including the fifth trading day preceding the closing date. The Initial Index Price, as such term is used herein, is $42.75 (the closing value of the Index on the date immediately prior to the date of the merger agreement). The Index, as such term is used herein, means the financial institutions with the following trading symbols on an equal weighted basis: CBTX, FFIN, GNBC, GNTY, IBTX, IBOC, LTXB, PB, SBSI and VBTX. If Allegiance elects to increase the merger consideration, Post Oak will no longer have the right to terminate the merger agreement for these reasons. If Allegiance elects not to increase the merger consideration, Post Oak may terminate the merger agreement.

The Allegiance Board Unanimously Recommends that Allegiance Shareholders Vote FOR the Allegiance Merger Proposal, FOR the Allegiance Stock Issuance Proposal, FOR the Allegiance Charter Amendment Proposal and FOR the Allegiance Adjournment Proposal (page 52)

The Allegiance Board has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement, including the issuance of the Allegiance common stock, are advisable and in the best interests of Allegiance and its shareholders and has unanimously approved the merger agreement. The Allegiance Board recommends that Allegiance shareholders vote FOR the Allegiance Merger Proposal, FOR the Allegiance Stock Issuance Proposal and FOR the Allegiance Adjournment Proposal. For the factors considered by the Allegiance Board in reaching its decision to approve the merger agreement, see The Merger Allegiance s Reasons for the Merger; Recommendation of the Allegiance Board beginning on page 96. The Allegiance Board has also determined that the amendment to the Amended and Restated Certificate of Formation of Allegiance to increase the number authorized shares of capital stock is advisable and in the best interests of Allegiance and its shareholders. The Allegiance Board recommends that Allegiance shareholders vote FOR the Allegiance Charter Amendment Proposal.

Table of Contents

Index to Financial Statements

The Post Oak Board Unanimously Recommends that Post Oak Shareholders Vote FOR the Post Oak Merger Proposal and FOR the Post Oak Adjournment Proposal (page 51)

The Post Oak Board has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Post Oak and its shareholders and has unanimously approved the merger agreement. The Post Oak Board unanimously recommends that Post Oak shareholders vote FOR the Post Oak Merger Proposal and FOR the Post Oak Adjournment Proposal. For the factors considered by the Post Oak Board in reaching its decision to approve the merger agreement, see The Merger-Post Oak s Reasons for the Merger; Recommendation of the Post Oak Board beginning on page 84.

Post Oak Director Support Agreements and Post Oak Voting Agreement (page 126); Ownership of Directors, Executive Officers and Affiliates (pages 149 and 151)

In connection with entering into the merger agreement, each of the directors of Post Oak and Post Oak Bank who is not a party to an employment agreement has entered into a Director Support Agreement with Allegiance pursuant to which each has agreed to refrain from harming the goodwill of Allegiance, Post Oak or any of their respective subsidiaries and their respective customer, client and vendor relationships.

The directors and certain officers of Post Oak and Post Oak Bank have entered into a voting agreement with Allegiance, solely in their capacity as shareholders of Post Oak, pursuant to which they have agreed to vote in favor of the Post Oak Merger Proposal and in favor of any other matter required to be approved by the shareholders of Post Oak to facilitate the transactions contemplated by the merger agreement. As of the Post Oak record date, the Post Oak shareholders who are party to the voting agreement beneficially own and are entitled to vote in the aggregate approximately 28.9% of the outstanding shares of Post Oak common stock. For more information regarding the voting agreement, see The Merger Agreement Post Oak Director Support Agreements and Post Oak Voting Agreement beginning on page 126.

As of the Post Oak record date, the directors and executive officers of Post Oak and their affiliates beneficially owned and were entitled to vote, in the aggregate, 3,038,559 shares of Post Oak common stock, representing approximately 25.6% of the shares of Post Oak common stock outstanding on that date. Post Oak currently expects that each of its executive officers will vote their shares of Post Oak common stock in favor of the Post Oak Merger Proposal and the Post Oak Adjournment Proposal. As of the Post Oak record date, Allegiance beneficially owned no shares of Post Oak common stock, and the directors and executive officers of Allegiance and their affiliates beneficially owned no shares of Post Oak common stock.

As of the Allegiance record date, the directors and executive officers of Allegiance and their affiliates beneficially owned and were entitled to vote approximately 1,648,807 shares of Allegiance common stock representing approximately 12.3% of the shares of Allegiance common stock outstanding on that date. Allegiance currently expects that each of its executive officers will vote their shares of Allegiance common stock in favor of the Allegiance Merger Proposal, the Allegiance Stock Issuance Proposal, the Allegiance Charter Amendment Proposal and the Allegiance Adjournment Proposal, although none of them has entered into any agreement obligating him or her to do so. As of the Allegiance record date, Post Oak beneficially owned no shares of Allegiance common stock, and the directors and executive officers of Post Oak and their affiliates beneficially owned, in the aggregate, 2,056 shares of Allegiance common stock or less than 1.0% of the outstanding Allegiance common stock.

14

Table of Contents

Index to Financial Statements

Opinion of Post Oak s Financial Advisor (page 86 and *Annex D*)

On April 30, 2018, Performance Trust Capital Partners, LLC (Performance Trust) rendered to the Post Oak Board its written opinion with respect to the fairness, from a financial point of view, to the holders of Post Oak common stock, as of April 30, 2018, of the per share merger consideration plus the assumption and conversion of Post Oak stock options pursuant to the merger agreement (which is defined in the opinion as the Aggregate Merger Consideration). Performance Trust s opinion was directed to the Post Oak Board and only addressed the fairness, from a financial point of view, to the holders of Post Oak common stock of the Aggregate Merger Consideration and did not address any other aspect or implication of the merger. The references to Performance Trust s opinion in this joint proxy statement/prospectus are qualified in their entirety by reference to the full text of Performance Trust s written opinion, which is included as *Annex D* to this joint proxy statement/prospectus and Performance Trust s opinion sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Performance Trust in preparing its opinion. However, neither Performance Trust s opinion, nor the summary of its opinion and the related analyses set forth in this joint proxy statement/prospectus is intended to be, and they do not constitute, advice or a recommendation to the Post Oak Board or any shareholder of Post Oak as to how to act or vote with respect to any matter relating to the merger agreement or otherwise. Performance Trust s opinion was furnished for the use and benefit of the Post Oak Board (in its capacity as such) in connection with its evaluation of the merger and should not be construed as creating, and Performance Trust will not be deemed to have, any fiduciary duty to the Post Oak Board, Post Oak, any security holder or creditor of Post Oak or any other person, regardless of any prior or ongoing advice or relationships. See The Merger Opinion of Post Oak s Financial Advisor beginning on page 86.

Fairness Opinion to Allegiance s Board of Directors (page 97 and *Annex E*)

On April 30, 2018, at the request of the Allegiance Board, representatives of Raymond James & Associates, Inc. (Raymond James) rendered its written opinion, dated April 30, 2018, that as of such date and based upon and subject to the qualifications, assumptions and other matters considered in connection with the preparation of its opinion, the exchange ratio in the merger pursuant to the merger agreement was fair, from a financial point of view, to Allegiance.

The full text of the written opinion of Raymond James, dated April 30, 2018, which sets forth, among other things, the various qualifications, assumptions and limitations on the scope of the review undertaken, is included in this joint proxy statement/prospectus as *Annex E*. Raymond James provided its opinion for the information and assistance of the Allegiance Board (solely in each director s capacity as such) in connection with, and for purposes of, the Allegiance Board s consideration of the merger, and its opinion only addresses whether the exchange ratio was fair, from a financial point of view, to Allegiance as of the date of such opinion. The opinion of Raymond James did not address any other term or aspect of the merger agreement or the merger contemplated thereby. The Raymond James opinion does not constitute a recommendation to the Allegiance Board or any holder of Allegiance common stock or Post Oak common stock as to how the Allegiance Board, such shareholder or any other person should vote or otherwise act with respect to the merger or any other matter. See The Merger Opinion of Allegiance s Financial Advisor beginning on page 97.

How Post Oak Equity-Based Awards Will Be Treated (page 114)

Restricted Stock Awards

At the effective time, each restricted stock award granted by Post Oak will become fully vested and each holder of such restricted stock awards will be entitled to receive the per share merger consideration for each share of Post Oak common stock held by such holder.

Table of Contents

Index to Financial Statements

Stock Options

Upon completion of the merger, each option to purchase shares of Post Oak common stock granted under the Post Oak Bancshares, Inc. Stock Option Plan, as amended, that is outstanding immediately prior to the merger will automatically be converted into an option to purchase shares of Allegiance common stock. The number of shares of Allegiance common stock purchasable under the converted option, as well as the exercise price of these stock options, will be adjusted to reflect the exchange ratio, rounded to the nearest whole share. Each converted option will remain subject to the same terms and conditions as were applicable prior to the merger.

Post Oak Will Hold the Post Oak Special Meeting on September 13, 2018 (page 48)

The Post Oak special meeting will be held on September 13, 2018, at 10:30 a.m. local time, at the corporate office of Post Oak at 2000 West Loop South, Suite 100, Houston, Texas 77027. At the Post Oak special meeting, Post Oak shareholders will be asked to approve the Post Oak Merger Proposal and the Post Oak Adjournment Proposal.

Only holders of record of Post Oak common stock at the close of business on August 1, 2018, the Post Oak record date, will be entitled to notice of and to vote at the Post Oak special meeting. Each share of Post Oak common stock is entitled to one vote on each proposal to be considered at the Post Oak special meeting. As of the Post Oak record date, there were 11,882,629 shares of Post Oak common stock entitled to vote at the Post Oak special meeting. As of the Post Oak record date, the directors and executive officers of Post Oak and their affiliates beneficially owned and were entitled to vote, in the aggregate, 3,038,559 shares of Post Oak common stock representing approximately 25.6% of the shares of Post Oak common stock outstanding on that date.

The Post Oak Merger Proposal will be approved if at least two-thirds of the outstanding shares of Post Oak common stock are voted in favor of such proposal. If you mark ABSTAIN on your proxy, fail to submit a proxy or vote in person at the Post Oak special meeting or fail to instruct your bank or broker how to vote with respect to the Post Oak Merger Proposal, it will have the effect of a vote AGAINST the Post Oak Merger Proposal.

The Post Oak Adjournment Proposal will be approved if a majority of the votes cast on the proposal at the Post Oak special meeting are voted in favor of the proposal. If you mark ABSTAIN on your proxy, fail to submit a proxy or vote in person at the Post Oak special meeting or fail to instruct your bank or broker how to vote with respect to the Post Oak Adjournment Proposal, it will have no effect on the proposal.

Allegiance Will Hold the Allegiance Special Meeting on September 14, 2018 (page 52)

The Allegiance special meeting will be held on September 14, 2018, at 1:00 p.m. local time, at The Houstonian Hotel at 111 North Post Oak Lane, Houston, Texas 77024. At the Allegiance special meeting, Allegiance shareholders will be asked to approve the Allegiance Merger Proposal, the Allegiance Stock Issuance Proposal, the Allegiance Charter Amendment Proposal and the Allegiance Adjournment Proposal.

Only holders of record of Allegiance common stock at the close of business on August 1, 2018, the Allegiance record date, will be entitled to notice of and to vote at the Allegiance special meeting. Each share of Allegiance common stock is entitled to one vote on each proposal to be considered at the Allegiance special meeting. As of the Allegiance record date, there were 13,367,590 shares of Allegiance common stock entitled to vote at the Allegiance special meeting. As of the Allegiance record date, the directors and executive officers of Allegiance and their affiliates beneficially owned and were entitled to vote approximately 1,648,807 shares of Allegiance common stock representing approximately 12.3% of the shares of Allegiance common stock outstanding on that date.

Table of Contents

Index to Financial Statements

Each of the Allegiance Merger Proposal and the Allegiance Charter Amendment Proposal will be approved if at least two-thirds of the outstanding shares of Allegiance common stock are voted in favor of such proposal. If you mark ABSTAIN on your proxy, fail to submit a proxy or vote in person at the Allegiance special meeting or fail to instruct your bank or broker how to vote with respect to the Allegiance Merger Proposal or the Allegiance Charter Amendment Proposal, it will have the effect of a vote AGAINST the Allegiance Merger Proposal and the Allegiance Charter Amendment Proposal.

Each of the Allegiance Stock Issuance Proposal and the Allegiance Adjournment Proposal will be approved if a majority of the votes cast at the Allegiance special meeting are voted in favor of each such proposal. If you mark ABSTAIN on your proxy, fail to submit a proxy or vote in person at the Allegiance special meeting or fail to instruct your bank or broker how to vote with respect to either of the Allegiance Stock Issuance Proposal or the Allegiance Adjournment Proposal, it will have no effect on such proposal.

Material U.S. Federal Income Tax Consequences of the Merger (page 128)

The obligations of Allegiance and Post Oak to complete the merger are conditioned on, among other things, the receipt by Allegiance and Post Oak of tax opinions from Bracewell and Fenimore Kay, respectively, dated as of the closing date of the merger, to the effect that, on the basis of facts, representations and assumptions that are consistent with the facts existing at the effective time and as set forth and referred to in such opinions, the merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

If the merger qualifies as a reorganization under Section 368(a) of the Code, holders of Post Oak common stock generally will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Post Oak common stock for shares of Allegiance common stock, except with respect to any cash received in lieu of fractional shares of Allegiance common stock. If any of the tax opinion representations and assumptions are incorrect, incomplete or false or are violated, the validity of the opinions described above may be affected and the tax consequences of the merger could differ from those described in this joint proxy statement/prospectus.

For further information, please see Material U.S. Federal Income Tax Consequences of the Merger beginning on page 128. The U.S. federal income tax consequences described above may not apply to all holders of Post Oak common stock. Tax matters are complicated, and the tax consequences of the merger to a particular shareholder will depend in part on such shareholder s individual circumstances. Accordingly, holders are urged to consult their own tax advisors for a full understanding of the particular tax consequences to them of the merger.

Interests of Post Oak s Directors and Executive Officers in the Merger (page 105)

In considering the recommendation of the Post Oak Board with respect to the merger agreement, you should be aware that certain of Post Oak s directors and executive officers may have interests in the merger that are different from, or in addition to, the interests of the Post Oak shareholders generally. Interests of directors and executive officers that may be different from or in addition to the interests of the Post Oak shareholders include:

Retention Payments. Renee Bourland, Charles Carmouche, Fernando Parra, Robert Phillips, Romi Sandel and Roland L. Williams will receive retention payments in an aggregate amount of approximately $5.2 million from Post Oak upon closing of the merger.

Employment Agreements. Allegiance s obligation to consummate the merger is subject to certain of Post Oak s executive officers having employment and non-competition agreements with Allegiance Bank prior to the completion of the merger. On April 30, 2018, Post Oak Bank and Allegiance Bank

Table of Contents

Index to Financial Statements

entered into employment agreements with each of Roland L. Williams, Renee Bourland, Fernando Parra, Robert Phillips and Romi Sandel.

The agreements with Mr. Williams and Ms. Bourland are for a term of three years after the effective date of the merger and entitle the named individual to receive a base annual salary, a minimum bonus paid quarterly during the three-year period and a restricted stock award of 8,591 and 5,164 shares, respectively, that will vest over two years, plus reimbursement of certain business expenses and participation in certain employee benefit programs. The agreements also contain non-competition and non-solicitation obligations for three years from the effective date of the merger. For the entire three-year term, the aggregate value of the employment agreements (excluding any stock awards and perquisites) for Mr. Williams and Ms. Bourland is $1.45 million and $750,000, respectively.

The agreements with Messrs. Parra and Phillips and Ms. Sandel are for a term of two years after the effective date of the merger and entitle the named individual to receive a base annual salary, a minimum bonus paid quarterly during the two-year period and a restricted stock award of 6,898, 5,738 and 5,057 shares, respectively, that will vest over four years, plus reimbursement of certain business expenses and participation in certain employee benefit programs. The agreements also contain non-competition and non-solicitation obligations for two years from the effective date of the merger. For the entire two-year term, the aggregate value of the employment agreements (excluding any stock awards and perquisites) for Messrs. Parra and Phillips and Ms. Sandel is $749,000, $657,500 and $582,750, respectively.

The employment agreements entitle each named individual, after termination of employment with Allegiance Bank for any reason other than for cause (as defined in the employment agreement) or as a result of death or disability, to receive payment of base salary and bonus for the remainder of the term of the agreement from Allegiance Bank.

Accelerated Vesting of Restricted Stock Awards. At the effective time of the merger, each restricted stock award granted by Post Oak, including an aggregate of 63,720 shares held by Messrs. Williams, Carmouche, Parra and Phillips and Messes. Bourland and Sandel, will become fully vested and each holder of such restricted stock awards will be entitled to receive the per share merger consideration for each share of Post Oak common stock held by such holder.

Insurance. Post Oak agreed that it will purchase for a period of not less than four years after the effective date of the merger, past acts insurance coverage for no less than the four-year period immediately preceding the effective time of the merger under its (1) current directors and officers insurance policy coverage (or comparable coverage), (2) employment practices liability insurance, (3) current financial institutions bond (or comparable coverage) and (4) bankers professional liability, mortgage errors and omissions and fiduciary liability insurance for each director and officer of Post Oak or one of its subsidiaries currently covered under the comparable policies maintained by Post Oak or one of its subsidiaries.

Director Arrangements. Allegiance agreed to expand the Allegiance Board by three, with one new vacancy created in each class of Allegiance s staggered board, and fill such newly created vacancies with Mr. Roland L. Williams and two of the outside directors of the board of Post Oak selected by Post Oak and reasonably acceptable to Allegiance.

Indemnification. Allegiance agreed to indemnify and hold harmless the directors and officers of Post Oak or Post Oak Bank as of the effective time and for four years thereafter, subject to the limitations of any regulatory body, against costs or expenses, judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of matters existing or occurring at or before the effective time of the merger, whether asserted or claimed before, at or after the effective time of the merger, arising in whole or in part out of or pertaining to the fact that he or she was acting in his or her capacity as a director or officer of Post Oak or Post Oak Bank to the fullest extent that the indemnified party would be entitled under the articles of incorporation of Post Oak or the articles of association of Post Oak Bank, as applicable, as in effect on the date of the merger agreement and to the extent permitted by applicable law.

These interests are discussed in more detail in the section of this joint proxy statement/prospectus entitled The Merger Interests of Post Oak s Directors and Executive Officers in the Merger beginning on page 105. The Post Oak Board was aware of these interests and considered them, among other matters, in approving the merger agreement.

Post Oak does not anticipate that any of the payments described above will impact the amount of the per share merger consideration payable to the Post Oak shareholders. However, the payments to be made with respect to the retention payments and for the tail insurance will be accounted for in determining the Post Oak tangible common equity, as more specifically described in the merger agreement, for purposes of determining whether there would be a downward adjustment to the aggregate merger consideration. For additional information on the potential downward adjustments to the aggregate merger consideration, please see The Merger Agreement Structure of the Merger Adjustments to Merger Consideration beginning on page 113.

In addition, Charles Carmouche, a Post Oak director, is the beneficial owner of 2,056 shares, or less than 1.0%, of Allegiance common stock as of August 1, 2018. Mr. Carmouche disclosed such ownership at the meeting of the Post Oak Board at which the Post Oak Board approved the merger agreement and the transactions contemplated thereby.

Post Oak Shareholders Are Entitled to Assert Dissenters Rights (page 108 and *Annex F*)

Post Oak shareholders have the right to dissent from the merger and obtain payment in cash of the fair value of their shares of Post Oak common stock under the TBOC. In order for such Post Oak shareholder to perfect such Post Oak shareholder s right to dissent, such Post Oak shareholder must carefully follow the procedure set forth in the applicable provisions of the TBOC. A copy of the applicable statutory provisions of the TBOC is included as *Annex F* to this joint proxy statement/prospectus and a summary of the provisions can be found under the section of this joint proxy statement/prospectus entitled The Merger Dissenters Rights of Post Oak Shareholders beginning on page 108.

Conditions that Must Be Satisfied or Waived for the Merger to Occur (page 121)

Currently, Post Oak and Allegiance expect to complete the merger in the fourth quarter of 2018. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. Allegiance s and Post Oak s respective obligations to complete the merger are subject to the satisfaction or waiver of the following conditions:

- approval of the Post Oak Merger Proposal by the Post Oak shareholders and the approval of the Allegiance Merger Proposal and the Allegiance Stock Issuance Proposal by the Allegiance shareholders;

- receipt of all required regulatory approvals of transactions contemplated by the merger agreement, including the merger of Post Oak Bank with and into Allegiance Bank, in a manner that does not impose any restrictions on the operations of Allegiance which are reasonably unacceptable to Allegiance;

19

Table of Contents

Index to Financial Statements

the registration statement of which this joint proxy statement/prospectus forms a part has become effective and no stop order suspending its effectiveness is in effect and no proceedings for that purpose have been initiated and continuing or threatened by the SEC, and all necessary approvals under state securities laws relating to the issuance or trading of the Allegiance common stock to be issued have been received;

the shares of Allegiance common stock to be issued to Post Oak shareholders being authorized for listing on the NASDAQ;

except as explicitly provided in the merger agreement, the other party s representations and warranties contained in the merger agreement being true and correct as of the date of the merger agreement and being true and correct in all material respects as of the date of the closing and receipt of a certificate signed by an appropriate representative of the other party to that effect;

the absence of a material adverse change in the financial condition, assets, properties, deposits, results of operations, earnings, business or cash flows of either party or any event that could reasonably be expected to cause or result in a material adverse effect on either party;

the performance or compliance in all material respects by each party with its respective covenants and obligations required by the merger agreement to be performed or complied with before the closing of the merger and receipt of a certificate signed by an appropriate representative of the other party to that effect; and

receipt by each party of an opinion of such party s counsel to the effect that the merger will qualify as a reorganization under Section 368(a) of the Code.

In addition to the conditions listed above, Post Oak s obligation to complete the merger is subject to certain consents identified in the merger agreement having been obtained by Allegiance, and Post Oak having received evidence thereof in form and substance satisfactory to it.

In addition to the conditions listed above, Allegiance s obligation to complete the merger is subject to the satisfaction of the following conditions:

each of the directors and certain officers of Post Oak and Post Oak Bank must have executed a release agreement, releasing Post Oak and Post Oak Bank and their respective successors from any and all claims of such directors and officers, subject to certain limited exceptions, and such releases must remain in full force and effect;

certain officers of Post Oak Bank each having entered into a two-year employment and non-competition agreement with Allegiance Bank, which have been executed, and such employment agreements must remain in full force and effect;

each of the non-employee directors of Post Oak and Post Oak Bank having entered into a support (non-competition) agreement with Allegiance, which have been executed, and such support agreements must remain in full force and effect;

each of the directors and certain officers of Post Oak and Post Oak Bank must have executed a voting agreement, which has been executed;

holders of no more than 5.0% of the outstanding Post Oak common stock have demanded or are entitled to demand payment of the appraised fair value of their shares as dissenting shareholders;

Post Oak s allowance for loan losses as of the closing date must be at a level equal to at least 1.0% of its total loans;

Post Oak s tangible equity capital must not be less than the minimum equity required by the merger agreement;

Table of Contents

Index to Financial Statements

- Post Oak will have accrued for any costs and expenses, including legal fees and expenses and settlement costs, related to outstanding legal proceedings;

- Post Oak, at the request of Allegiance, will have amended or terminated any employee benefit plans; and

- Post Oak having delivered to Allegiance all other instruments and documents which Allegiance or its counsel may reasonably request to effectuate the merger and transactions contemplated by the merger agreement.

Neither Post Oak nor Allegiance can provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party, or that the merger will be completed.

Termination of the Merger Agreement (page 124)

Allegiance and Post Oak can mutually agree at any time to terminate the merger agreement without completing the merger. In addition, either Allegiance or Post Oak may decide, without the consent of the other, to terminate the merger agreement if:

- any order, decree or ruling or any other action which seeks to restrain, enjoin or prohibit the merger is issued, and such order, decree, ruling or other action is final and non-appealable;

- any of the transactions contemplated by the merger agreement are not approved by the appropriate regulatory authorities or the applications or notices are suggested or recommended to be withdrawn by any regulatory authorities;

- the merger has not been completed by October 27, 2018 (unless one or more of the regulatory approvals has not been received on or before October 27, 2018, in which case this deadline will be extended to November 26, 2018) or such later date approved in writing by the boards of directors of Allegiance and Post Oak, unless the failure to complete the merger by that time is due to a violation of the merger agreement by the party that seeks to terminate the merger agreement;

- Allegiance shareholders fail to approve either the Allegiance Merger Proposal or the Allegiance Stock Issuance Proposal;

- Post Oak shareholders fail to approve the Post Oak Merger Proposal; or

- the other party materially breaches its representations and warranties or any covenant or agreement contained in the merger agreement and such breach has not been cured within 15 days after the terminating party gives written notice of such failure to the breaching party.

Post Oak may terminate the merger agreement, without the consent of Allegiance, if the board of directors of Post Oak receives an unsolicited, bona fide alternative acquisition proposal (as defined in the merger agreement) and, under certain terms and conditions, determines that it is a superior proposal to that of the merger agreement and that the failure to accept such proposal would be inconsistent with its fiduciary duties; but, Allegiance has the right to adjust the terms and conditions of the merger agreement so that the superior proposal no longer constitutes a superior proposal.

Post Oak may also terminate the merger agreement if (1) the average closing price of the Allegiance common stock is less than $32.52 and (2) the number obtained by dividing the average closing price by $40.65 is less than the number obtained by dividing (A) the Final Index Price by (B) the Initial Index Price and subtracting 0.20 from such quotient. Upon receipt of such notice, Allegiance has the discretion, but not the obligation, to increase the merger consideration by increasing the number of shares of Allegiance common stock in the aggregate merger consideration such that the value of the aggregate merger consideration is equal to at least

Table of Contents

Index to Financial Statements

$278,564,572 (valuing the aggregate stock consideration based on the average closing price in accordance with the merger agreement). The Final Index Price, as such term is used herein, is the average of the daily closing value of the Index for the 20 consecutive trading days ending on and including the fifth trading day preceding the closing date. The Initial Index Price, as such term is used herein, is $42.75 (the closing value of the Index on the date immediately prior to the date of the merger agreement). The Index, as such term is used herein, means the financial institutions with the following trading symbols on an equal weighted basis: CBTX, FFIN, GNBC, GNTY, IBTX, IBOC, LTXB, PB, SBSI and VBTX. If Allegiance elects to increase the merger consideration, Post Oak will no longer have the right to terminate the merger agreement for these reasons.

In addition, Allegiance may terminate the merger agreement, without the consent of Post Oak, if:

- any required regulatory approval is obtained subject to restrictions or conditions on the operations of Post Oak, Post Oak Bank, Allegiance or Allegiance Bank that are reasonably unacceptable to Allegiance;
- Post Oak breaches the non-solicitation obligations set forth in the merger agreement in a manner adverse to Allegiance;
- the Post Oak Board agrees to accept a superior proposal (as defined in the merger agreement); or
- the Post Oak Board withdraws or modifies, in any manner adverse to Allegiance, its recommendation or approval of the merger agreement or the merger or recommends to Post Oak shareholders acceptance or approval of any alternative acquisition proposal.

Termination Fee (page 125)

If the merger agreement is terminated under certain circumstances, including circumstances involving an alternative acquisition proposal and changes in the recommendation of the Post Oak Board, Post Oak may be required to pay to Allegiance a termination fee equal to $14.272 million or up to $775,000 for its merger-related expenses. This termination fee could discourage other companies from seeking to acquire or merge with Post Oak. Termination fees are discussed in more detail in the section of this joint proxy statement/prospectus entitled The Merger Agreement Termination Fee beginning on page 125.

Regulatory Approvals Required for the Merger (page 111)

The merger cannot be completed unless it is approved by the Board of Governors of the Federal Reserve System (which we refer to as the Federal Reserve) or such approval is waived by the Federal Reserve. On June 14, 2018, Allegiance filed the required documentation with the Federal Reserve Bank of Dallas to request a waiver of its approval, which was granted on June 26, 2018.

In addition, the merger of Post Oak Bank with and into Allegiance Bank requires the approval of the Federal Deposit Insurance Corporation (which we refer to as the FDIC) and the Texas Department of Banking (which we refer to as the TDB).

On May 25, 2018, Allegiance Bank filed applications with the FDIC and the TDB to obtain approval of the bank merger. The U.S. Department of Justice will have between 15 and 30 days following approval by the FDIC to challenge the approval on antitrust grounds. While Post Oak and Allegiance do not know of any reason that the Department of Justice would challenge regulatory approval by the FDIC and believe that the likelihood of such action is remote, there can be no assurance that the Department of Justice will not initiate such a proceeding, or if such a proceeding is initiated, as to the result of any such challenge.

Table of Contents

Index to Financial Statements

Although neither Post Oak nor Allegiance knows of any reason why it cannot obtain these regulatory approvals in a timely manner, Post Oak and Allegiance cannot be certain when or if they will be obtained.

The Rights of Post Oak Shareholders Will Change as a Result of the Merger (page 135)

The rights of Post Oak shareholders will change as a result of the merger due to differences in Allegiance s and Post Oak s governing documents. See Comparison of Shareholders Rights beginning on page 135 for a description of the material differences in shareholders rights under each of the Allegiance and Post Oak governing documents.

Market Prices of Securities; Dividends (page 146)

Shares of Allegiance common stock are traded on NASDAQ under the ticker symbol ABTX. The last reported sale price of Allegiance common stock on April 27, 2018, the last trading day before public announcement of the merger agreement, was $40.80 per share. The last reported sale price of Allegiance common stock on August 1, 2018 was $44.85 per share. There is no established public trading market for the shares of Post Oak common stock. Neither Allegiance nor Post Oak has historically paid dividends. See Comparison of Market Prices and Dividends for more information.

Risk Factors (page 38)

You should consider all the information contained in this joint proxy statement/prospectus in deciding how to vote for the proposals presented in this joint proxy statement/prospectus. In particular, you should consider the factors described under the section of this joint proxy statement/prospectus entitled Risk Factors beginning on page 38.

Recent Developments

On July 26, 2018, Allegiance announced its results of operations for the three and six months ended June 30, 2018. Allegiance reported net income of $7.6 million, or $0.55 per diluted share, for the three months ended June 30, 2018, and $15.3 million, or $1.12 per diluted share, for the six months ended June 30, 2018. Net interest income was $27.8 million and $54.7 million for three and six months ended June 30, 2018, respectively, and the net interest margin was 4.21% and 4.20% for the three and six months ended June 30, 2018, respectively. The yield on interest-earning assets was 5.12% and 5.07% for the three and six months ended June 30, 2018, respectively. Total noninterest expense was $19.9 million and $38.6 million for the three and six months ended June 30, 2018, respectively. Allegiance recorded a provision for loan losses of $631 thousand and $1.3 million for the three and six months ended June 30, 2018, respectively. At June 30, 2018, the allowance for loan losses totaled $23.8 million and total nonperforming assets were $14.6 million. Allegiance s nonperforming assets to total assets ratio was 0.49% at June 30, 2018. At June 30, 2018, Allegiance reported total loans of $2.36 billion, total assets of $2.97 billion, total deposits of $2.31 billion, total interest-bearing deposits of $1.56 billion, total liabilities of $2.65 billion and shareholders equity of $319.9 million. At June 30, 2018, Allegiance s estimated tier 1 common equity to risk-weighted assets ratio was 10.97% and its book value was $23.98 per share.

Table of Contents

Index to Financial Statements

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF ALLEGIANCE

The following selected consolidated historical financial data of Allegiance as of and for the three months ended March 31, 2018 and 2017, have been derived from Allegiance s unaudited consolidated financial statements incorporated by reference into this joint proxy statement/prospectus. The following selected consolidated historical financial data of Allegiance as of December 31, 2017 and 2016 and for each of the years ended December 31, 2017, 2016 and 2015, have been derived from Allegiance s audited consolidated financial statements incorporated by reference into this joint proxy statement/prospectus, and the selected consolidated historical financial data as of December 31, 2015, 2014 and 2013 and for the years ended December 31, 2014 and 2013, have been derived from Allegiance s audited consolidated financial statements not included or incorporated by reference into this joint proxy statement/prospectus. Allegiance s unaudited consolidated financial statements have been prepared on a basis consistent with Allegiance s audited consolidated financial statements. In the opinion of management of Allegiance, such unaudited consolidated financial data as of and for the three months ended March 31, 2018 and 2017 reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods. Allegiance s historical results are not necessarily indicative of the results that may be expected for any future period. See Where You Can Find More Information beginning on page 152.

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,				
	2018	2017	2017	2016[1]	2015[2]	2014	2013[3]
	(unaudited)						
	(Dollars in thousands, except share and per share data)						
Selected Period End Balance Sheet Data:							
Cash and cash equivalents	$ 190,088	$ 184,146	$ 182,103	$ 142,098	$ 148,431	$ 167,540	$ 213,076
Available for sale securities	307,411	317,219	309,615	316,455	165,097	84,962	87,007
Loans held for sale					27,887		
Loans held for investment	2,290,494	1,986,438	2,270,876	1,891,635	1,653,165	1,002,054	836,694
Allowance for loan losses	24,628	18,687	23,649	17,911	13,098	8,246	6,655
Goodwill and intangible assets, net	42,468	43,249	42,663	43,444	44,619	12,891	13,044
Total assets	2,886,484	2,592,330	2,860,231	2,450,948	2,084,579	1,280,008	1,164,759
Noninterest-bearing deposits	694,880	615,225	683,110	593,751	620,320	373,795	325,410
Interest-bearing deposits	1,589,922	1,397,344	1,530,864	1,276,432	1,138,813	759,889	719,921
Total deposits	2,284,802	2,012,569	2,213,974	1,870,183	1,759,133	1,133,684	1,045,331

Total shareholders equity	311,988	289,130	306,865	279,817	258,490	131,778	109,736
Total common shareholders equity	311,988	289,130	306,865	279,817	258,490	131,778	109,736
Selected Income Statement Data:							
Net interest income	$ 26,889	$ 24,128	$ 103,668	$ 89,864	$ 80,166	$ 46,834	$ 33,891
Provision for loan losses	653	1,343	13,188	5,469	5,792	2,150	240
Net interest income after provision for loan losses	26,236	22,785	90,480	84,395	74,374	44,684	33,651
Noninterest income	1,646	1,341	5,861	7,268	3,992	2,607	1,639
Noninterest expense	18,717	16,549	69,962	59,258	54,805	33,458	24,598
Net income before income taxes	9,165	7,577	26,379	32,405	23,561	13,833	10,692
Net income	7,711	6,047	17,632	22,851	15,786	9,005	6,839
Net income attributable to common shareholders(4)	7,711	6,047	17,632	22,851	15,227	9,005	6,839
Selected Per Share Data:							
Earnings per common share, basic	$ 0.58	$ 0.46	$ 1.34	$ 1.78	$ 1.45	$ 1.29	$ 1.25
Earnings per common share, diluted	0.57	0.45	1.31	1.75	1.43	1.26	1.22
Book value per common share	23.46	22.10	23.20	21.59	20.17	17.62	15.78
Weighted average common shares outstanding, basic	13,261,755	13,020,569	13,124,900	12,873,326	10,470,465	6,978,025	5,449,700
Weighted average common shares outstanding, diluted	13,541,660	13,376,952	13,457,718	13,073,932	10,654,003	7,142,377	5,621,042
Shares outstanding at end of period	13,301,310	13,080,383	13,226,826	12,958,341	12,812,985	7,477,309	6,953,125

Table of Contents

Index to Financial Statements

	As of and for the Three Months Ended March 31,		As of and for the Years Ended December 31,				
	2018	2017	2017	2016[(1)]	2015[(2)]	2014	2013[(3)]
	(unaudited)						
Selected Performance Metrics:							
Return on average assets[(5)(10)]	1.09%	0.96%	0.65%	0.98%	0.81%	0.75%	0.78%
Return on average common equity[(5)(10)]	10.10%	8.61%	5.92%	8.36%	7.43%	7.73%	9.02%
Tax equivalent net interest margin[(5)(6)]	4.20%	4.38%	4.34%	4.37%	4.68%	4.31%	4.19%
Efficiency ratio[(7)]	65.59%	64.98%	63.89%	62.34%	65.27%	67.79%	69.23%
Loans to deposits ratio	100.25%	98.70%	102.57%	101.15%	95.56%	88.39%	80.04%
Noninterest expense to average assets[(5)(10)]	2.64%	2.63%	2.59%	2.53%	2.83%	2.80%	2.82%
Selected Credit Quality Ratios:							
Nonperforming assets to total assets[(8)]	0.49%	0.77%	0.49%	0.75%	0.25%	0.25%	0.25%
Nonperforming loans to total loans[(9)]	0.58%	0.97%	0.59%	0.88%	0.31%	0.32%	0.31%
Allowance for loan losses to nonperforming loans[(9)]	1.84%	96.75%	177.44%	107.26%	252.66%	258.98%	258.75%
Allowance for loan losses to total loans	1.08%	0.94%	1.04%	0.95%	0.78%	0.82%	0.80%
Provision for loan losses to average loans[(5)(10)]	0.12%	0.28%	0.63%	0.31%	0.38%	0.23%	0.04%
Net (recoveries) charge-offs to average loans[(5) (10)]	(0.06)%	0.12%	0.36%	0.04%	0.06%	0.06%	0.02%
Capital Ratios:							
Common equity Tier 1 capital ratio	10.82%	11.10%	10.54%	11.30%	11.72%	N/A	N/A
Tier 1 risk-based capital	11.19%	11.51%	10.92%	11.73%	12.21%	11.96%	11.60%
Total risk-based capital	13.72%	12.35%	13.43%	12.57%	12.92%	12.80%	12.39%
Leverage capital ratio	9.98%	10.28%	9.84%	10.35%	11.02%	9.55%	9.61%

(1) Allegiance completed the sale of two branches acquired from F&M Bancshares, Inc. during the first quarter of 2016.
(2) Allegiance completed the acquisition of F&M Bancshares, Inc. on January 1, 2015.
(3) Allegiance completed the acquisition of Independence Bank, National Association on November 16, 2013.
(4) On January 1, 2015, Allegiance issued shares of Series A and Series B preferred stock, in connection with the acquisition of F&M Bancshares, Inc., which had preferred stock outstanding pursuant to the U.S. Treasury s Troubled Asset Relief Program. Allegiance paid $559 thousand in preferred dividends during 2015. On July 15, 2015, Allegiance redeemed all of the outstanding shares of Series A and Series B preferred stock with cash on hand for an aggregate redemption price of $11.7 million (which is the sum of the liquidation amount plus accrued

and unpaid dividends up to, but excluding, the redemption date).

(5) Allegiance calculates average assets and average common equity for a period by dividing the sum of total assets or total common shareholders equity, as the case may be, as of the close of business on each day in the relevant period, by the number of days in the period. Allegiance calculates return on average assets by dividing net income for that period by average assets. Allegiance calculates return on average common equity for a period by dividing net income attributable to common shareholders for that period by average common equity and average tangible common equity, as the case may be, for that period.

(6) Net interest margin represents net interest income divided by average interest-earning assets.

(7) Efficiency ratio represents total noninterest expense divided by the sum of net interest income plus noninterest income, excluding net gains and losses on the sale of loans, securities and assets (including the sale of two Central Texas branches acquired from F&M Bancshares, Inc.). Additionally, taxes and provision for loan losses are not part of this calculation.

(8) Nonperforming assets include nonaccrual loans, loans past due 90 days or more and still accruing interest, repossessed assets and other real estate.

(9) Nonperforming loans include nonaccrual loans and loans past due 90 days or more and still accruing interest.

(10) Interim periods annualized.

Table of Contents

Index to Financial Statements

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF POST OAK

The following selected consolidated historical financial data of Post Oak as of and for the three months ended March 31, 2018 and 2017, have been derived from Post Oak s unaudited consolidated financial statements included elsewhere in this joint proxy statement/prospectus. The following selected consolidated historical financial data of Post Oak as of and for each of the years ended December 31, 2017 and 2016, have been derived from Post Oak s audited consolidated financial statements included elsewhere in this joint proxy statement/prospectus, and the selected consolidated historical financial data as of and for each of the years ended December 31, 2015, 2014 and 2013, have been derived from Post Oak s audited consolidated financial statements not included or incorporated by reference into this joint proxy statement/prospectus. Post Oak s historical results are not necessarily indicative of the results that may be expected for any future period. See Where You Can Find More Information beginning on page 152.

	As of and for the Three Months Ended March 31,		As of and for the Years Ended December 31,				
	2018	2017	2017(1)	2016	2015(2)	2014	2013
	(unaudited)						
	(Dollars in thousands, except per share data)						
Selected Period End Balance Sheet Data:							
Cash and cash equivalents	$ 199,179	$ 115,982	$ 199,380	136,944	$ 132,456	$ 156,279	$ 143,951
Available for sale securities	48,464	38,505	49,446	38,483	41,787	14,508	13,555
Loans held for investment	1,146,661	956,838	1,147,002	925,648	887,450	720,249	604,780
Allowance for possible credit losses	11,995	11,421	12,030	11,239	9,894	9,256	8,350
Goodwill and intangible assets, net	6,057	5,156	6,190	5,217	4,741		
Total assets	1,432,607	1,142,597	1,429,372	1,129,643	1,092,565	901,653	772,461
Noninterest-bearing deposits	423,242	399,653	468,256	396,621	320,246	258,305	197,329
Interest-bearing deposits	817,909	606,671	783,590	602,013	646,967	540,739	481,987
Total deposits	1,241,151	1,006,324	1,251,846	998,634	967,213	799,044	679,315
Total shareholders equity	162,736	132,885	157,917	129,823	122,367	101,703	92,548
Selected Income Statement Data:							
Net interest income	$ 13,606	$ 11,349	$ 52,027	$ 44,321	$ 37,429	$ 33,456	$ 28,782

Provision for possible credit losses	250	200	790	1,952	702	1,882	1,280
Net interest income after provision for loan losses	13,356	11,149	51,237	42,369	36,727	31,574	27,502
Noninterest income	722	674	4,572	2,481	1,192	940	894
Noninterest expense	8,322	7,689	31,912	28,224	23,256	21,143	18,652
Net income before income taxes	5,756	4,135	23,897	16,626	14,663	11,371	9,744
Net income	4,430	2,601	15,027	10,931	9,612	7,431	6,316
Selected Per Share Data:							
Earnings per common share, basic	$ 0.38	$ 0.24	$ 1.33	$ 0.99	$ 0.90	$ 0.74	$ 0.64
Earnings per common share, diluted	0.37	0.23	1.29	0.96	0.87	0.71	0.61
Book value per common share	13.81	12.12	13.48	11.92	11.02	9.94	9.31
Weighted average common shares outstanding, basic	11,747,366	10,930,226	11,302,235	10,999,070	10,668,976	10,085,611	9,918,710
Weighted average common shares outstanding, diluted	12,111,531	11,341,619	11,669,026	11,428,920	11,023,519	10,520,574	10,423,985
Shares outstanding at end of period	11,782,349	10,968,363	11,712,382	10,892,088	11,106,052	10,231,899	9,939,322

Table of Contents

Index to Financial Statements

	As of and for the Three Months Ended March 31,		As of and for the Years Ended December 31,				
	2018	2017	2017[1]	2016	2015[2]	2014	2013
	(unaudited)						
Selected Performance Metrics:							
Return on average assets[3][8]	1.28%	0.93%	1.15%	0.98%	1.01%	0.90%	0.89%
Return on average equity[3][8]	11.16%	7.97%	10.19%	8.69%	8.84%	7.67%	7.05%
Tax equivalent net interest margin[3][4]	4.15%	4.31%	4.24%	4.24%	3.64%	4.24%	4.22%
Efficiency ratio[5]	58.08%	63.95%	57.62%	60.31%	60.22%	61.47%	62.85%
Loans to deposits ratio	92.39%	95.08%	91.62%	92.69%	91.75%	90.14%	89.03%
Noninterest expense to average assets[3][8]	2.40%	2.75%	2.44%	2.53%	2.44%	2.57%	2.62%
Selected Credit Quality Ratios:							
Nonperforming assets to total assets[6]	0.56%	0.51%	0.31%	0.56%	0.46%	0.15%	0.19%
Nonperforming loans to total loans[7]	0.43%	0.55%	0.38%	0.57%	0.45%	0.14%	0.23%
Allowance for possible credit losses to nonperforming loans[7]	241.88%	216.39%	274.09%	213.51%	246.79%	890.86%	593.46%
Allowance for possible credit losses to total loans	1.05%	1.19%	1.05%	1.21%	1.11%	1.29%	1.38%
Provision for possible credit losses to average loans[3][8]	0.09%	0.09%	0.07%	0.22%	0.08%	0.28%	0.23%
Net charge-offs to average loans[3][8]	0.10%	0.01%	0.00%	0.07%	0.01%	0.15%	0.03%
Capital Ratios:							
Common equity Tier 1 capital ratio	13.61%	12.98%	13.10%	13.24%	13.10%	N/A	N/A
Tier 1 risk-based capital	13.61%	12.98%	13.10%	13.24%	13.10%	14.00%	15.10%
Total risk-based capital	14.65%	14.13%	14.10%	14.42%	14.20%	15.20%	16.30%
Leverage capital ratio	11.16%	11.32%	10.60%	10.92%	10.40%	11.10%	11.90%

(1) Post Oak completed the acquisition of The State Bank of Texas (TSBOT) on April 1, 2017.
(2) Post Oak completed the acquisition of SSB Bancshares, Inc. on December 1, 2015.
(3) Post Oak calculates average assets and average equity for a period by dividing the sum of total assets or total shareholders equity, as the case may be, as of the close of business on each day in the relevant period, by the number of days in the period. Post Oak calculates return on average assets by dividing net income for that period by average assets. Post Oak calculates return on average equity for a period by dividing net income for that period by average equity for that period.
(4) Net interest margin represents net interest income divided by average interest-earning assets.

(5) Efficiency ratio represents total noninterest expense divided by the sum of net interest income plus noninterest income, excluding net gains and losses on the sale of loans, securities and assets (including the bargain purchase gain on the TSBOT acquisition in 2017). Additionally, taxes and provision for possible credit losses are not part of this calculation.

(6) Nonperforming assets include nonaccrual loans, loans past due 90 days or more and still accruing interest, repossessed assets and other real estate.

(7) Nonperforming loans include nonaccrual loans and loans past due 90 days or more and still accruing interest.

(8) Interim periods annualized.

Table of Contents

Index to Financial Statements

SELECTED UNAUDITED PRO FORMA FINANCIAL DATA

The following table shows selected unaudited pro forma combined consolidated financial information about the financial condition and results of operations of Allegiance giving effect to the merger. The selected unaudited pro forma combined consolidated financial information assumes that the merger is accounted for under the acquisition method of accounting. Under the acquisition method of accounting, the assets and liabilities of Post Oak, as of the effective date of the merger, will be recorded by Allegiance at their respective fair values and the excess of the merger consideration over the fair value of Post Oak s net assets will be allocated to goodwill.

The table sets forth the information as if the merger had become effective on March 31, 2018, with respect to financial condition data, and on January 1, 2017, with respect to the results of operations data. The selected unaudited pro forma combined consolidated financial data has been derived from and should be read in connection with the unaudited pro forma combined consolidated financial information, including the notes thereto, which is included in this joint proxy statement/prospectus under Unaudited Pro Forma Combined Consolidated Financial Statements.

The selected unaudited pro forma combined consolidated financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The selected unaudited pro forma combined consolidated financial information also does not consider any potential impacts of current market conditions on revenues, potential revenue enhancements, anticipated cost savings and expense efficiencies or asset dispositions, among other factors. Further, as explained in more detail in the notes accompanying the detailed unaudited pro forma combined consolidated financial information included under Unaudited Pro Forma Combined Consolidated Financial Information, the allocation of the purchase price reflected in the selected unaudited pro forma combined consolidated financial data is subject to adjustments and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Additionally, the final adjustments may be different from the unaudited pro forma adjustments presented in this joint proxy statement/prospectus.