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**FOR IMMEDIATE RELEASE**
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# BUSINESS FIRST BANCSHARES, INC., ANNOUNCES FINANCIAL RESULTS FOR Q2 2019

Baton Rouge, LA (July 24, 2019) – Business First Bancshares, Inc. (NASDAQ: BFST) (Business First), parent company of Business First Bank, Baton Rouge, Louisiana, today announced its unaudited results for the quarter ended June 30, 2019, including record quarterly net income of $6.8 million, or $0.50 per diluted share, increases of $3.2 million and $0.17, respectively, from the quarter ended June 30, 2018. Core net income, which excludes noncore income and expenses, was $6.6 million, or $0.48 per diluted share, which reflects increases of $2.5 million and $0.11, respectively, from the quarter ended June 30, 2018.

"Our strong second quarter results continue to benefit from the synergies gained through our recent strategic acquisitions and return on internal investments," said Jude Melville, President and CEO. "The team's ability to generate robust loan growth with solid credit quality at attractive yields has been instrumental to our success in the first half of 2019."

On July 23, 2019, Business First's board of directors declared a quarterly dividend based upon financial performance for the quarter in the amount of $0.10 per share to the common shareholders of record as of August 15, 2019, same as the prior quarter. The dividend will be paid on August 31, 2019, or as soon thereafter as practicable.

## Quarterly Highlights

- **Higher Shareholder Returns.** Diluted earnings per share were $0.50, annualized return on average assets was 1.30%, and annualized return on average equity was 10.13%, compared to $0.41, 1.09% and 8.62%, respectively, from the quarter ended March 31, 2019. Core earnings per diluted

share were $0.48, compared to $0.41 for the quarter ended March 31, 2019. As adjusted, annualized core return on average assets was 1.26% and annualized core return on average equity was 9.77%, compared to 1.08% and 8.57%, respectively, from the quarter ended March 31, 2019.

- **Continued, Robust Loan Growth.** Total loans held for investment at June 30, 2019 were $1.6 billion, an increase of $56.4 million compared to March 31, 2019. Annualized loan growth for the quarter ended June 30, 2019, was 14.2%, compared to 15.1% loan growth for the quarter ended March 31, 2019, and 14.9% year to date.
- **Increased Net Interest Margin.** Net interest margin and net interest spread were 4.19% and 3.75%, respectively, for the quarter ended June 30, 2019, compared to 4.01% and 3.61% for the quarter ended March 31, 2019. Excluding loan discount accretion, net interest margin and spread were 4.02% and 3.58%, respectively, for the quarter ended June 30, 2019, compared to 3.92% and 3.52% for the quarter ended March 31, 2019.
- **Improved Credit Quality.** Ratios of nonperforming loans compared to loans held for investment and nonperforming assets compared to total assets decreased from 0.84% and 0.71%, respectively, at March 31, 2019, to 0.61% and 0.58% at June 30, 2019. A portion of the improvement was attributable to the charge-off of a single, previously identified, impaired loan, but the majority was related to overall portfolio performance.
- **Banking Center Sale.** Business First successfully sold a banking center located in Mangham, LA resulting in a gain on sale of $593,000 (including net reductions to goodwill and core deposit intangible of $1.3 million).

## Financial Condition

June 30, 2019, Compared to March 31, 2019

*Balance Sheet*

As of June 30, 2019, Business First had total assets of $2.2 billion, total loans of $1.6 billion, total deposits of $1.7 billion and total shareholders' equity of $277.5 million, compared to $2.1 billion, $1.6 billion, $1.7 billion and $269.1 million, respectively, as of March 31, 2019.

Book value per common share was $20.77 at June 30, 2019, compared to $20.14 at March 31, 2019. Tangible book value per common share was $16.60 at June 30, 2019, compared to $15.86 at March 31, 2019.

*Credit Quality*

Nonperforming loans as a percentage of total loans held for investment decreased from 0.84% as of March 31, 2019, to 0.61% as of June 30, 2019. Nonperforming assets as a percentage of total assets decreased from 0.71% as of March 31, 2019, to 0.58% as of June 30, 2019. The decreases were partially attributable to the charge-off of the remaining balance ($1.5 million, of which $800,000 was previously reserved) of a single, previously identified, impaired loan; however, irrespective of the charge-off, both metrics improved from the prior quarter.

## June 30, 2019, Compared to June 30, 2018

*Balance Sheet*

As of June 30, 2019, Business First had total assets of $2.2 billion, total loans of $1.6 billion, total deposits of $1.7 billion and total shareholders' equity of $277.5 million, compared to $1.6 billion, $1.2 billion, $1.3 billion and $210.6 million, respectively, as of June 30, 2018.

Book value per common share was $20.77 at June 30, 2019, compared to $18.26 at June 30, 2018. Tangible book value per common share was $16.60 at June 30, 2019, compared to $15.07 at June 30, 2018.

*Credit Quality*

Nonperforming loans as a percentage of total loans held for investment decreased from 1.14% as of June 30, 2018, to 0.61% as of June 30, 2019. Nonperforming assets as a percentage of total assets decreased from 0.93% as of June 30, 2018, to 0.58% as of June 30, 2019. The decreases were mainly attributed to improved credit quality in relation to the size of the loan portfolio and total assets of Business First.

## Results of Operations

Second Quarter 2019 Compared to First Quarter 2019

*Net Income and Diluted Earnings Per Share*

For the quarter ended June 30, 2019, net income was $6.8 million, or $0.50 per diluted share, compared to net income of $5.7 million, or $0.41 per diluted share, for the quarter ended March 31, 2019.

Core net income, which excludes noncore income and expenses, for the quarter ended June 30, 2019, was $6.6 million, or $0.48 per diluted share, compared to core net income of $5.6 million, or $0.41 per diluted share, for the quarter ended March 31, 2019. Notable noncore events impacting earnings included the incurrence of $436,000 in noninterest expenses related to acquisition-related activities and a $593,000 gain associated with the sale of a banking center for the quarter ended June 30, 2019.

*Return on Assets and Equity*

Return on average assets and equity, each on an annualized basis, increased to 1.30% and 10.13%, respectively, for the quarter ended June 30, 2019, compared to 1.09% and 8.62%, respectively, for the quarter ended March 31, 2019. The increases were largely attributed to growth in net interest income and noninterest income, mainly $1.3 million in Small Business Investment Company (SBIC) investment income (of which a large portion was attributable to dividends from a dividend recapitalization) and $593,000 from the sale of a banking center.

As adjusted, core return on average assets and core return on average equity, each on an annualized basis, were 1.26% and 9.77%, respectively, for the quarter ended June 30, 2019, compared to 1.08% and 8.57%, respectively, for the quarter ended March 31, 2019.

*Interest Income*

For the quarter ended June 30, 2019, net interest income totaled $20.2 million and net interest margin and net interest spread were 4.19% and 3.75%, respectively, compared to $19.1 million, 4.01% and 3.61% for the quarter ended March 31, 2019. The increase

in net interest margin was largely attributable to an increase in loan discount accretion, an additional calendar day in the quarter, and higher yielding loans.

Net interest margin and net interest spread (excluding loan discount accretion of $826,000) were 4.02% and 3.58%, respectively, for the quarter ended June 30, 2019, compared to 3.92% and 3.52% (excluding loan discount accretion of $432,000) for the quarter ended March 31, 2019. Cash paydowns associated with an acquired impaired loan relationship accounted for $486,000 of the loan discount accretion for the quarter ended June 30, 2019. Additionally, the increase in net interest margin (excluding loan discount accretion) was partially attributable to an additional calendar day in the quarter but largely attributable to higher yielding loans.

The average annualized yield on the loan portfolio was 5.96% for the quarter ended June 30, 2019, compared to 5.79% for the quarter ended March 31, 2019. The average annualized yield on total interest-earning assets was 5.37% for the quarter ended June 30, 2019, compared to 5.16% for the quarter ended March 31, 2019.

*Interest Expense*

For the quarter ended June 30, 2019, overall cost of funds (which includes noninterest-bearing deposits) increased by five basis points compared to the quarter ended March 31, 2019.

*Provision for Loan Losses*

During the quarter ended June 30, 2019, Business First recorded a provision for loan losses of $1.3 million, compared to $633,000 for the quarter ended March 31, 2019. The reserve for the quarter ended June 30, 2019, was negatively impacted by the charge-off of the remaining balance of a single, previously identified, impaired loan.

## Second Quarter 2019 Compared to Second Quarter 2018

*Net Income and Diluted Earnings Per Share*

For the quarter ended June 30, 2019, net income was $6.8 million, or $0.50 per diluted share, compared to net income of $3.6 million, or $0.33 per diluted share, for the quarter ended June 30, 2018. The increase in net income and diluted earnings per share was attributed to the overall growth and efficiency of Business First over the past

12 months, as well as the sale of a banking center and increased noninterest income associated with equity investments in SBICs.

Core net income, which excludes noncore income and expenses, for the quarter ended June 30, 2019, was $6.6 million, or $0.48 per diluted share, compared to core net income of $4.1 million, or $0.37 per diluted share, for the quarter ended June 30, 2018. Notable noncore events impacting earnings included the incurrence of $436,000 in noninterest expenses related to acquisition-related activities and a $593,000 gain associated with the sale of a banking center for the quarter ended June 30, 2019, and noninterest expenses of $415,000 related to acquisition-related activities and $118,000 associated with share awards granted to all nonexecutives in connection with Business First Bancshares, Inc.'s listing on NASDAQ for the quarter ended June 30, 2018.

*Return on Assets and Equity*

Return on average assets and return on average equity, each on an annualized basis, increased to 1.30% and 10.13%, respectively, for the quarter ended June 30, 2019, from 0.90% and 7.75%, respectively, for the quarter ended June 30, 2018.

As adjusted, core return on average assets and core return on average equity, each on an annualized basis, were 1.26% and 9.77%, respectively, for the quarter ended June 30, 2019, compared to 1.00% and 8.69%, respectively, for the quarter ended June 30, 2018.

*Interest Income*

For the quarter ended June 30, 2019, net interest income totaled $20.2 million and net interest margin and net interest spread were 4.19% and 3.75%, respectively, compared to $15.0 million, 3.98% and 3.70% for the quarter ended June 30, 2018.

Net interest margin and net interest spread (excluding loan discount accretion of $826,000) were 4.02% and 3.58%, respectively, for the quarter ended June 30, 2019, compared to 3.89% and 3.61% (excluding loan discount accretion of $342,000) for the quarter ended June 30, 2018.

The average yield on the loan portfolio was 5.96% for the quarter ended June 30, 2019, compared to 5.46% for the quarter ended June 30, 2018. The average yield on total interest-earning assets was 5.37% for the quarter ended June 30, 2019, compared to 4.81% for the quarter ended June 30, 2018.

*Interest Expense*

For the quarter ended June 30, 2019, overall cost of funds (which includes noninterest-bearing deposits) increased by 39 basis points compared to the quarter ended June 30, 2018. The increase was largely attributed to an overall increase in interest rates over the past 12 months and the issuance of $25 million of subordinated debt in December 2018.

*Provision for Loan Losses*

During the quarter ended June 30, 2019, Business First recorded a provision for loan losses of $1.3 million, compared to $474,000 for the quarter ended June 30, 2018. As previously mentioned, the reserve for the quarter ended June 30, 2019, was negatively impacted by the charge-off of the remaining balance of a single, previously identified, impaired loan.

## About Business First Bancshares, Inc.

Business First Bancshares, Inc., through its banking subsidiary Business First Bank, operates in 25 banking centers in markets across Louisiana and in Dallas, Texas. Business First Bank provides commercial and personal banking, treasury management and wealth solutions services to small to midsize businesses and their owners and employees. Visit www.b1BANK.com for more information. Business First's common stock is traded on the NASDAQ Global Select Market under the symbol "BFST."

## Non-GAAP Financial Measures

This press release includes certain non-GAAP financial measures (e.g., referenced as "core" or "tangible") intended to supplement, not substitute for, comparable GAAP measures. These measures typically adjust income available to common shareholders for certain significant activities or transactions that, in management's opinion, can distort period-to-period comparisons of Business First's performance. Transactions that are typically excluded from non-GAAP measures include realized and unrealized gains/losses on former bank premises and equipment, investment sales, impaired loan sales and acquisition-related expenses (including, but not limited to, legal costs, system conversion costs, severance and retention payments, etc.). Management believes presentations of these non-GAAP financial measures provide useful supplemental information that is essential to a proper understanding of the operating results of the Company's core business. These non-GAAP disclosures are not necessarily comparable to non-GAAP measures that may be presented by other companies. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided at the end of the tables below.

## Special Note Regarding Forward-Looking Statements

Certain statements contained in this release may not be based on historical facts and are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by their reference to a future period or periods or by the use of forward-looking terminology such as "anticipate," "believe," "estimate," "expect," "may," "might," "will," "would," "could" or "intend." We caution you not to place undue reliance on the forward-looking statements contained in this news release, in that actual results could differ materially from those indicated in such forward-looking statements as a result of a variety of factors. We undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of this news release.

## Additional Information

For additional information on Business First, you may obtain Business First's reports that are filed with the Securities and Exchange Commission, or SEC, free of charge by using the SEC's EDGAR service on the SEC's website at www.sec.gov or by contacting the SEC for further information at 1-800-SEC-0330. Alternatively, these documents can be obtained free of charge from Business First by directing a request to: Business First Bancshares, Inc., 500 Laurel Street, Suite 101, Baton Rouge, Louisiana 70801, Attention: Corporate Secretary.

## No Offer or Solicitation

This release does not constitute or form part of any offer to sell, or a solicitation of an offer to purchase, any securities of the Company. There will be no sale of securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**Selected Financial Information**
**(Unaudited)**

| (Dollars in thousands) | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 |
|---|---|---|---|---|---|
| **Balance Sheet Ratios** | | | | | |
| Loans (HFI) to Deposits | 96.46% | 90.93% | 88.15% | 95.86% | 92.82% |
| Shareholders' Equity to Assets Ratio | 12.88% | 12.81% | 12.41% | 12.69% | 12.77% |
| Tangible Common Equity to Tangible Assets (Non-GAAP) | 10.57% | 10.37% | 9.95% | 10.75% | 10.78% |
| **Loans Receivable Held for Investment** | | | | | |
| Commercial | $ 411,256 | $ 389,855 | $ 363,640 | $ 317,889 | $ 298,967 |
| Real Estate: | | | | | |
| Construction and Land | 227,102 | 211,888 | 211,054 | 196,404 | 204,099 |
| Farmland | 47,245 | 44,066 | 45,989 | 26,882 | 15,173 |
| 1-4 Family Residential | 278,610 | 275,610 | 270,583 | 234,690 | 224,986 |
| Multi-family Residential | 38,698 | 39,548 | 39,273 | 22,109 | 22,511 |
| Nonfarm Nonresidential | 561,149 | 550,103 | 518,660 | 432,306 | 399,166 |
| Total Real Estate | 1,152,804 | 1,121,215 | 1,085,559 | 912,391 | 865,935 |
| Consumer | 78,513 | 75,112 | 79,270 | 67,679 | 69,129 |
| Total Loans | $ 1,642,573 | $ 1,586,182 | $ 1,528,469 | $ 1,297,959 | $ 1,234,031 |
| **Allowance for Loan Losses** | | | | | |
| Balance, Beginning of Period | $ 11,818 | $ 11,220 | $ 10,273 | $ 9,756 | $ 9,647 |
| Charge-offs – Quarterly | (1,565) | (57) | (19) | (33) | (397) |
| Recoveries – Quarterly | 48 | 22 | 27 | 47 | 32 |
| Provision for Loan Losses – Quarterly | 1,302 | 633 | 939 | 503 | 474 |
| Balance, End of Period | $ 11,603 | $ 11,818 | $ 11,220 | $ 10,273 | $ 9,756 |
| Allowance for Loan Losses to Total Loans (HFI) | 0.71% | 0.75% | 0.73% | 0.79% | 0.79% |
| Net Charge-offs (Recoveries) to Average Total Loans | 0.09% | 0.00% | 0.00% | 0.00% | 0.03% |
| **Nonperforming Assets** | | | | | |
| Nonperforming Loans: | | | | | |
| Nonaccrual Loans | $ 9,363 | $ 13,183 | $ 11,691 | $ 11,341 | $ 13,884 |
| Loans Past Due 90 Days or More | 727 | 77 | 1,876 | 256 | 130 |
| Total Nonperforming Loans | 10,090 | 13,260 | 13,567 | 11,597 | 14,014 |
| Other Nonperforming Assets: | | | | | |
| Other Real Estate Owned | 2,324 | 1,683 | 1,909 | 1,824 | 1,273 |
| Other Nonperforming Assets | 6 | 11 | 11 | 11 | 36 |
| Total Other Nonperforming Assets | 2,330 | 1,694 | 1,920 | 1,835 | 1,309 |
| Total Nonperforming Assets | $ 12,420 | $ 14,954 | $ 15,487 | $ 13,432 | $ 15,323 |
| Nonperforming Loans to Total Loans (HFI) | 0.61% | 0.84% | 0.89% | 0.89% | 1.14% |
| Nonperforming Assets to Total Assets | 0.58% | 0.71% | 0.74% | 0.80% | 0.93% |

**Business First Bancshares, Inc.**
**Selected Financial Information**
**(Unaudited)**

| (Dollars in thousands, except per share data) | Quarter Ended June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | Six Months Ended June 30, 2019 | June 30, 2018 |
|---|---|---|---|---|---|---|---|
| **Per Share Data** | | | | | | | |
| Basic Earnings per Common Share | $ 0.51 | $ 0.43 | $ 0.28 | $ 0.34 | $ 0.34 | $ 0.94 | $ 0.65 |
| Diluted Earnings per Common Share | 0.50 | 0.41 | 0.28 | 0.33 | 0.33 | 0.91 | 0.62 |
| Dividends per Common Share | 0.10 | 0.08 | 0.08 | 0.08 | 0.08 | 0.18 | 0.14 |
| Book Value per Common Share | 20.77 | 20.14 | 19.68 | 18.46 | 18.26 | 20.77 | 18.26 |
| Tangible Book Value per Common Share (Non-GAAP) | 16.60 | 15.86 | 15.34 | 15.30 | 15.07 | 16.60 | 15.07 |
| Average Common Shares Outstanding | 13,361,482 | 13,287,560 | 12,099,659 | 11,533,374 | 10,607,369 | 13,324,725 | 10,421,185 |
| Average Diluted Shares Outstanding | 13,740,937 | 13,653,125 | 12,521,017 | 11,993,734 | 11,064,638 | 13,704,180 | 10,878,454 |
| End of Period Common Shares Outstanding | 13,361,482 | 13,361,482 | 13,213,280 | 11,533,721 | 11,533,171 | 13,361,482 | 11,533,171 |
| **Annualized Performance Ratios** | | | | | | | |
| Return on Average Assets | 1.30% | 1.09% | 0.75% | 0.94% | 0.90% | 1.20% | 0.83% |
| Return on Average Equity | 10.13% | 8.62% | 6.03% | 7.37% | 7.75% | 9.38% | 7.35% |
| Net Interest Margin | 4.19% | 4.01% | 4.07% | 4.05% | 3.98% | 4.11% | 3.97% |
| Net Interest Spread | 3.75% | 3.61% | 3.70% | 3.70% | 3.70% | 3.69% | 3.72% |
| Efficiency Ratio (1) | 59.85% | 64.35% | 73.51% | 69.08% | 70.81% | 61.96% | 72.16% |
| **Other Operating Expenses** | | | | | | | |
| Salaries and Employee Benefits | $ 8,756 | $ 8,552 | $ 7,444 | $ 7,190 | $ 6,524 | $ 17,308 | $ 13,228 |
| Occupancy and Bank Premises | 1,079 | 1,103 | 877 | 914 | 861 | 2,182 | 1,718 |
| Depreciation and Amortization | 633 | 628 | 484 | 417 | 407 | 1,261 | 829 |
| Data Processing | 576 | 616 | 397 | 395 | 355 | 1,192 | 765 |
| FDIC Assessment Fees | 248 | 150 | 276 | 221 | 331 | 398 | 724 |
| Legal and Other Professional Fees | 353 | 318 | 456 | 328 | 509 | 671 | 911 |
| Advertising and Promotions | 279 | 327 | 422 | 290 | 298 | 606 | 527 |
| Utilities and Communications | 323 | 298 | 238 | 294 | 269 | 621 | 541 |
| Ad Valorem Shares Tax | 345 | 345 | 170 | 321 | 322 | 690 | 644 |
| Directors' Fees | 125 | 205 | 92 | 93 | 92 | 330 | 251 |
| Other Real Estate Owned Expenses and Write-Downs | 72 | 27 | - | - | 7 | 99 | 9 |
| Merger and Conversion-Related Expenses | 235 | (254) | 1,959 | 138 | 415 | (19) | 927 |
| Other | 1,553 | 1,475 | 1,594 | 1,269 | 1,635 | 3,028 | 2,895 |
| Total Other Expenses | $ 14,577 | $ 13,790 | $ 14,409 | $ 11,870 | $ 12,025 | $ 28,367 | $ 23,969 |

(1) Noninterest expense (excluding provision for loan losses) divided by noninterest income plus net interest income less gain/loss on sales of securities.

**Consolidated Balance Sheets**
**(Unaudited)**

| (Dollars in thousands) | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and Due From Banks | $ 64,043 | $ 52,606 | $ 96,072 | $ 45,941 | $ 45,861 |
| Federal Funds Sold | 20,809 | 30,093 | 41,836 | 5,934 | 32,522 |
| Securities Available for Sale, at Fair Values | 294,981 | 304,122 | 309,516 | 243,585 | 252,139 |
| Mortgage Loans Held for Sale | 443 | 753 | 58 | 280 | - |
| Loans and Lease Receivable | 1,642,573 | 1,586,182 | 1,528,469 | 1,297,959 | 1,234,031 |
| Allowance for Loan Losses | (11,603) | (11,818) | (11,220) | (10,273) | (9,756) |
| Net Loans and Lease Receivable | 1,630,970 | 1,574,364 | 1,517,249 | 1,287,686 | 1,224,275 |
| Premises and Equipment, Net | 27,577 | 27,014 | 15,114 | 10,022 | 10,537 |
| Accrued Interest Receivable | 7,957 | 7,054 | 8,223 | 5,188 | 5,268 |
| Other Equity Securities | 11,717 | 8,508 | 9,282 | 10,339 | 10,064 |
| Other Real Estate Owned | 2,324 | 1,683 | 1,909 | 1,824 | 1,273 |
| Cash Value of Life Insurance | 32,223 | 32,050 | 31,882 | 24,442 | 24,275 |
| Deferred Taxes, Net | 2,527 | 3,077 | 3,848 | 4,359 | 3,888 |
| Goodwill | 48,503 | 49,534 | 49,488 | 32,427 | 32,552 |
| Core Deposit Intangible | 7,139 | 7,655 | 7,885 | 4,103 | 4,234 |
| Other Assets | 2,395 | 2,887 | 2,534 | 2,065 | 2,319 |
| Total Assets | $ 2,153,608 | $ 2,101,400 | $ 2,094,896 | $ 1,678,195 | $ 1,649,207 |
| **Liabilities** | | | | | |
| Deposits: | | | | | |
| Noninterest-Bearing | $ 394,848 | $ 396,775 | $ 382,354 | $ 311,170 | $ 305,314 |
| Interest-Bearing | 1,308,054 | 1,347,608 | 1,351,580 | 1,042,901 | 1,024,179 |
| Total Deposits | 1,702,902 | 1,744,383 | 1,733,934 | 1,354,071 | 1,329,493 |
| Securities Sold Under Agreements to Repurchase | 16,096 | 11,070 | 12,229 | 14,310 | 13,604 |
| Short-Term Borrowings | - | - | - | 862 | 862 |
| Long-Term Borrowings | - | - | - | 2,400 | 2,700 |
| Subordinated Debt | 25,000 | 25,000 | 25,000 | - | - |
| Federal Home Loan Bank Borrowings | 108,000 | 30,000 | 55,000 | 85,000 | 85,000 |
| Accrued Interest Payable | 1,924 | 2,039 | 1,374 | 1,336 | 1,197 |
| Other Liabilities | 22,217 | 19,764 | 7,301 | 7,255 | 5,722 |
| Total Liabilities | 1,876,139 | 1,832,256 | 1,834,838 | 1,465,234 | 1,438,578 |
| **Shareholders' Equity** | | | | | |
| Common Stock | 13,361 | 13,361 | 13,213 | 11,534 | 11,533 |
| Additional Paid-In Capital | 213,823 | 213,537 | 212,332 | 171,345 | 171,193 |
| Retained Earnings | 48,087 | 42,576 | 37,982 | 35,460 | 32,483 |
| Accumulated Other Comprehensive Loss | 2,198 | (330) | (3,469) | (5,378) | (4,580) |
| Total Shareholders' Equity | 277,469 | 269,144 | 260,058 | 212,961 | 210,629 |
| Total Liabilities and Shareholders' Equity | $ 2,153,608 | $ 2,101,400 | $ 2,094,896 | $ 1,678,195 | $ 1,649,207 |

**Business First Bancshares, Inc.**
**Consolidated Statements of Income**
**(Unaudited)**

| (Dollars in thousands) | Quarter Ended | | | | | Six Months Ended | |
|---|---|---|---|---|---|---|---|
| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| **Interest Income:** | | | | | | | |
| Interest and Fees on Loans | $ 23,870 | $ 22,423 | $ 19,778 | $ 17,777 | $ 16,549 | $ 46,293 | $ 32,225 |
| Interest and Dividends on Securities | 1,829 | 1,874 | 1,611 | 1,386 | 1,414 | 3,703 | 2,837 |
| Interest on Federal Funds Sold and Due From Banks | 197 | 290 | 164 | 162 | 128 | 487 | 255 |
| Total Interest Income | 25,896 | 24,587 | 21,553 | 19,325 | 18,091 | 50,483 | 35,317 |
| **Interest Expense:** | | | | | | | |
| Interest on Deposits | 5,038 | 4,757 | 3,853 | 3,127 | 2,555 | 9,795 | 4,853 |
| Interest on Borrowings | 665 | 710 | 583 | 562 | 560 | 1,375 | 988 |
| Total Interest Expense | 5,703 | 5,467 | 4,436 | 3,689 | 3,115 | 11,170 | 5,841 |
| Net Interest Income | 20,193 | 19,120 | 17,117 | 15,636 | 14,976 | 39,313 | 29,476 |
| **Provision for Loan Losses** | 1,302 | 633 | 939 | 503 | 474 | 1,935 | 948 |
| Net Interest Income After Provision for Loan Losses | 18,891 | 18,487 | 16,178 | 15,133 | 14,502 | 37,378 | 28,528 |
| **Other Income:** | | | | | | | |
| Service Charges on Deposit Accounts | 1,034 | 938 | 869 | 695 | 636 | 1,972 | 1,246 |
| Gain (Loss) on Sales of Securities | 58 | - | 7 | - | - | 58 | - |
| Other Income | 3,127 | 1,373 | 1,615 | 852 | 1,370 | 4,500 | 2,495 |
| Total Other Income | 4,219 | 2,311 | 2,491 | 1,547 | 2,006 | 6,530 | 3,741 |
| **Other Expenses:** | | | | | | | |
| Salaries and Employee Benefits | 8,756 | 8,552 | 7,444 | 7,190 | 6,524 | 17,308 | 13,228 |
| Occupancy and Equipment Expense | 1,884 | 1,894 | 1,523 | 1,522 | 1,402 | 3,778 | 2,820 |
| Other Expenses | 3,937 | 3,344 | 5,442 | 3,158 | 4,099 | 7,281 | 7,921 |
| Total Other Expenses | 14,577 | 13,790 | 14,409 | 11,870 | 12,025 | 28,367 | 23,969 |
| **Income Before Income Taxes** | 8,533 | 7,008 | 4,260 | 4,810 | 4,483 | 15,541 | 8,300 |
| **Provision for Income Taxes** | 1,690 | 1,349 | 815 | 910 | 845 | 3,039 | 1,554 |
| **Net Income** | $ 6,843 | $ 5,659 | $ 3,445 | $ 3,900 | $ 3,638 | $ 12,502 | $ 6,746 |

**Business First Bancshares, Inc.**
**Consolidated Net Interest Margin**
**(Unaudited)**

| (Dollars in thousands) | Quarter Ended June 30, 2019 Average Outstanding Balance | Interest Earned / Interest Paid | Average Yield / Rate | Quarter Ended December 31, 2018 Average Outstanding Balance | Interest Earned / Interest Paid | Average Yield / Rate | Quarter Ended June 30, 2018 Average Outstanding Balance | Interest Earned / Interest Paid | Average Yield / Rate |
|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | |
| Interest-Earning Assets | | | | | | | | | |
| Total Loans | $ 1,602,087 | $ 23,870 | 5.96% | $ 1,383,526 | $ 19,778 | 5.72% | $ 1,212,977 | $ 16,549 | 5.46% |
| Securities Available for Sale | 303,232 | 1,829 | 2.41% | 270,511 | 1,611 | 2.38% | 263,108 | 1,414 | 2.13% |
| Interest-Bearing Deposit in Other Banks | 23,716 | 197 | 3.32% | 27,203 | 164 | 2.41% | 29,204 | 128 | 1.75% |
| Total Interest-Earning Assets | 1,929,035 | 25,896 | 5.37% | 1,681,240 | 21,553 | 5.13% | 1,505,289 | 18,091 | 4.81% |
| Allowance for Loan Losses | (11,702) | | | (10,451) | | | (9,638) | | |
| Noninterest-Earning Assets | 185,359 | | | 156,809 | | | 128,544 | | |
| Total Assets | $ 2,102,692 | $ 25,896 | | $ 1,827,598 | $ 21,553 | | $ 1,624,195 | $ 18,091 | |
| **Liabilities and Shareholders' Equity** | | | | | | | | | |
| Interest-Bearing Liabilities | | | | | | | | | |
| Interest-Bearing Deposits | $ 1,335,630 | $ 5,038 | 1.51% | $ 1,138,786 | $ 3,853 | 1.35% | $ 1,014,520 | $ 2,555 | 1.01% |
| Subordinated Debt | 25,000 | 429 | 6.86% | 8,333 | 69 | 3.31% | - | - | 0.00% |
| Advances from Federal Home Loan Bank ("FHLB") | 36,856 | 224 | 2.43% | 82,419 | 462 | 2.24% | 94,222 | 507 | 2.15% |
| Other Borrowings | 14,390 | 12 | 0.33% | 11,466 | 52 | 1.81% | 16,220 | 53 | 1.31% |
| Total Interest-Bearing Liabilities | 1,411,876 | 5,703 | 1.62% | 1,241,004 | 4,436 | 1.43% | 1,124,962 | 3,115 | 1.11% |
| Noninterest-Bearing Liabilities | | | | | | | | | |
| Noninterest-Bearing Deposits | 396,793 | | | 349,915 | | | 306,042 | | |
| Other Liabilities | 23,761 | | | 8,183 | | | 5,427 | | |
| Total Noninterest-Bearing Liabilities | 420,554 | | | 358,098 | | | 311,469 | | |
| Shareholders' Equity | 270,262 | | | 228,496 | | | 187,764 | | |
| Total Liabilities and Shareholders' Equity | $ 2,102,692 | | | $ 1,827,598 | | | $ 1,624,195 | | |
| Net Interest Spread | | | 3.75% | | | 3.70% | | | 3.70% |
| Net Interest Income | | $ 20,193 | | | $ 17,117 | | | $ 14,976 | |
| Net Interest Margin | | | 4.19% | | | 4.07% | | | 3.98% |

NOTE: Average outstanding balances are determined utilizing monthly averages and average yield/rate is calculated utilizing a 30/360 day count convention.

**Business First Bancshares, Inc.**
**Consolidated Net Interest Margin**
**(Unaudited)**

| (Dollars in thousands) | For the Six Months Ended June 30, 2019 Average Outstanding Balance | 2019 Interest Earned / Interest Paid | 2019 Average Yield / Rate | 2018 Average Outstanding Balance | 2018 Interest Earned / Interest Paid | 2018 Average Yield / Rate |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Interest-Earning Assets | | | | | | |
| Total Loans | $ 1,575,988 | $ 46,293 | 5.87% | $ 1,195,564 | $ 32,225 | 5.39% |
| Securities Available for Sale | 306,501 | 3,703 | 2.42% | 254,104 | 2,837 | 2.23% |
| Interest-Bearing Deposit in Other Banks | 31,897 | 487 | 3.05% | 33,419 | 255 | 1.53% |
| Total Interest-Earning Assets | 1,914,386 | 50,483 | 5.27% | 1,483,087 | 35,317 | 4.76% |
| Allowance for Loan Losses | (11,546) | | | (9,301) | | |
| Noninterest-Earning Assets | 186,348 | | | 145,688 | | |
| Total Assets | $ 2,089,188 | $ 50,483 | | $ 1,619,474 | $ 35,317 | |
| **Liabilities and Shareholders' Equity** | | | | | | |
| Interest-Bearing Liabilities | | | | | | |
| Interest-Bearing Deposits | $ 1,335,522 | $ 9,795 | 1.47% | $ 1,020,266 | $ 4,853 | 0.95% |
| Subordinated Debt | 25,000 | 845 | 6.76% | - | - | 0.00% |
| Advances from Federal Home Loan Bank ("FHLB") | 37,191 | 505 | 2.72% | 84,665 | 880 | 2.08% |
| Other Borrowings | 13,436 | 25 | 0.37% | 18,975 | 108 | 1.14% |
| Total Interest-Bearing Liabilities | 1,411,149 | 11,170 | 1.58% | 1,123,906 | 5,841 | 1.04% |
| Noninterest-Bearing Liabilities | | | | | | |
| Noninterest-Bearing Deposits | 395,304 | | | 306,733 | | |
| Other Liabilities | 16,242 | | | 5,380 | | |
| Total Noninterest-Bearing Liabilities | 411,546 | | | 312,113 | | |
| Shareholders' Equity | 266,493 | | | 183,455 | | |
| Total Liabilities and Shareholders' Equity | $ 2,089,188 | | | $ 1,619,474 | | |
| Net Interest Spread | | | 3.69% | | | 3.72% |
| Net Interest Income | | $ 39,313 | | | $ 29,476 | |
| Net Interest Margin | | | 4.11% | | | 3.97% |

NOTE: Average outstanding balances are determined utilizing monthly averages and average yield/rate is calculated utilizing a 30/360 day count convention.

**Business First Bancshares, Inc.**
**Non-GAAP Measures**
**(Unaudited)**

| (Dollars in thousands, except per share data) | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 |
|---|---|---|---|---|---|
| **Tangible Common Equity** | | | | | |
| Total Shareholders' Equity | $ 277,469 | $ 269,144 | $ 260,058 | $ 212,961 | $ 210,629 |
| Adjustments: | | | | | |
| Goodwill | (48,503) | (49,534) | (49,488) | (32,427) | (32,552) |
| Core Deposit and Other Intangibles | (7,139) | (7,655) | (7,885) | (4,103) | (4,234) |
| **Total Tangible Common Equity** | $ 221,827 | $ 211,955 | $ 202,685 | $ 176,431 | $ 173,843 |
| **Tangible Assets** | | | | | |
| Total Assets | $ 2,153,608 | $ 2,101,400 | $ 2,094,896 | $ 1,678,195 | $ 1,649,207 |
| Adjustments: | | | | | |
| Goodwill | (48,503) | (49,534) | (49,488) | (32,427) | (32,552) |
| Core Deposit and Other Intangibles | (7,139) | (7,655) | (7,885) | (4,103) | (4,234) |
| **Total Tangible Assets** | $ 2,097,966 | $ 2,044,211 | $ 2,037,523 | $ 1,641,665 | $ 1,612,421 |
| Common Shares Outstanding | 13,361,482 | 13,361,482 | 13,213,280 | 11,533,721 | 11,533,171 |
| Book Value per Common Share | $ 20.77 | $ 20.14 | $ 19.68 | $ 18.46 | $ 18.26 |
| Tangible Book Value per Common Share | $ 16.60 | $ 15.86 | $ 15.34 | $ 15.30 | $ 15.07 |
| Common Equity to Total Assets | 12.88% | 12.81% | 12.41% | 12.69% | 12.77% |
| Tangible Common Equity to Tangible Assets | 10.57% | 10.37% | 9.95% | 10.75% | 10.78% |

**Business First Bancshares, Inc.**
**Non-GAAP Measures**
**(Unaudited)**

| (Dollars in thousands, except per share data) | Quarter Ended | | | | | Six Months Ended | |
|---|---|---|---|---|---|---|---|
| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| **Core Net Income** | | | | | | | |
| Net Income | $ 6,843 | $ 5,659 | $ 3,445 | $ 3,900 | $ 3,638 | $ 12,502 | $ 6,746 |
| Adjustments: (1) | | | | | | | |
| Income | | | | | | | |
| Sale of Impaired Credit | (91) | - | (87) | - | - | (91) | - |
| Tax Impact | 19 | - | 18 | - | - | 19 | - |
| (Gains) Losses on Former Bank Premises and Equipment | - | - | (494) | 139 | - | - | - |
| Tax Impact | - | - | 104 | (29) | - | - | - |
| (Gains) Losses on Sale of Securities | (58) | - | (7) | - | - | (58) | - |
| Tax Impact | 12 | - | 1 | - | - | 12 | - |
| (Gains) Losses on Sale of Banking Center | (593) | - | - | - | - | (593) | - |
| Tax Impact | 125 | - | - | - | - | 125 | - |
| Expense | | | | | | | |
| Employee Share Awards – NASDAQ Listing | - | - | - | - | 118 | - | 118 |
| Tax Impact | - | - | - | - | (25) | - | (25) |
| Acquisition-Related Expenses | 436 | (50) | 2,132 | 509 | 415 | 386 | 927 |
| Tax Impact | (91) | 16 | (410) | (90) | (68) | (75) | (123) |
| **Core Net Income** | $ 6,602 | $ 5,625 | $ 4,702 | $ 4,429 | $ 4,078 | $ 12,227 | $ 7,643 |
| Average Common Shares Outstanding | 13,361,482 | 13,287,560 | 12,099,659 | 11,533,374 | 10,607,369 | 13,324,725 | 10,421,185 |
| Average Diluted Shares Outstanding | 13,740,937 | 13,653,125 | 12,521,017 | 11,993,734 | 11,064,638 | 13,704,180 | 10,878,454 |
| Earnings per Share - Basic | $ 0.51 | $ 0.43 | $ 0.28 | $ 0.34 | $ 0.34 | $ 0.94 | $ 0.65 |
| Earnings per Share - Diluted | $ 0.50 | $ 0.41 | $ 0.28 | $ 0.33 | $ 0.33 | $ 0.91 | $ 0.62 |
| Core Earnings per Share – Basic | $ 0.49 | $ 0.42 | $ 0.39 | $ 0.38 | $ 0.38 | $ 0.92 | $ 0.73 |
| Core Earnings per Share – Diluted | $ 0.48 | $ 0.41 | $ 0.38 | $ 0.37 | $ 0.37 | $ 0.89 | $ 0.70 |
| Total Quarterly/Year-to-Date Average Assets | $ 2,102,692 | $ 2,075,683 | $ 1,827,598 | $ 1,666,117 | $ 1,624,195 | $ 2,089,188 | $ 1,619,474 |
| Total Quarterly/Year-to-Date Average Equity | $ 270,262 | $ 262,681 | $ 228,496 | $ 211,631 | $ 187,764 | $ 266,493 | $ 183,455 |
| Return on Average Assets | 1.30% | 1.09% | 0.75% | 0.94% | 0.90% | 1.20% | 0.83% |
| Return on Average Equity | 10.13% | 8.62% | 6.03% | 7.37% | 7.75% | 9.38% | 7.35% |
| Core Return on Average Assets | 1.26% | 1.08% | 1.03% | 1.06% | 1.00% | 1.17% | 0.94% |
| Core Return on Average Equity | 9.77% | 8.57% | 8.23% | 8.37% | 8.69% | 9.18% | 8.33% |
| **Core Efficiency Ratio** | | | | | | | |
| Noninterest Expense | 14,577 | 13,790 | 14,409 | 11,870 | 12,025 | 28,367 | 23,969 |
| Core Adjustments | (436) | 50 | (2,132) | (509) | (533) | (386) | (1,045) |
| Net Interest and Noninterest Income (2) | 24,354 | 21,431 | 19,601 | 17,183 | 16,982 | 45,785 | 33,217 |
| Core Adjustments | (684) | - | (581) | 139 | - | (684) | - |
| **Core Efficiency Ratio** | 59.74% | 64.58% | 64.55% | 65.59% | 67.67% | 62.04% | 69.01% |
| **Net Interest Income** | | | | | | | |
| Net Interest Income | $ 20,193 | $ 19,120 | $ 17,117 | $ 15,636 | $ 14,976 | $ 39,313 | $ 29,476 |
| Adjustments: | | | | | | | |
| Discount Accretion | (826) | (432) | (283) | (268) | (342) | (1,258) | (727) |
| Net Interest Income Excluding Loan Discount Accretion | $ 19,367 | $ 18,688 | $ 16,834 | $ 15,368 | $ 14,634 | $ 38,055 | $ 28,749 |
| Total Average Interest-Earnings Assets | $ 1,929,035 | $ 1,904,870 | $ 1,681,240 | $ 1,543,820 | $ 1,505,289 | $ 1,914,386 | $ 1,483,087 |
| **Net Interest Margin Excluding Loan Discount Accretion (3)** | 4.02% | 3.92% | 4.01% | 3.98% | 3.89% | 3.98% | 3.88% |
| **Net Interest Spread Excluding Loan Discount Accretion** | 3.58% | 3.52% | 3.63% | 3.63% | 3.61% | 3.56% | 3.63% |

(1) Tax rates, exclusive of certain nondeductible acquisition-related expenses, utilized were 21% for 2019 and 2018. These rates approximated the marginal tax rates.
(2) Excludes gains/losses on sales of securities.
(3) Calculated utilizing a 30/360 day count convention.