

## Bank Officers

### Executive Officers

Alton B. Lewis, Jr.\*  
*President and CEO*  
*Guaranty Square*

Eric J. Dosch\*  
*Chief Financial Officer*  
*Guaranty Square*

### Senior Vice Presidents

Glenn A. Duhon, Sr.  
*Regional Manager*  
*Abbeville*

Thomas F. Brothers  
*Director of Internal Audit*

Ronald R. Foshee  
*Regional Manager*  
*Denham Springs*

Michael F. Lofaso  
*Regional Manager*  
*Ponchatoula*

J. Douglas Sanders  
*Area President*  
*Dallas / Fort Worth / Waco*

Desiree B. Simmons  
*Loan Administration, Marketing*  
*& Training*

Evan M. Singer  
*Regional Manager / BSA Officer*  
*Greensburg*

J. Richard Stark  
*Operations*

Christy L. Wells  
*Regional Manager*  
*Hammond*

### Vice Presidents

Charles L. Baggs  
Ashley N. Bell  
Brenda A. Briscoe  
Cheryl Q. Brumfield  
Kimberly D. Camaille  
Colleen B. Ebarb  
Ronald W. Edmonds  
Denise D. Fletcher  
Hector I. Garcia, CIO  
Santana S. Gilreath  
Adam J. Johnston  
Dianne E. Keen  
Mikki M. Kelley  
Bernadette Z. Kemp  
Michael A. Mosbey  
Ronald C. Pittman  
Scott B. Schilling  
Brittany D. Shaw  
Lisa K. Stoker  
Sherri E. Tomchesson  
Randy S. Vicknair, CCO  
Michael A. Wiggins

### Controller

Eric M. Fuller

### Assistant Vice Presidents

James M. Baxter  
Darrell D. Bruchhaus  
C. Graham Crump  
Lance S. Davis  
Teri L. Duncan  
Harrison P. Gill  
Ludrick P. Hidalgo  
Leslie A. Hinzman  
Shirley P. Jones  
JoEllen K. Juhasz  
Keith T. Klein  
Michael D. Knighten  
Tracy D. Perry  
Craig E. Scelfo  
Karen L. Songer  
John A. Synco  
D. Lynn Talley  
Kristina E. Terry

### Officers

Rebecca G. Brown  
Kenneth M. Byrd  
Laurn H. Coburn  
Vanessa R. Drew  
Jeannette N. Ernst  
Victor M. Garcia  
Diane Patterson  
Kristin M. Williams

## Banking Center Locations

### Full-Service Banking Centers

#### South Louisiana

Abbeville Banking Center  
Amite Banking Center  
Denham Springs  
Banking Center  
Greensburg Banking Center  
Hammond Banking Centers:  
First Guaranty Square  
Guaranty West  
Independence Banking Center  
Jennings Banking Center  
Kentwood Banking Center:  
Kentwood  
Kentwood West  
Montpelier Banking Center  
Ponchatoula Banking Centers:  
Ponchatoula  
Berryland  
Walker Banking Center  
Watson Banking Center

#### North Louisiana

Benton Banking Center  
Dubach Banking Center  
Haynesville Banking Center  
Homer Banking Center  
Oil City Banking Center  
Vivian Banking Center

#### Texas

Denton Banking Center  
Fort Worth Banking Center  
Garland Banking Center  
Shirley P. Jones  
McKinney Banking Center  
Waco Banking Center

### Service24 ATM Locations

#### North Louisiana

Benton  
189 Burt Boulevard  
Dubach  
117 East Hico Street  
Haynesville  
10065 Highway 79  
Homer  
401 North 2nd Street  
(Homer Memorial Hospital)  
Oil City  
126 South Highway 1  
Vivian  
102 East Louisiana Ave.

### Service24 ATM Locations

#### South Louisiana

Abbeville  
799 West Summers Drive  
Amite  
100 East Oak Street  
1014 West Oak Street  
Bossier City (Coming Soon)  
4221 Airline Drive  
Denham Springs  
2231 South Range Avenue  
Greensburg  
6151 Highway 10  
Hammond  
1201 West University Avenue  
2111 West Thomas Street  
400 East Thomas Street  
4 Medical Center Drive  
(North Oaks Medical Center)  
1900 S. Morrison Boulevard  
(North Oaks Rehabilitation Center)

#### Independence

455 West Railroad Ave.

#### Jennings

500 North Cary

#### Kentwood

723 Avenue G

#### Livingston

17199 Spring Ranch Road  
(Livingston Parish Medical Ctr.)

#### Loranger

19518 Hwy 40

#### Montpelier

35651 Highway 16

#### Ponchatoula

105 Berryland  
500 West Pine Street

#### Robert

22628 Highway 190

#### Walker

29815 Walker Rd. S

#### Watson

33818 Highway 16

### Service24 ATM Locations

#### Texas

McKinney  
8951 Synergy Drive #100  
Waco  
7600 Woodway Drive



**FIRST GUARANTY BANCSHARES, INC.**

Post Office Box 2009  
Hammond, Louisiana 70404-2009

PRESORTED  
FIRST-CLASS MAIL  
U.S. POSTAGE PAID  
BATON ROUGE, LA  
PERMIT NO. 984



# 2nd Quarter Report



**FIRST GUARANTY BANCSHARES, INC.**

[www.fgb.net](http://www.fgb.net)

\*Officers of First Guaranty Bancshares, Inc. and First Guaranty Bank.

## A Message to Our Shareholders

Dear Shareholders,

The second quarter of 2017 brought continued progress toward a fortress balance sheet and new excitement to First Guaranty Bancshares, Inc.

With our June 30, 2017 dividend, we marked 96 consecutive quarters of dividend payment, a total of 24 years of continuous dividends.

In May of 2017, we received approval of our acquisition and merger of Premier Bancshares, Inc. of McKinney, Texas and its wholly owned subsidiary Synergy Bank of McKinney, Texas. On June 16, 2017 that transaction was officially closed. The 5 branches of Synergy Bank located in McKinney, Texas, Garland, Texas, Denton, Texas, Fort Worth, Texas, and Waco, Texas, all opened on June 19, 2017 as First Guaranty Bank branches. This acquisition and merger pushed the total assets of First Guaranty Bancshares, Inc. to \$1,724,923,000 and the total stockholders' equity to \$140,272,000. Loans totaled \$1,114,784,000.

Supported by our loan growth, earnings continued to be strong. As of June 30, loan interest income year to date totaled \$25,026,000 compared to a year to date loan interest income as of June 30, 2016 of \$22,107,000. Despite the pressures of rising deposit interest rates, net interest income after provisions for loan losses increased to \$23,473,000 for year to date compared to \$22,327,000 as of June 30, 2016. Prior to expenses related to the merger and acquisition, core income for the first six months of 2017 exceeded core income for the same period of 2016, \$5,949,000 to \$5,872,000. Income available to shareholders for the first six months was down to \$6,183,000 from \$7,552,000 due to the merger and acquisition expenses and additional income in 2016 of \$1,651,000 in securities gains. The vital fact is that our core income has increased despite the interest rate compression.

As we assimilate the assets of Premier Bancshares, Inc. over the next few months, we expect our strong earnings performance to continue.

We appreciate the great effort and tremendous job that everyone in the First Guaranty Bancshares, Inc. organization has done to successfully complete the acquisition and merger and to make the first six months of 2017 a great success. We will all work together to continue to enhance shareholder value and to make First Guaranty a positive experience for our customers, shareholders, team members, and communities.

Thank you for your continued support.

Sincerely,



Alton B. Lewis  
President/Chief Executive Officer  
First Guaranty Bancshares, Inc.  
NASDAQ Symbol: FGBI

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We're Social



## Consolidated Statements of Condition

(in thousands, except share data)

	June 30,	
	2017	2016
	(unaudited)	
<b>Assets</b>		
Cash and cash equivalents:		
Cash and due from banks	\$29,129	\$18,236
Federal funds sold	1,669	274
Cash and cash equivalents	30,798	18,510
Investment securities:		
Available for sale, at fair value	424,735	407,824
Held to maturity, at cost (estimated fair value of \$94,605 and \$108,844, respectively)	95,903	107,443
Investment securities	520,638	515,267
Federal Home Loan Bank stock, at cost	2,336	1,305
Loans held for sale	1,655	123
Loans, net of unearned income	1,114,784	896,384
Less: allowance for loan losses	11,578	9,857
Net loans	1,103,206	886,527
Premises and equipment, net	35,912	21,743
Goodwill	4,056	1,999
Intangible assets, net	4,702	1,223
Other real estate, net	734	1,126
Accrued interest receivable	7,257	5,798
Other assets	13,629	7,115
<b>Total Assets</b>	<b>\$1,724,923</b>	<b>\$1,460,736</b>
<b>Liabilities and Shareholders' Equity</b>		
Deposits:		
Noninterest-bearing demand	\$262,876	\$212,909
Interest-bearing demand	577,797	423,772
Savings	104,603	88,491
Time	595,375	554,817
Total deposits	1,540,651	1,279,989
Short-term borrowings	-	9,000
Accrued interest payable	2,065	2,148
Senior long-term debt	24,242	24,277
Junior subordinated debentures	14,647	14,613
Other liabilities	3,046	3,295
<b>Total Liabilities</b>	<b>1,584,651</b>	<b>1,333,322</b>
<b>Shareholders' Equity</b>		
Common stock:		
\$1 par value - authorized 100,600,000 shares; issued 8,007,182 and 7,609,194 shares	8,007	7,609
Surplus	71,836	61,584
Retained earnings	62,840	55,049
Accumulated other comprehensive income (loss)	(2,411)	3,172
<b>Total Shareholders' Equity</b>	<b>140,272</b>	<b>127,414</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$1,724,923</b>	<b>\$1,460,736</b>

## Consolidated Statements of Income

(in thousands, except share, per share data and percentages)

	For the Three-Month Periods Ended June 30,	
	2017	2016
	(unaudited)	
<b>Interest Income:</b>		
Loans (including fees)	\$12,826	\$11,306
Deposits with other banks	41	14
Securities (including FHLB stock)	3,298	3,427
Federal funds sold	2	-
<b>Total Interest Income</b>	<b>16,167</b>	<b>14,747</b>
<b>Interest Expense:</b>		
Demand deposits	1,360	627
Savings deposits	50	17
Time deposits	1,591	1,507
Borrowings	374	365
<b>Total Interest Expense</b>	<b>3,375</b>	<b>2,516</b>
<b>Net Interest Income</b>	<b>12,792</b>	<b>12,231</b>
Less: Provision for loan losses	1,302	893
<b>Net Interest Income after Provision for Loan Losses</b>	<b>11,490</b>	<b>11,338</b>
<b>Noninterest Income:</b>		
Service charges, commissions and fees	571	609
ATM and debit card fees	493	471
Net gains on securities	404	2,231
Net gains on sale of loans	119	3
Other	410	327
<b>Total Noninterest Income</b>	<b>1,997</b>	<b>3,641</b>
<b>Noninterest Expense:</b>		
Salaries and employee benefits	4,593	4,144
Occupancy and equipment expense	1,077	999
Other	3,351	3,174
<b>Total Noninterest Expense</b>	<b>9,021</b>	<b>8,317</b>
<b>Income Before Income Taxes</b>	<b>4,466</b>	<b>6,662</b>
Less: Provision for income taxes	1,534	2,261
<b>Net Income</b>	<b>2,932</b>	<b>4,401</b>
<b>Per Common Share:</b>		
Earnings	\$0.38	\$0.58
Cash dividends paid	\$0.16	\$0.16
<b>Weighted Average Common Shares Outstanding</b>	<b>7,674,796</b>	<b>7,609,194</b>
<b>Return on Average Assets</b>	<b>0.74%</b>	<b>1.21%</b>
<b>Return on Average Common Equity</b>	<b>8.98%</b>	<b>14.14%</b>

## Consolidated Statements of Income

(in thousands, except share, per share data and percentages)

	For the Six-Month Periods Ended June 30,	
	2017	2016
	(unaudited)	
<b>Interest Income:</b>		
Loans (including fees)	\$25,026	\$22,107
Deposits with other banks	60	44
Securities (including FHLB stock)	6,701	7,016
Federal funds sold	2	-
<b>Total Interest Income</b>	<b>31,789</b>	<b>29,167</b>
<b>Interest Expense:</b>		
Demand deposits	2,442	1,241
Savings deposits	86	35
Time deposits	3,035	3,071
Borrowings	740	757
<b>Total Interest Expense</b>	<b>6,303</b>	<b>5,104</b>
<b>Net Interest Income</b>	<b>25,486</b>	<b>24,063</b>
Provision for loan losses	2,013	1,736
<b>Net Interest Income after Provision for Loan Losses</b>	<b>23,473</b>	<b>22,327</b>
<b>Noninterest Income:</b>		
Service charges, commissions and fees	1,133	1,266
ATM and debit card fees	967	915
Net gains on securities	934	2,585
Net gains on sale of loans	124	3
Other	795	706
<b>Total Noninterest Income</b>	<b>3,953</b>	<b>5,475</b>
<b>Noninterest Expense:</b>		
Salaries and employee benefits	9,419	8,241
Occupancy and equipment expense	2,108	1,971
Other	6,488	6,203
<b>Total Noninterest Expense</b>	<b>18,015</b>	<b>16,415</b>
<b>Income Before Income Taxes</b>	<b>9,411</b>	<b>11,387</b>
Less: Provision for income taxes	3,228	3,835
<b>Net Income</b>	<b>6,183</b>	<b>7,552</b>
<b>Per Common Share:</b>		
Earnings	\$0.81	\$0.99
Cash dividends paid	\$0.32	\$0.32
<b>Book Value Per Common Share</b>	<b>\$17.52</b>	<b>\$16.74</b>
<b>Weighted Average Common Shares Outstanding</b>	<b>7,642,176</b>	<b>7,609,194</b>
<b>Return on Average Assets</b>	<b>0.79%</b>	<b>1.03%</b>
<b>Return on Average Common Equity</b>	<b>9.70%</b>	<b>12.33%</b>