

American Gateway Financial Corporation (Port Allen, LA) has agreed to merge with Business First Bancshares, Inc. (Baton Rouge, LA)

Deal Value: Undisclosed

Sandler O'Neill served as financial advisor to American Gateway Financial Corporation and rendered a fairness opinion in connection with the transaction. This transaction is Sandler O'Neill's 140th bank or thrift transaction nationwide since January 1, 2011. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

Baton Rouge, Louisiana, July 24, 2014 – Business First Bancshares, Inc., the parent bank holding company of Business First Bank (collectively referred to as "Business First"), and American Gateway Financial Corporation, the parent bank holding company of American Gateway Bank (collectively referred to as "American Gateway"), both headquartered in the Baton Rouge area, jointly announced today that they have signed a definitive agreement providing for the merger of these institutions. Under the terms of the definitive agreement, American Gateway Financial Corporation will be merged with and into Business First Bancshares, Inc., followed by the merger of American Gateway Bank with and into Business First Bank. Following these transactions, the combined institution will continue to operate under the Business First brand.

"While we continue to focus on serving our growing roster of entrepreneurs and business owners, this partnership is the next step – a foundational step – toward our larger goal of being not only Louisiana's best business bank, but also the state's most impactful community bank," said Jude Melville, president and CEO of Business First Bank.

The merged institution is expected to be the largest community bank headquartered in Baton Rouge as measured by deposits and one of only a handful of community banks with statewide coverage. The combined company will operate 16 locations with over \$1 billion in assets, \$870 million in deposits, \$700 million in loans and \$100 million in equity. "We see a lot of synergies for our clients and employees in this partnership," said Don Ayres, president and CEO of American Gateway Bank. "We're very proud of our 106-year legacy and feel that Business First is the right partner with which to carry on that tradition of locally-focused, community-oriented service."

Business First and American Gateway plan to close the transaction during the fourth quarter of 2014. The transaction is subject to certain conditions, including approval by the shareholders of American Gateway Financial Corporation and customary regulatory approvals. The shares of Business First common stock to be issued to the shareholders of American Gateway in this transaction will be registered with the Securities and Exchange Commission ("SEC").

Financial Highlights

<i>(Dollars in millions)</i>	American Gateway	Business First
Total Assets	\$367	\$691
Net Loans	172	527
Total Deposits	264	598
Total Common Equity	43	74
Tang. Comm. Equity / Tang. Assets	11.83%	10.75%

¹) Includes bank or thrift transactions since 2011; excludes terminated transactions and self-advisory roles.

Note: Financial data as of June 30, 2014 for American Gateway and March 31, 2014 for Business First.

Source: SNL Financial.

Pro Forma Branch Map



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