



Third Coast Bancshares, Inc. and Heritage Bancorp, Inc.

Announce Merger of Equals

HOUSTON & PEARLAND, Texas--([BUSINESS WIRE](#))-- Third Coast Bancshares, Inc., the parent company of Third Coast Bank, SSB (together “Third Coast”), and Heritage Bancorp, Inc., the parent company of Heritage Bank (together “Heritage”), today jointly announced the signing of a definitive agreement under which the companies would combine in a merger of equals. Pursuant to the agreement, Heritage will merge with and into Third Coast and the combined company and bank will operate under the Third Coast name and brand following the closing of the transaction.

Heritage operates five locations, primarily in the Houston and San Antonio regions, with headquarters in Pearland, Texas. As of June 30, 2019, on a consolidated basis, Heritage reported total assets of \$290 million, total gross loans of \$251 million and total deposits of \$250 million.

Third Coast Chairman and Chief Executive Officer Bart Caraway stated, “We are thrilled to announce this merger of equals with Heritage. This transaction supplements the organic growth of our Houston footprint and complements our Texas branch network with a high-quality bank operating in attractive Texas markets. The combined bank will have a presence in three of the four major Texas metropolitan areas and pro forma total assets over \$1.1 billion. We believe that this is going to be an outstanding combination for our customers, employees and shareholders.”

“Our team is pleased to partner with an organization that shares our relationship-driven philosophy to community banking,” said Heritage President and Chief Executive Officer Dennis Bonnen. “Our customers and employees will continue to benefit from our commitment to exemplary customer service and investment in our communities. We believe our company will meaningfully contribute to the combined organization.” Mr. Bonnen will assume the role of Vice Chairman of Third Coast Bank post-merger.

The combined bank will have more than \$1.1 billion in assets with 12 branches and one loan production office in the greater Southeast Texas, North Texas and Central Texas markets. The transaction has been unanimously approved by the boards of directors of both companies and is currently expected to close during the fourth quarter of 2019. The transaction is subject to customary closing conditions, including approval by the shareholders of Heritage and regulatory approvals.

Stephens Inc. served as exclusive financial advisor for, and rendered a fairness opinion to, the board of directors of Third Coast and Norton Rose Fulbright US LLP served as legal counsel to

Third Coast. Hillworth Bank Partners rendered a fairness opinion to the board of directors of Heritage and Larry E. Temple, Esq. served as legal counsel to Heritage.

Forward-Looking Statements

This press release contains forward-looking statements. Words such as “anticipates,” “believes,” “expects,” “intends,” “plans,” “could,” “may,” “should,” “will” or other similar words and expressions are intended to identify these forward-looking statements. These forward-looking statements are based on Third Coast’s and Heritage’s current expectations and assumptions regarding Third Coast’s and Heritage’s businesses, the economy, and other future conditions. Because forward-looking statements relate to future results and occurrences, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Many possible events or factors could affect Third Coast’s and Heritage’s future financial results and performance and could cause actual results or performance to differ materially from anticipated results or performance. Third Coast and Heritage disclaim any obligation to update or revise any forward-looking statements contained in this press release, which speak only as of the date hereof, whether as a result of new information, future events, or otherwise, except as required by law.

No Offer or Solicitation

This press release does not constitute an offer to sell, a solicitation of an offer to sell, or the solicitation of an offer to buy any securities, nor will there be any 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 any such jurisdiction.

About Third Coast Bancshares, Inc.

Third Coast Bank SSB is a relationship oriented bank committed to personal service and community investment. Established in March of 2008 by a group of local organizers, Third Coast is locally owned with grassroots values and an entrepreneurial spirit. Third Coast offers an extensive array of loan and deposit products along with a complete line of financial services, including online and mobile banking, small business (SBA) loans, commercial loans, factoring, mortgage services, and treasury management services, as well as traditional retail banking services. Third Coast currently operates seven banking locations: Humble, Houston, Conroe, Beaumont, Port Arthur, Dallas and Plano. For more information, please visit www.tcbssb.com.

About Heritage Bancorp, Inc.

Heritage Bank was founded in 1985 in Detroit, Texas, with a mission of offering a high level of personalized banking services to businesses and members of the community. Heritage is a strong, professional institution with a firm foundation for success. Heritage provides its customers with a variety of commercial, real estate, agricultural, and consumer banking services.

Heritage Bank currently operates five banking locations in the Houston and San Antonio regions. For more information, please visit www.bankheritage.com.

Contacts

Third Coast:

John McWhorter
Executive Vice President and Chief Financial Officer
713-485-8318
jmcwhorter@tcbssb.com

Media:

Jenny Moss
Senior Vice President and Director of Marketing
713-485-8322
jmoss@tcbssb.com

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