

# RED RIVER BANCSHARES, INC.

**Investor Presentation**  
**September, 2020**  
**Nasdaq: RRBI**

LOUISIANA...TOGETHER,  
WE'VE GOT THIS.



**RED RIVER BANK**  
Made in Louisiana. Made for Louisiana.



**Made in Louisiana. Made for Louisiana.**

# Forward-Looking Statements and Non-GAAP Information

This presentation contains forward-looking statements that are based on various facts and derived utilizing numerous important assumptions and are subject to known and unknown risks, uncertainties, and other factors that may cause Red River Bancshares, Inc.'s (the "Company," "RRBI," "Red River," "we," or "our") actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business and growth strategy, projected plans and objectives, as well as projections of macroeconomic and industry trends, which are inherently unreliable due to the multiple factors that impact economic trends. Words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would," and "outlook," or the negative version of those words, or such other comparable words or phrases are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. These forward-looking statements are not historical facts, and are based on current expectations, estimates, and projections about the Company's industry, management's beliefs, and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond the Company's control. Accordingly, you are cautioned that any such forward-looking statements are not guarantees of future performance and are subject to certain risks, assumptions, and uncertainties that are difficult to predict. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Unless required by law, the Company also disclaims any obligation to update any forward-looking statements. Interested parties should not place undue reliance on any forward-looking statement and should carefully consider the risks and other factors that the Company faces. For a discussion of these risks and other factors, please see the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in the Company's most recent Annual Report on Form 10-K and any subsequent quarterly reports on Form 10-Q, and in other documents that we file with the Securities and Exchange Commission ("SEC") from time to time.

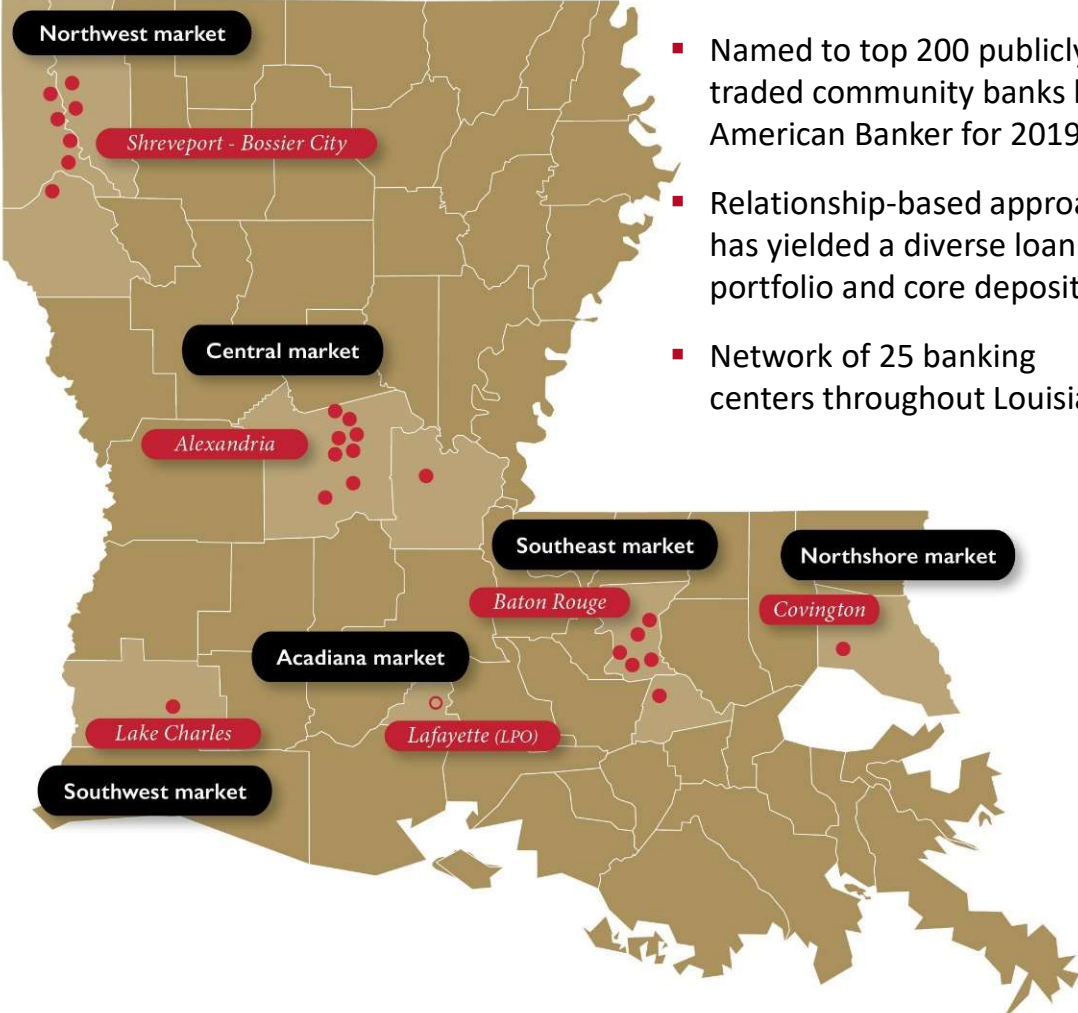
This presentation includes industry and trade association data, forecasts, and information that we have prepared based, in part, upon data, forecasts, and information obtained from independent trade associations, industry publications and surveys, government agencies, and other information publicly available to us, which information may be specific to particular markets or geographic locations. Some data is also based on our good faith estimates, which are derived from management's knowledge of the industry and independent sources. Industry publications, surveys, and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Statements as to our market position are based on market data currently available to us. Although we believe these sources are reliable, we have not independently verified the information. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors. Similarly, we believe our internal research is reliable, even though such research has not been verified by any independent sources.

This presentation contains non-GAAP financial measures, including tangible book value per share, tangible common equity to tangible assets, and PPP-adjusted metrics. The non-GAAP financial measures that we discuss in this presentation should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. A reconciliation of the non-GAAP financial measures used in this presentation to the most directly comparable GAAP measures is provided in the Appendix to this presentation.

# COMPANY OVERVIEW

# Company Overview

- Red River Bancshares, Inc. was established in 1998 in Alexandria, Louisiana; Red River Bank opened its doors in January 1999
- Completed IPO in May 2019
- Nasdaq: RRBI
- Ranked 28<sup>th</sup> of banks with \$1 - \$5 billion in assets as of December 31, 2019 (Bank Director Magazine Bank Performance Score Card)



- Named to top 200 publicly traded community banks by American Banker for 2019
- Relationship-based approach has yielded a diverse loan portfolio and core deposits
- Network of 25 banking centers throughout Louisiana

## Financial Highlights

*As of and for the Six Months Ended June 30, 2020  
(dollars in thousands, except per share data)*

<b>Assets</b>	<b>\$2,361,866</b>
<b>Loans Held for Investment</b>	<b>\$1,615,298</b>
<b>Deposits</b>	<b>\$2,069,322</b>
<b>Stockholders' Equity</b>	<b>\$271,117</b>
<b>Tangible Common Equity<sup>1</sup></b>	<b>\$269,571</b>
<b>Stockholders' Equity / Assets</b>	<b>11.48%</b>
<b>Tangible Common Equity / Tangible Assets<sup>1</sup></b>	<b>11.42%</b>
<b>Leverage Ratio</b>	<b>11.52%</b>
<b>Total Risk-Based Capital Ratio</b>	<b>18.22%</b>
<b>Nonperforming Assets / Assets</b>	<b>0.18%</b>
<b>Net Charge-offs / Average Loans</b>	<b>0.07%</b>
<b>Net Income</b>	<b>\$13,599</b>
<b>Return on Average Assets</b>	<b>1.27%</b>
<b>Return on Average Equity</b>	<b>10.41%</b>
<b>Net Interest Margin Fully Tax Equivalent (FTE)</b>	<b>3.26%</b>
<b>Efficiency Ratio</b>	<b>56.93%</b>
<b>Earnings Per Share (Diluted)</b>	<b>\$1.85</b>
<b>Book Value Per Share</b>	<b>\$37.03</b>
<b>Tangible Book Value Per Share<sup>1</sup></b>	<b>\$36.81</b>
<b>Cash Dividends Per Share</b>	<b>\$0.12</b>
<b>Market Capitalization</b>	<b>\$321,386</b>

<sup>1</sup>Non-GAAP measure. See "Forward-Looking Statements and Non-GAAP Information" on slide 2 and "Non-GAAP Reconciliation" slides in the Appendix for additional information.

# Company Strengths

- Consistent financial results and steady growth
- Conservative credit culture with solid asset quality
- Stable, low cost core deposit base
- Management and directors own 23.7% of outstanding stock as of August 31, 2020, and are aligned with shareholder interest of building share value
- Continuity of leadership - four of our top executives are part of the founding management team
- Efficient franchise with 25 banking centers - efficiency ratio of 56.93% for the six months ended June 30, 2020
- Focused on Louisiana markets that offer growth opportunity and loan diversification
- Successfully implemented Small Business Administration's (SBA) Paycheck Protection Program (PPP) and originated \$199.0 million of PPP loans
- Proven ability to grow organically
- Disciplined acquisition strategy – successfully integrated two acquisitions and positioned to capitalize on future opportunities
- Strong capital and liquidity positions

# Guiding Principles

## ■ CONSERVATIVE CREDIT CULTURE

- Our founding management team developed the initial credit culture, predicated upon conservative underwriting principles carried over from regional bank experience. This same team has overseen the implementation, and periodic adjustment, of these core lending tenets over our 21-year history.

## ■ EXPERIENCED BANKERS

- In addition to a cohesive, long-tenured executive management team, we enjoy the benefits of an experienced group of client-facing bankers, which has resulted in steady, diversified, organic loan growth, combined with excellent asset quality metrics.

## ■ “FOOTPRINT” LENDING

- Borrowers and markets are known by our bankers.
- We have a low level of participations purchased and shared national credits. Our portfolio is further characterized by modest hold limits, strong oversight, and rapid response to problem loan resolution.

## ■ CONSISTENT LENDING STANDARDS

- Fundamental goals continue to include prudent growth, broad diversification, and high quality performance. Underwriting standards remain consistent regardless of economic conditions.

## ■ RELATIONSHIP-DRIVEN CLIENT FOCUS

- Our relationship-driven client focus, and consistent lending philosophy results in loyal loan customers who also provide stable core deposits.

# Leadership Team



**R. Blake Chatelain**

- President, Chief Executive Officer and Director
- Founding management
- Previously Executive Vice President of Rapides Bank & Trust Company, a subsidiary of First Commerce Corporation
- Member of Louisiana State University Board of Supervisors from 2008 - 2020
- B.S. in Finance from Louisiana State University



**Isabel V. Carriere, CPA and CGMA**

- Executive Vice President, Chief Financial Officer and Assistant Secretary
- Founding management
- Previously Manager of Financial Planning department at Whitney National Bank, in the Financial Planning and Financial Reporting departments of First Commerce Corporation, and audited depository organizations and their holding companies with KPMG
- B.S. in Management from Tulane University



**Bryon C. Salazar**

- Executive Vice President – Chief Lending Officer
- Founding management
- Previously Commercial Banker at Rapides Bank & Trust Company
- Chairman of the Board of Trustees of Rapides Regional Medical Center
- Director of the Louisiana Banker’s Association
- B.S. in Finance from Louisiana State University



**Tammi R. Salazar**

- Executive Vice President – Private Banking, Mortgage and Investments
- Founding management
- Previously Vice President of Rapides Bank & Trust Company
- Director of the Rapides Children’s Advocacy Network and River Oaks Art Center
- B.S. in Finance from Louisiana Tech University



**Amanda W. Barnett, JD**

- Senior Vice President, General Counsel and Corporate Secretary
- Joined Red River Bank in 2010
- Previously with Gold, Weems, Bruser, Sues & Rundell in Alexandria, LA
- Immediate Past President of the Louisiana Bar Foundation and a past Chairman of the Bank Counsel Committee of the Louisiana Bankers Association
- B.A. in English Literature from Tulane University and J.D. from Louisiana State University



**G. Bridges Hall, IV**

- Northwest Market President
- Previously Credit Department Manager (Dallas) at Hibernia National Bank
- Joined Red River Bank in 2006



**David K. Thompson**

- Southeast Market President
- Previously Baton Rouge Commercial Group Lender at IBERIABANK
- Joined Red River Bank in 2015



**Harold W. Turner**

- Director (Red River Bank), Executive Vice President and Chief Corporate Development Officer
- Previously Executive Vice President and Regional Chairman (Northern Region) at Hibernia National Bank
- Joined Red River Bank in 2006



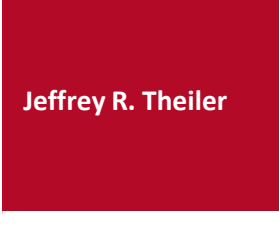
**Debbie B. Triche**

- Senior Vice President and Retail Administrator
- Previously Vice President and Retail Branch Manager at Rapides Bank & Trust Company
- Joined Red River Bank in 2000



**Andrew B. Cutrer**

- Senior Vice President and Director of Human Resources
- Previously Director of Human Resources at Bunkie General Hospital
- Joined Red River Bank in 2001

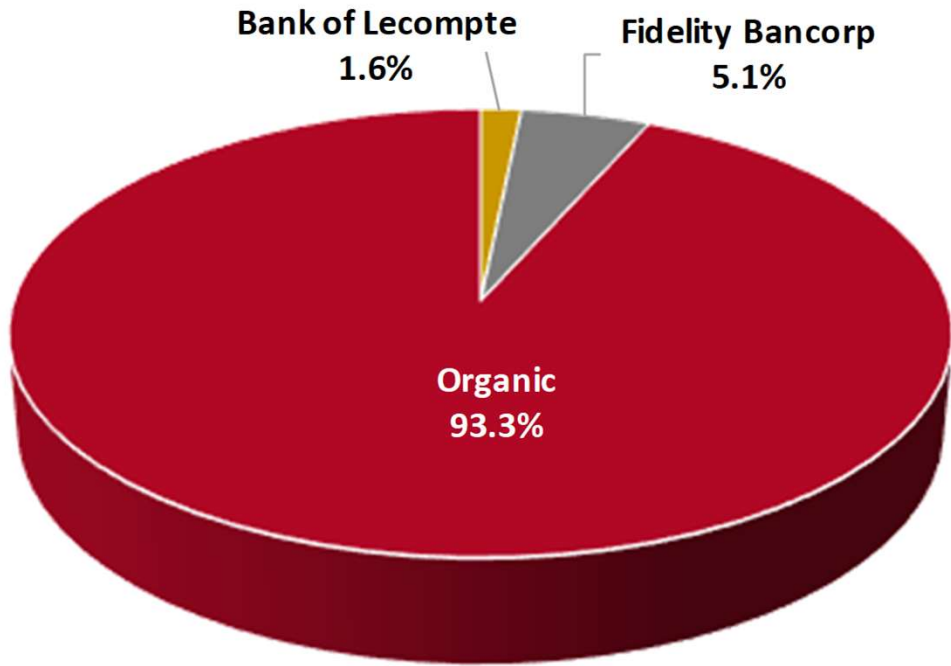


**Jeffrey R. Theiler**

- Senior Vice President and Chief Operations Officer
- Previously Chief Information Security Officer at Hancock Whitney Bank
- Joined Red River Bank in 2015

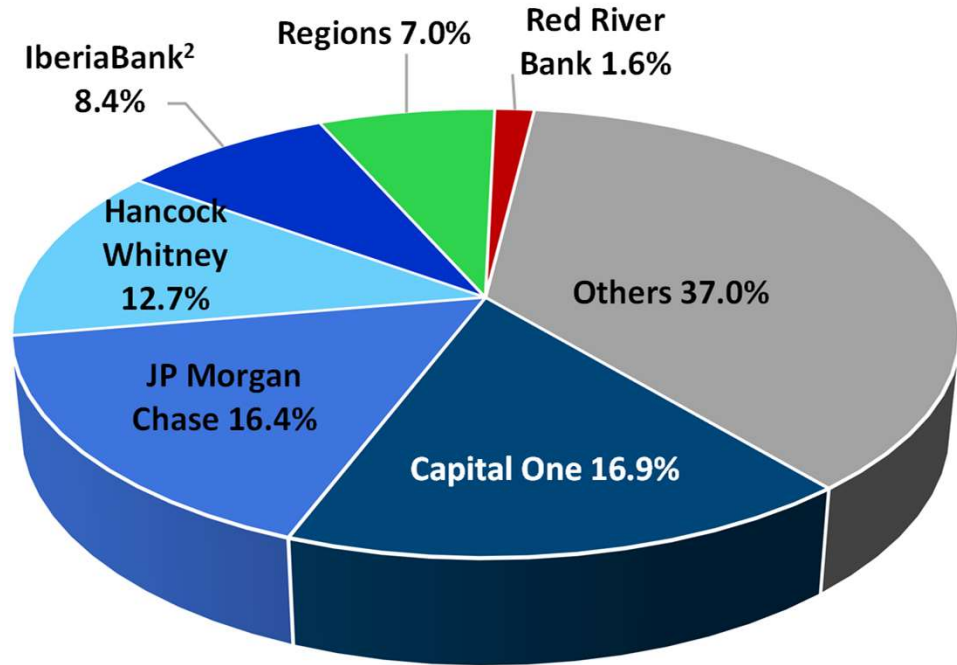
# Growth and Competitive Landscape

**Historical Asset Growth Method**



- Primarily organic growth
- Selective, strategic acquisitions (2003, 2013)

**Deposits in Louisiana<sup>1</sup>**  
As of June 30, 2019  
\$106.47 billion



- Red River Bank has 1.6% of Louisiana deposits (as of June 30, 2019)
- One-third of deposits in the state are held by large national banks, which are reducing their Louisiana banking center network

<sup>1</sup>Source: FDIC, Deposits as of June 30, 2019.

<sup>2</sup>IberiaBank merged with First Horizon Bank, headquartered in Memphis, TN, in July 2020.



# Louisiana Market Overview

## Central

- Includes Rapides and Avoyelles Parishes; part of the Alexandria Metropolitan Statistical Area (MSA)
- Population: 169,792
- Major employers in the area include: Procter & Gamble, Crest Industries, Union Tank Car, and Cleco

## Northwest

- Includes Caddo, Bossier, and DeSoto Parishes; part of the Shreveport-Bossier City MSA
- Population: 394,706
- Economic drivers include gaming, manufacturing, healthcare, military, and information technology
- Located on the Haynesville Shale formation

## Southeast

- Includes East Baton Rouge and Ascension Parishes; part of the Baton Rouge MSA
- Population: 566,663
- As the state capital and home to Louisiana State University, the state government is the largest employer in Baton Rouge; other significant industries include the industrial construction and petrochemical sectors

## Southwest

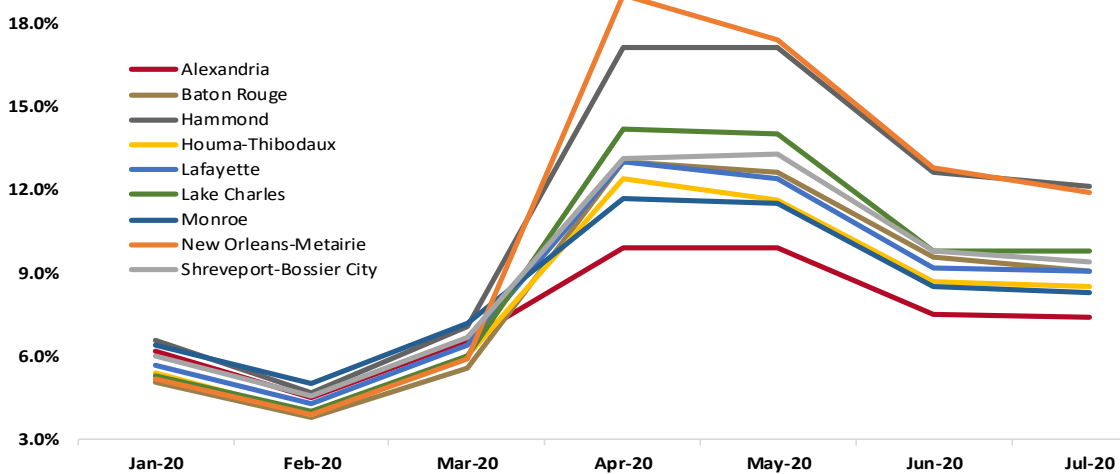
- Consists of Calcasieu Parish; part of the Lake Charles MSA
- Population: 202,445
- The Lake Charles market has had the highest growth rate of any MSA in the country over the last 5 years
- Gaming, petrochemicals, and aircraft repair are the main drivers of the economy

## Northshore

- Consists of St. Tammany Parish; part of the New Orleans–Metairie MSA
- Population: 260,419
- “Bedroom community” of New Orleans

Deposit Market Share As of June 30, 2019						
Red River Bank Markets	1 <sup>st</sup> Banking Center Opened	Deposits (\$M)	Banking Centers	Market Rank	Deposit Market Share	Increase Since 2018
Central	1999	\$1,018.4	9	1 <sup>st</sup>	35.2%	2.5%
Northwest	2006	\$343.4	7	8 <sup>th</sup>	4.6%	6.6%
Southeast	2013	\$296.0	6	8 <sup>th</sup>	1.7%	13.7%
Southwest	2018	\$8.1	2	17 <sup>th</sup>	0.2%	523.1%
Northshore	2019	N/A	1	N/A	N/A	N/A
Louisiana	1999	\$1,665.9	25	9 <sup>th</sup>	1.6%	5.6%

## Unemployment Rates by Louisiana MSA



Source: The Louisiana Economic Outlook: 2020 and 2021; U.S. Census Bureau population estimates for 2019; FDIC, Summary Deposits as of June 30, 2019, and Louisiana Workforce Commission

# Recent Expansion Highlights



- 1Q19 - Completed expansion of a new market headquarters building in Baton Rouge, Louisiana (Southeast market)
- 2Q19 - Opened a loan production office in Covington, Louisiana and hired an experienced banker, expanding Red River Bank to the Northshore of Lake Pontchartrain, part of the New Orleans-Metairie MSA (Northshore market)
- 3Q19 - Converted the Covington loan production office to a permanent, full-service banking center and market headquarters (Northshore market)
- 4Q19 - Purchased an existing banking center location in Sulphur, Louisiana (Southwest market)
- 1Q20 - Opened a new banking center in Sulphur, Louisiana (Southwest market)
- 3Q20 – Entered Acadiana market. Hired an experienced banker as Market President. Opened a new loan production office in the Lafayette, Louisiana MSA on September 17, 2020.

# Delivery Channels and Focus

## RETAIL BRANCH NETWORK

- 25 Banking Centers in 5 Louisiana markets
- 3Q20 opened a loan production office in Acadiana market
- 29 Commercial/Private Banking Officers
- 32 ATMs
- Average deposits per banking center<sup>1</sup> = \$82.8 million

## DIGITAL CHANNELS

- Online banking
- Mobile banking
- Personal Touch 24

## CASH MANAGEMENT

- Dedicated team of treasury management officers
- ACH, sweep, balance reporting, remote deposit capture, merchant services, positive pay, and reverse positive pay

## MORTGAGE AND BROKERAGE

- Robust mortgage operations
- Mortgage – YTD through June 30, 2020, closed 598 loans for \$138.5 million, resulting in \$2.8 million in revenue. YTD through June 30, 2019, closed 285 loans for \$54.1 million, resulting in \$1.2 million in revenue.
- Red River Investments Group converted our registered broker-dealer relationship to LPL Financial in the second quarter of 2020. Assets under management at June 30, 2020, totaled \$588.6 million.

<sup>1</sup>As of June 30, 2020

# BALANCE SHEET HIGHLIGHTS

# Basic, Conventional Balance Sheet

## Balance Sheet

As of June 30, 2020 (in thousands)

### Assets

Cash and cash equivalents	\$ 241,351
Securities available-for-sale	413,246
Loans held for investment (HFI)	1,615,298
Allowance for loan losses	(14,882)
Intangible assets	1,546
Premises and equipment, net	41,465
Other assets	63,842
<b>Total Assets</b>	<b>\$2,361,866</b>

### Liabilities

Noninterest-bearing deposits	\$ 858,397
Interest-bearing deposits	1,210,925
Total Deposits	2,069,322
Other liabilities	21,427
<b>Total Liabilities</b>	<b>\$2,090,749</b>

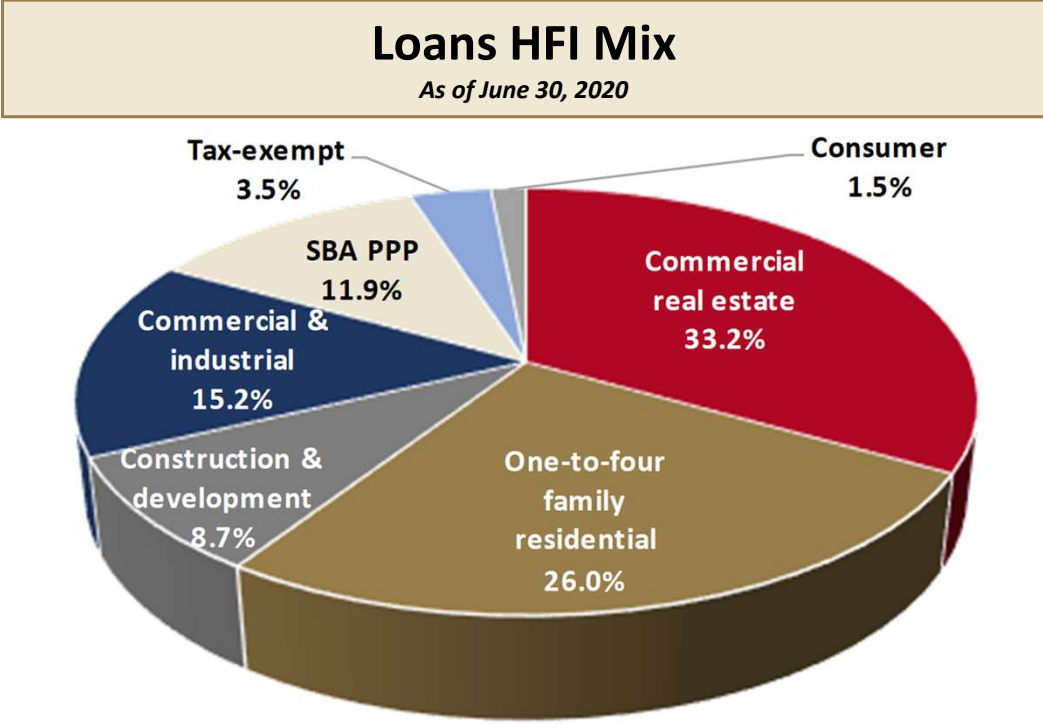
### Stockholders' Equity

Total Stockholders' Equity	271,117
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$2,361,866</b>

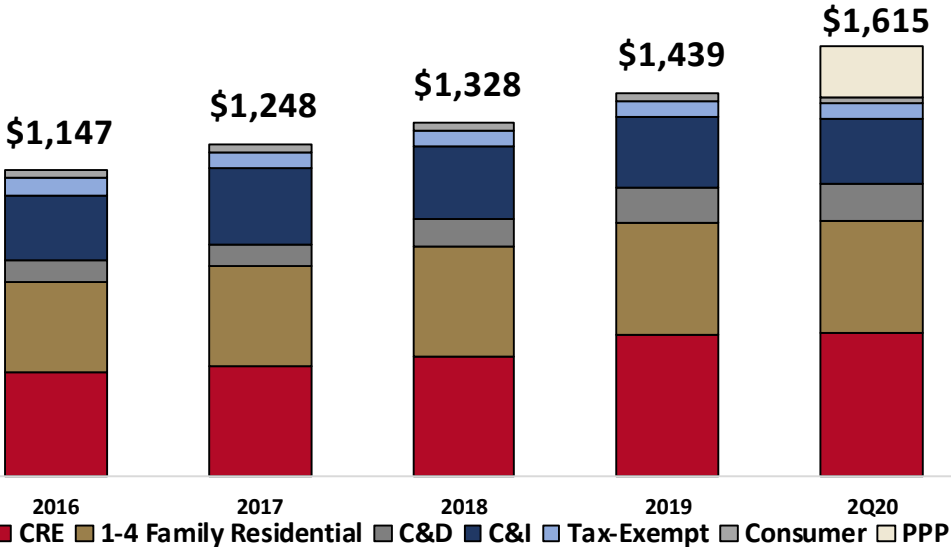
- Well capitalized with 11.52% leverage ratio
- \$3.0 million stock buyback plan announced on August 27, 2020
- Strong liquidity
- Noninterest-bearing DDAs/total deposits = 41.48%
- Loans HFI/Deposits = 78.06%
- No brokered deposits
- Conservative securities portfolio
  - 62% Mortgage-backed securities
  - 36% Municipal Bonds
  - 2% US Agencies
- No subordinated debt or other borrowings
- Minimal intangible assets
- Began paying quarterly dividends in the first quarter of 2020

# Loan Portfolio Composition

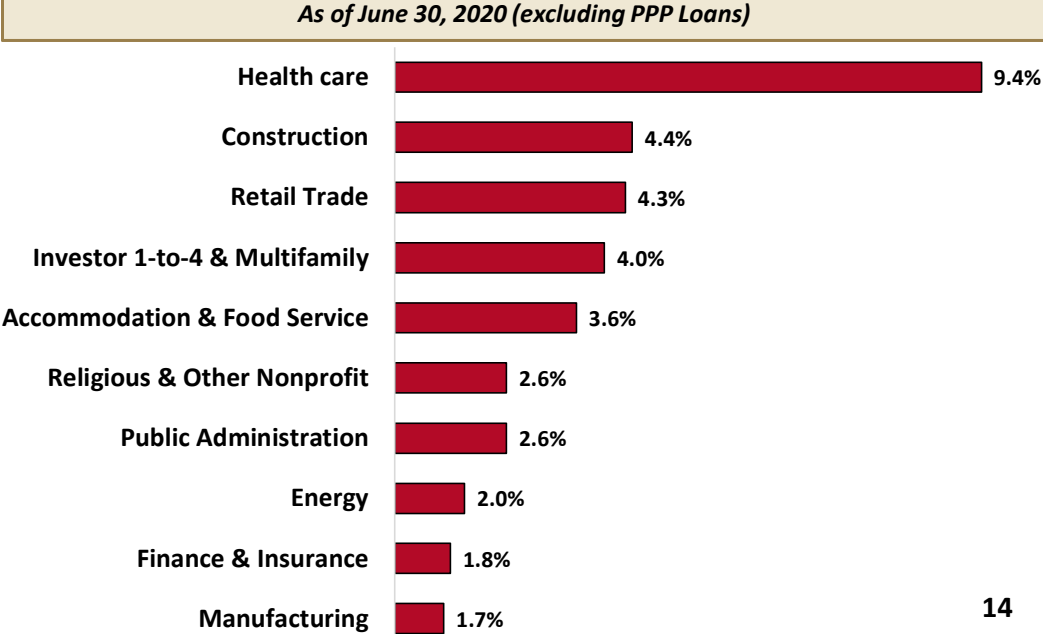
- Broad diversification by industry
- Highest industry concentration is in health care at 9.4% (excluding PPP loans)
- Low levels of commercial real estate (CRE) relative to state, regional, and national peers
- Concentration ratios as a % of risk based capital are well below bank regulatory guidelines:
  - Construction & Development Ratio: 55.7%
  - Commercial Real Estate Ratio: 147.5%



### Total Loans HFI (\$M)

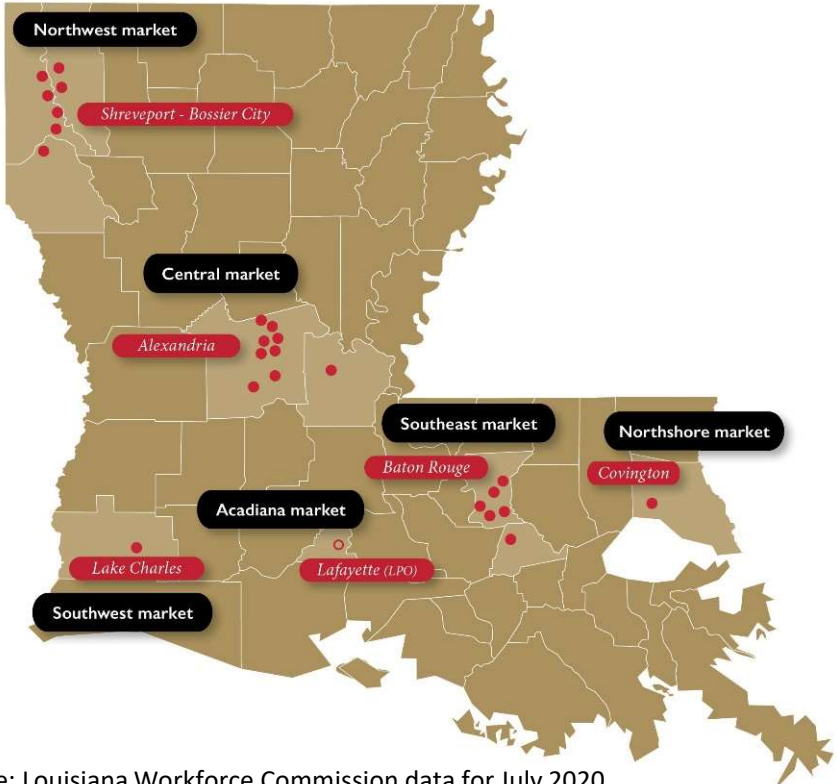


### Largest Industry Concentrations

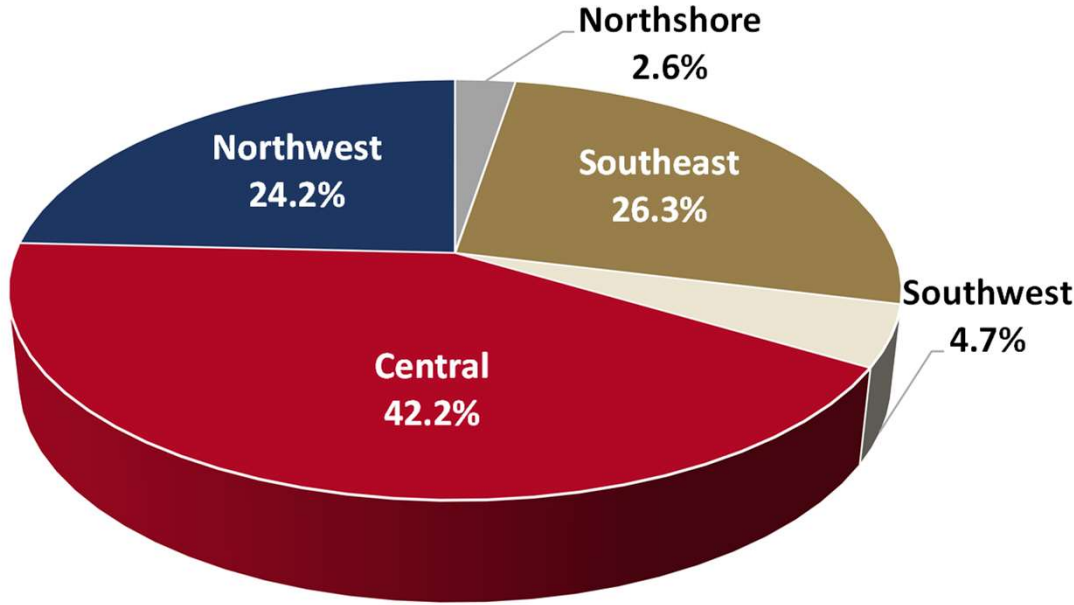


# Loans By Market

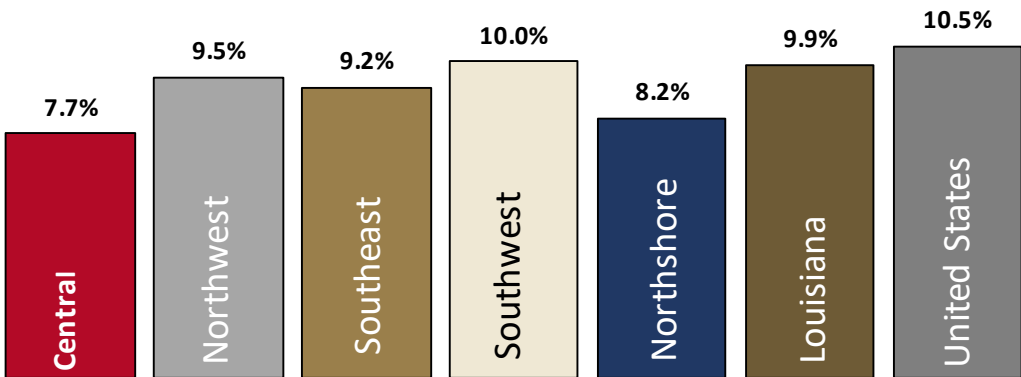
- Area of largest loan origination (Central market) has lowest unemployment of Louisiana's metro areas<sup>1</sup>
- Four of our five markets have unemployment rates below state average, and all five markets have unemployment rates below national average
- Little exposure to the tourism and energy driven areas of Louisiana



**Non-PPP Loans HFI originated by geographic market<sup>2</sup>**  
As of June 30, 2020



**Unemployment Rate (July 2020<sup>1</sup>)**



<sup>1</sup>Source: Louisiana Workforce Commission data for July 2020

<sup>2</sup>Non-GAAP measure. See "Forward-Looking Statements and Non-GAAP Information" on slide 2 and "Non-GAAP Reconciliation" slides in the Appendix for additional information.

# Asset Quality

<b>Asset Quality Metrics Remain Solid</b>		
	<b>As of and for the quarter ended</b>	
	<b>June 30, 2020</b>	<b>March 31, 2020</b>
Nonperforming assets to total assets	0.18%	0.30%
Allowance for loan losses to loans HFI	0.92%	0.99%
Allowance for loan losses to non-PPP loans HFI <sup>1</sup>	1.05%	0.99%
Net charge-offs to total average loans (QTD)	0.06%	0.00%

- Nonperforming Assets (NPAs) –June 30, 2020
  - NPAs ratio of 0.18% is the lowest since 2010
  - NPAs decreased due to the partial pay down and ultimate charge-off of a previously classified nonaccrual energy loan
- Allowance for loan losses (ALL) – June 30, 2020
  - ALL ratio (excluding PPP loans) increased to 1.05%<sup>1</sup>
  - Net charge-offs up due to charge-off of a previously classified nonaccrual energy loan
  - In 2Q20, increased provision due to expected economic pressures relating to COVID-19 pandemic
- Provision Expense
  - In 2Q20, assessed possible impact of the economic shutdown on our loan portfolio and increased the provision expense by \$1.0 million to \$1.5 million
  - Closely monitoring asset quality and will adjust the provision for loan losses as needed in the third and fourth quarters of 2020
- Post 2Q20 Update
  - Expect asset quality and provision expense to be consistent with 2Q20

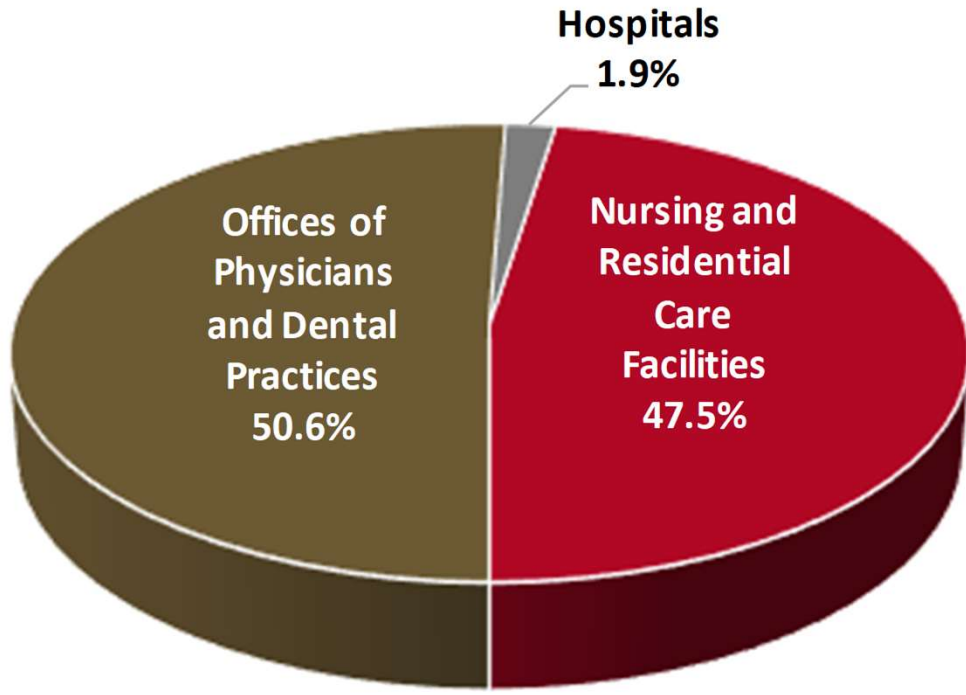
<sup>1</sup>Non-GAAP measure. See “Forward-Looking Statements and Non-GAAP Information” on slide 2 and “Non-GAAP Reconciliation” slides in the Appendix for additional information.



# Health Care Loans - 9.4% of Non-PPP Loans HFI<sup>1</sup>

- Largest industry concentration
- Average loan size = \$267,000
- No shared national credits, no real estate investment trusts, no assisted living facilities
- No health care credits on Watch List
- Health care deferral requests were minimal at 1.6% of non-PPP loans HFI<sup>1</sup> and concentrated with smaller independent physician and dental practices
  - Health care credits with active deferrals as of June 30, 2020, were \$3.7 million, or 0.3% of non-PPP loans HFI<sup>1</sup>
- Nursing care facilities operate under a certificate of need system in Louisiana

**Health Care Loans by Subtype**  
*As of June 30, 2020*

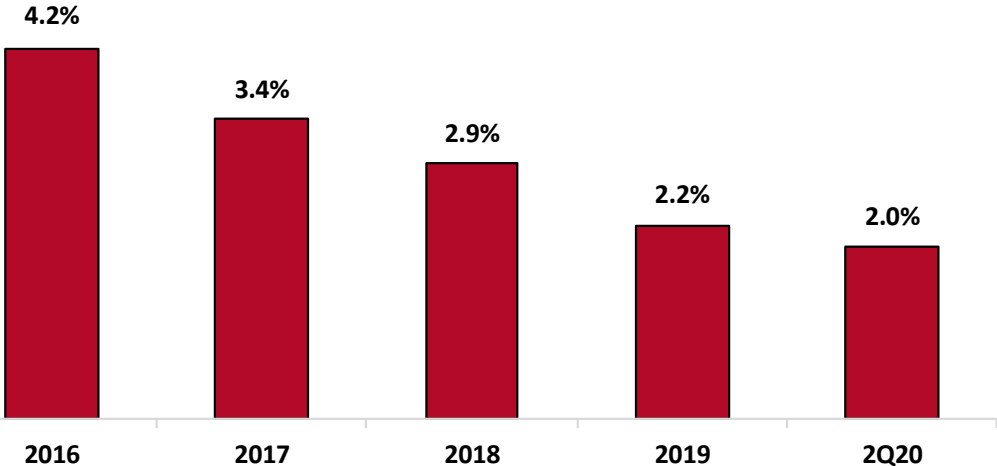


<sup>1</sup>Non-GAAP measure. See “Forward-Looking Statements and Non-GAAP Information” on slide 2 and “Non-GAAP Reconciliation” slides in the Appendix for additional information.

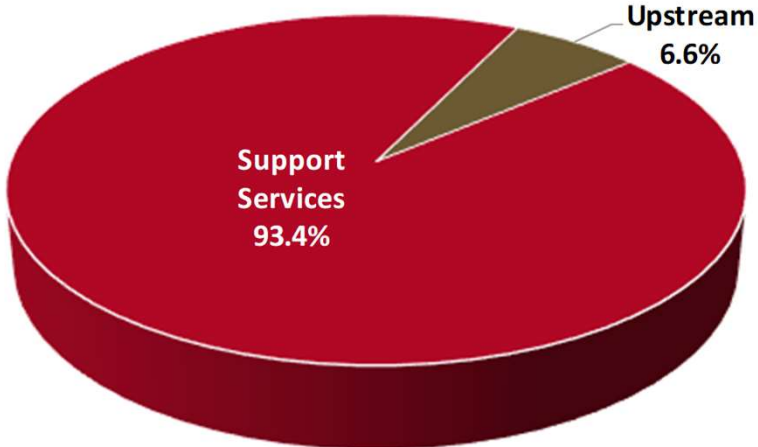
# Energy Loans - 2.0% of Non-PPP Loans HFI<sup>1</sup>

- As of June 30, 2020, the energy portfolio (EP) totaled \$28.0 million, or 2.0%, of non-PPP loans HFI<sup>1</sup>, down from a multi-year high of 4.2% in 2016
- Status
  - Performing = 95.0% or \$26.6 million
  - Nonperforming = 5.0% or \$1.4 million with none originated by Red River Bank
- Originated by
  - Red River Bank = 68.3% or \$19.1 million with \$5.0 million being criticized
  - Participations purchased or syndicated credits = 31.7% or \$8.9 million with \$7.0 million being criticized
  - Total charge-offs in the EP since 2016 were \$2.2 million
- No reserve-based lending

**Energy Loans/Total Non-PPP Loans HFI<sup>1</sup>**



**Energy Loans by Service Type**  
*As of June 30, 2020*



<sup>1</sup>Non-GAAP measure. See “Forward-Looking Statements and Non-GAAP Information” on slide 2 and “Non-GAAP Reconciliation” slides in the Appendix for additional information.

# Loan Categories Most Impacted by COVID-19

<i>(dollars in thousands)</i>	June 30, 2020			
	Loans		Loans with Active COVID-19 Payment Deferment	
	Percent of Non-PPP		Percent of Non-PPP	
	Amount	Loans HFI <sup>1</sup>	Amount	Loans HFI <sup>1</sup>
<b>By Industry:</b>				
Hospitality services:				
Hotels and other overnight lodging	\$ 25,330	1.8%	\$ 23,830	1.7%
Restaurants - full service	9,314	0.7%	2,010	0.1%
Restaurants - limited service	12,635	0.9%	51	- %
Other	3,642	0.2%	426	- %
Total hospitality services	<u>\$ 50,921</u>	<u>3.6%</u>	<u>\$ 26,317</u>	<u>1.8%</u>
Hospitality services average loan size	<u>\$ 359</u>			
Retail trade:				
Automobile dealers	\$ 36,696	2.6%	\$ 2,874	0.2%
Other retail	23,767	1.7%	1,377	0.1%
Total retail trade	<u>\$ 60,463</u>	<u>4.3%</u>	<u>\$ 4,251</u>	<u>0.3%</u>
Retail trade average loan size	<u>\$ 334</u>			
Energy	<u>\$ 27,952</u>	<u>2.0%</u>	<u>\$ 5,505</u>	<u>0.4%</u>
Energy average loan size	<u>\$ 717</u>			
Total sectors	<u>\$139,336</u>	<u>9.9%</u>	<u>\$ 36,073</u>	<u>2.5%</u>

- Hotel exposure
  - Only one property financed in the tourism-driven downtown New Orleans market
  - The remaining hotel properties in our portfolio are located throughout Louisiana in areas that are not primarily tourism-driven
  
- Restaurant exposure
  - Majority of restaurant credits in fast and quick service concepts
  - Not located in tourism-driven areas
  
- Loans collateralized by non-owner occupied properties leased to retail establishments totaled \$37.7 million, or 2.6% of non-PPP loans HFI<sup>1</sup>

<sup>1</sup>Non-GAAP measure. See "Forward-Looking Statements and Non-GAAP Information" on slide 2 and "Non-GAAP Reconciliation" slides in the Appendix for additional information.

# Loan Modifications Related to COVID-19

	Total Deferrals Granted Through Dates Indicated					
	March 31, 2020		April 30, 2020		June 30, 2020	
	Amount	Percent of Non-PPP Loans HFI <sup>1,2</sup>	Amount	Percent of Non-PPP Loans HFI <sup>1,2</sup>	Amount	Percent of Non-PPP Loans HFI <sup>1</sup>
<i>(dollars in thousands)</i>						
Principal and Interest	\$ 3,373	0.2%	\$ 64,187	4.4%	\$ 80,560	5.7%
Principal Only	109,979	7.6%	182,129	12.6%	191,591	13.4%
Total Deferrals	<u>\$ 113,352</u>	<u>7.8%</u>	<u>\$ 246,316</u>	<u>17.0%</u>	<u>\$ 272,151</u>	<u>19.1%</u>

- Implemented 90-day loan payment deferments in response to COVID-19 economic shutdowns
- As of June 30, 2020
  - Deferrals granted - \$272.2 million, 19.1% of non-PPP loans HFI<sup>1</sup>
  - Deferrals expired - \$119.4 million, 8.4% of non-PPP loans HFI<sup>1</sup>
  - Active deferrals- \$152.8 million, 10.7% of non-PPP loans HFI<sup>1</sup>
- As of August 31, 2020
  - Deferrals expired - \$248.8 million, 17.5% of non-PPP loans HFI<sup>1,3</sup>
  - Active deferrals - \$23.4 million, 1.6% of non-PPP loans HFI<sup>1,3</sup>
  - Renewed deferrals – active deferrals include approved second 90-day deferrals of \$21.6 million, 1.5% of non-PPP loans HFI<sup>1,3</sup>

<sup>1</sup>Non-GAAP measure. See “Forward-Looking Statements and Non-GAAP Information” on slide 2 and “Non-GAAP Reconciliation” slides in the Appendix for additional information.

<sup>2</sup>Loans HFI as of March 31, 2020

<sup>3</sup>Loans HFI as of June 30, 2020

# Active Loan Modifications Related to COVID-19 (August 31, 2020)

	August 31, 2020	
	Loans with Active COVID-19 Payment Deferment	
		Percent of Non-PPP
<i>(dollars in thousands)</i>	Amount	Loans HFI <sup>1</sup>
Hotels and other overnight lodging	\$ 15,539	1.1%
Restaurants - full service	1,340	0.1%
Other sectors	6,515	0.4%
Total Active Deferrals	<u>\$ 23,394</u>	<u>1.6%</u>

- Hotel exposure
  - One property financed in New Orleans, Louisiana
  - One property financed in Central Louisiana market
  
- Restaurant exposure
  - One property located in Central Louisiana market

<sup>1</sup>Non-GAAP measure. Loans HFI as of June 30, 2020. See “Forward-Looking Statements and Non-GAAP Information” on slide 2 and “Non-GAAP Reconciliation” slides in the Appendix for additional information.

# Paycheck Protection Program

<i>(dollars in thousands)</i>	Number of Loans		PPP Loans Originated		Total Fee
	Number	Percent of PPP Loans	Amount	Percent of PPP Loans	(24 months)
<b>Loan Size</b>					
\$150 or less	1,118	80.8%	\$ 48,576	24.4%	\$ 2,429
Greater than \$150 to \$350	136	9.8%	31,795	16.0%	1,590
Greater than \$350 to less than \$2,000	120	8.7%	90,438	45.4%	2,713
\$2,000 to less than \$4,000	10	0.7%	28,238	14.2%	282
\$4,000 to \$10,000	-	0.0%	-	0.0%	-
Total PPP loans originated	<u>1,384</u>	<u>100.0%</u>	<u>\$ 199,047</u>	<u>100.0%</u>	<u>\$ 7,014</u>

- Red River Bank participated in the Paycheck Protection Program in the second quarter of 2020
- Originated 1,384 PPP loans totaling \$199.0 million at 1.0% interest rate. Average loan size = \$144,000
- PPP loan origination fees = \$7.0 million (3.52% of originated PPP loans)
- PPP income 2Q20 = \$1.2 million with 2.99% yield (interest = \$423,000 and fees = \$730,000)
- PPP loans as of June 30, 2020 = \$192.7 million (\$199.0 million loans less \$6.3 million of deferred fees)
- PPP loans in Louisiana as of June 30, 2020
  - Louisiana Total PPP Loans<sup>1</sup> = \$7.34 billion
  - Red River Bank PPP Loans = \$199.0 million = 2.7% of Louisiana PPP loans
  - Red River Bank Deposit Market Share in Louisiana<sup>2</sup> = 1.6% of deposits
- Began accepting applications for PPP loan forgiveness on September 14, 2020, and will work with borrowers to achieve forgiveness and repayment

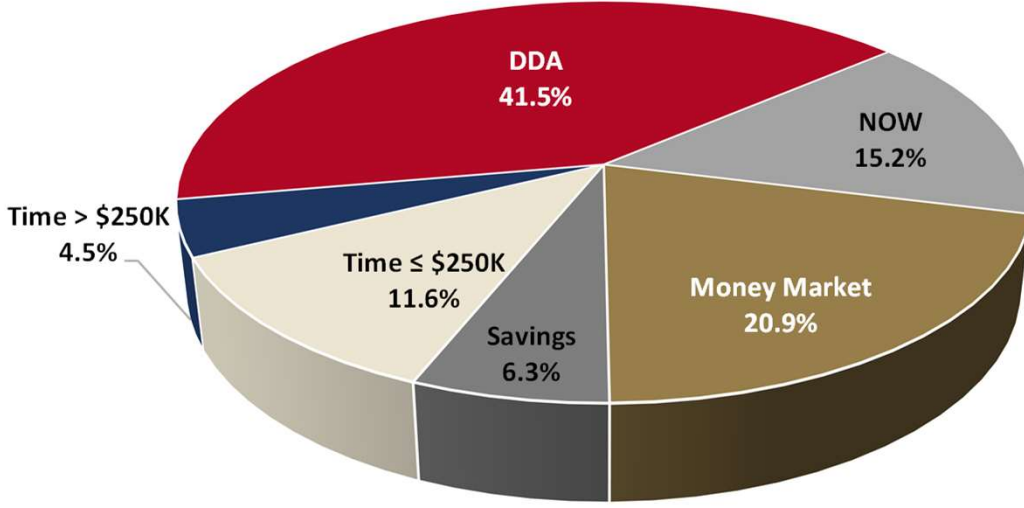
<sup>1</sup>Source: SBA PPP Report through 6/30/2020

<sup>2</sup>Source: FDIC as of 6/30/2019

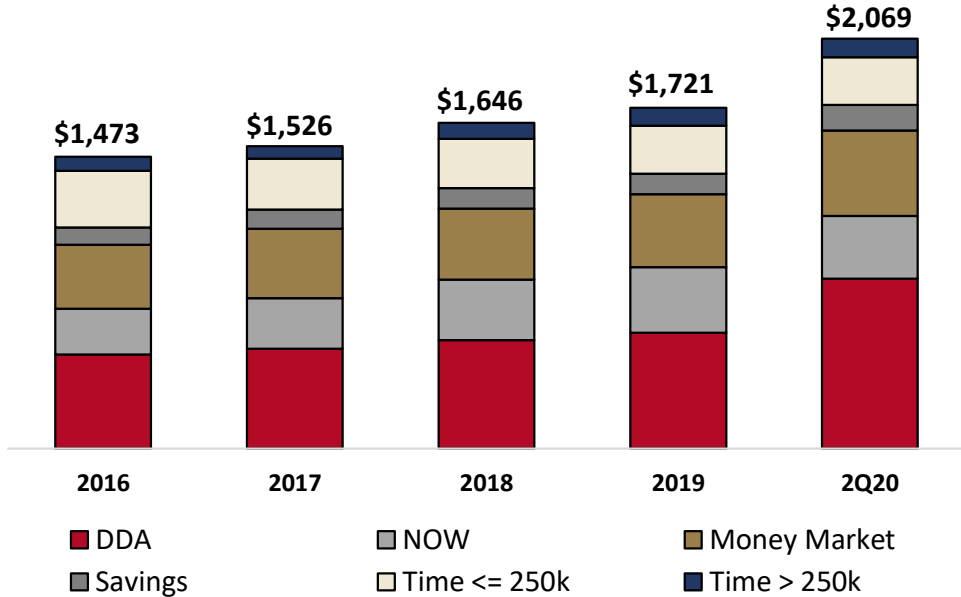
# Attractive Core Deposit Base

- Noninterest-bearing deposits are 41.5% of total deposits
- Deposits increased \$341.5 million, or 19.8%, in the second quarter of 2020. Customers received funds from various government stimulus programs and deposited the proceeds from the PPP loans. There was also higher deposit account opening activity.
- Core deposits<sup>1</sup> are 95.5% of total deposits
- No brokered deposits
- Cost of deposits was 0.41% for the three months ended June 30, 2020

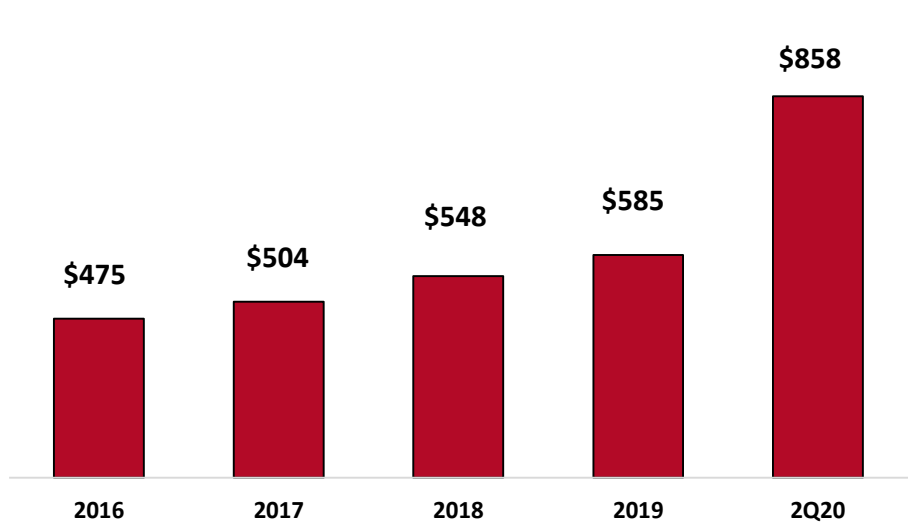
**Deposit Mix**  
As of June 30, 2020



**Total Deposits (\$M)**



**Noninterest-bearing Deposits (\$M)**



<sup>1</sup> Core deposits are calculated as total deposits less time deposits greater than \$250,000

# SECOND QUARTER 2020 FINANCIAL RESULTS



# Second Quarter 2020 Financial Results

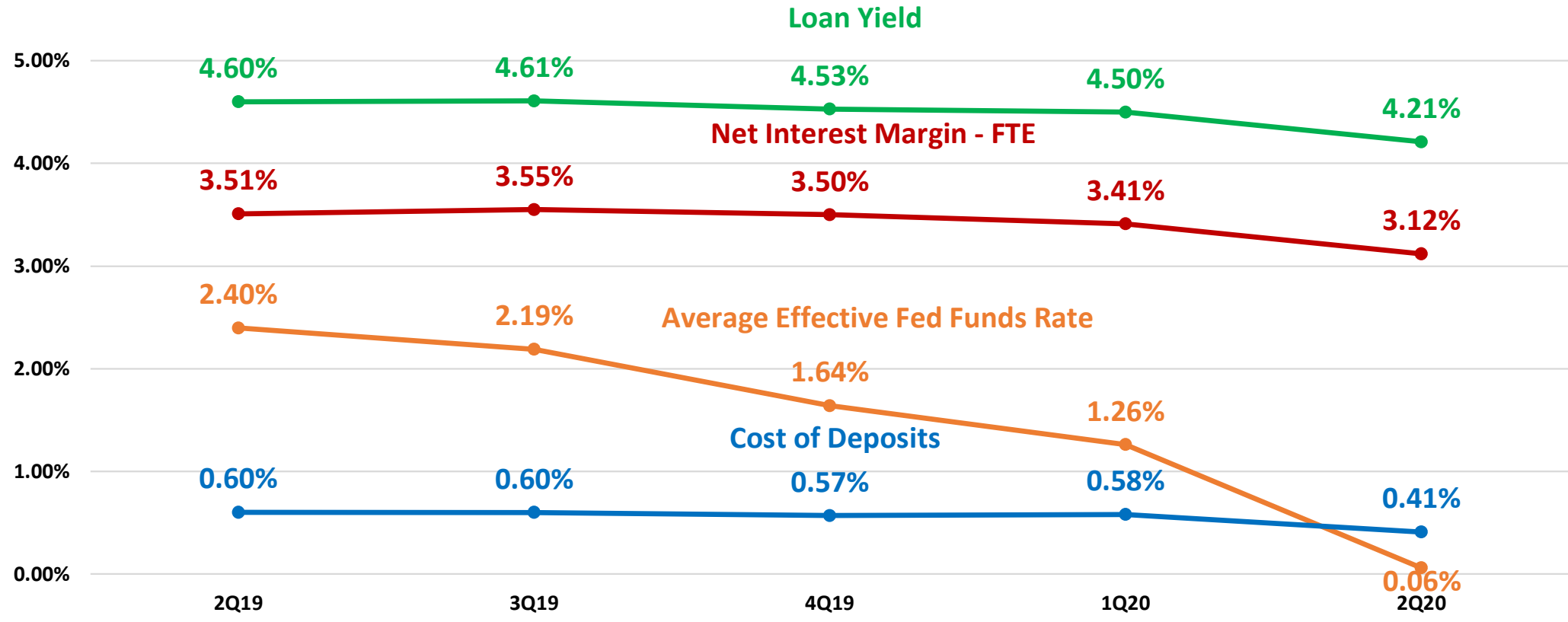
- Net income increased \$109,000 from prior quarter to \$6.9 million for 2Q20
- EPS (diluted) was \$0.93 for 2Q20
- Assets increased 17.5%, or \$351.2 million, to \$2.36 billion
- Assets excluding PPP loans<sup>1</sup> increased 7.9%, or \$158.5 million, to \$2.17 billion
- Net interest margin FTE decreased 29 basis points to 3.12%
- Nonperforming assets to assets ratio decreased to 0.18%

	As of and for the Three Months Ended		
	June 30, 2020	March 31, 2020	June 30, 2019
<i>(dollars in thousands, except per share data)</i>			
Net income	\$ 6,854	\$ 6,745	\$ 5,538
Earnings per share, diluted	\$ 0.93	\$ 0.92	\$ 0.78
Cash dividends per share	\$ 0.06	\$ 0.06	\$ -
Return on average assets	1.20%	1.36%	1.18%
Return on average equity	10.30%	10.53%	9.92%
Net interest margin FTE	3.12%	3.41%	3.51%
Efficiency ratio	56.50%	57.40%	62.81%
Total assets	\$ 2,361,866	\$ 2,010,701	\$ 1,892,918
Loans held for investment	\$ 1,615,298	\$ 1,447,362	\$ 1,393,154
Noninterest-bearing deposits	\$ 858,397	\$ 607,322	\$ 576,934
Total deposits	\$ 2,069,322	\$ 1,727,782	\$ 1,634,590
Loans HFI to deposits ratio	78.06%	83.77%	85.23%
Noninterest-bearing deposits to deposits ratio	41.48%	35.15%	35.30%
Nonperforming assets to total assets	0.18%	0.30%	0.70%
Net charge-offs to average loans	0.06%	0.00%	0.00%
Leverage ratio	11.52%	12.89%	12.83%
Book value per share	\$ 37.03	\$ 36.08	\$ 32.59
Tangible book value per share <sup>1</sup>	\$ 36.81	\$ 35.87	\$ 32.38

<sup>1</sup>Non-GAAP measure. See "Forward-Looking Statements and Non-GAAP Information" on slide 2 and "Non-GAAP Reconciliation" slides in the Appendix for additional information.

# Net Interest Margin and Net Interest Income

- Second quarter of 2020 was impacted by full quarter of lower interest rate environment
- Net interest margin FTE decreased 29 basis points to 3.12%



# Loan Yield and Net Interest Ratios Excluding PPP Loans<sup>1</sup>

- PPP income = \$1.2 million yielding 2.99%
- Excluding PPP loans, net interest margin FTE decreased 28 basis points to 3.13%<sup>1</sup>

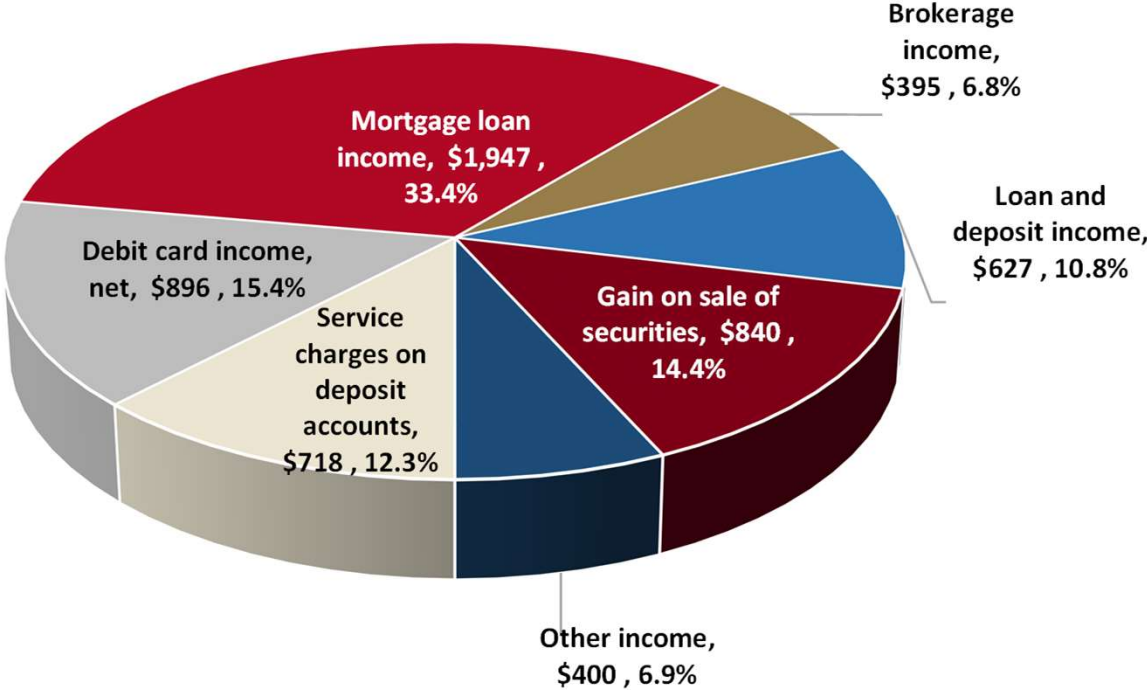
<i>Ratios</i>	For the Three Months Ended			
	June 30, 2020		March 31, 2020	
	Actual	Excluding PPP loans <sup>1</sup>	Actual	Excluding PPP loans <sup>1</sup>
Loan Yield	4.21%	4.34%	4.50%	4.50%
Net Interest Spread	2.75%	2.79%	3.00%	3.00%
Net Interest Margin	3.07%	3.08%	3.36%	3.36%
Net Interest Margin FTE	3.12%	3.13%	3.41%	3.41%

<sup>1</sup>Non-GAAP measure. See “Forward-Looking Statements and Non-GAAP Information” on slide 2 and “Non-GAAP Reconciliation” slides in the Appendix for additional information.

# Noninterest Income

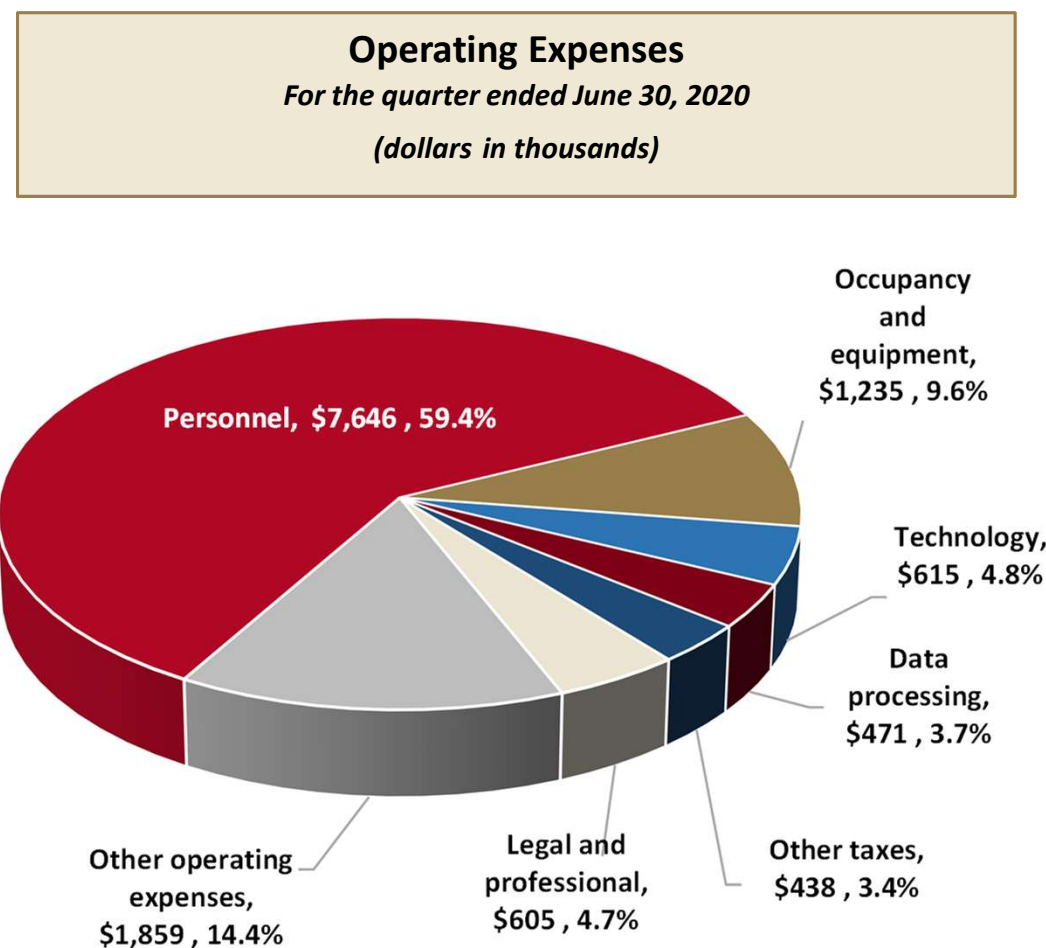
- Noninterest income increased \$1.1 million from 1Q20 to \$5.8 million for 2Q20
- Mortgage loan income increased \$1.1 million from 1Q20 to \$1.9 million due to increased refinancing activity
- Gain on sale of securities = \$840,000 from portfolio restructuring transactions
- Loan and deposit income increased \$327,000 primarily due to \$230,000 of nonrecurring loan fees
- Service charges on deposit accounts decreased \$510,000 due to lower customer transaction activity and temporarily reduced deposit fees
- Brokerage income decreased \$349,000 from 1Q20 primarily due to a conversion to a new broker-dealer partner beginning in 2Q20

**Noninterest Income**  
*For the quarter ended June 30, 2020*  
*(dollars in thousands)*



# Operating Expenses

- Operating expenses increased \$919,000 from 1Q20 to \$12.9 million for 2Q20
- 1Q20 had a \$311,000 expense reversal for the dissolution of an acquired subsidiary
- Personnel expense increased \$298,000 due to annual merit increases and increased revenue-based commission
- Regulatory assessment expense returned to normal with a 2Q20 FDIC insurance assessment
- Legal and professional expenses increased due to increased collection, audit, and compliance expenses



# HURRICANE LAURA

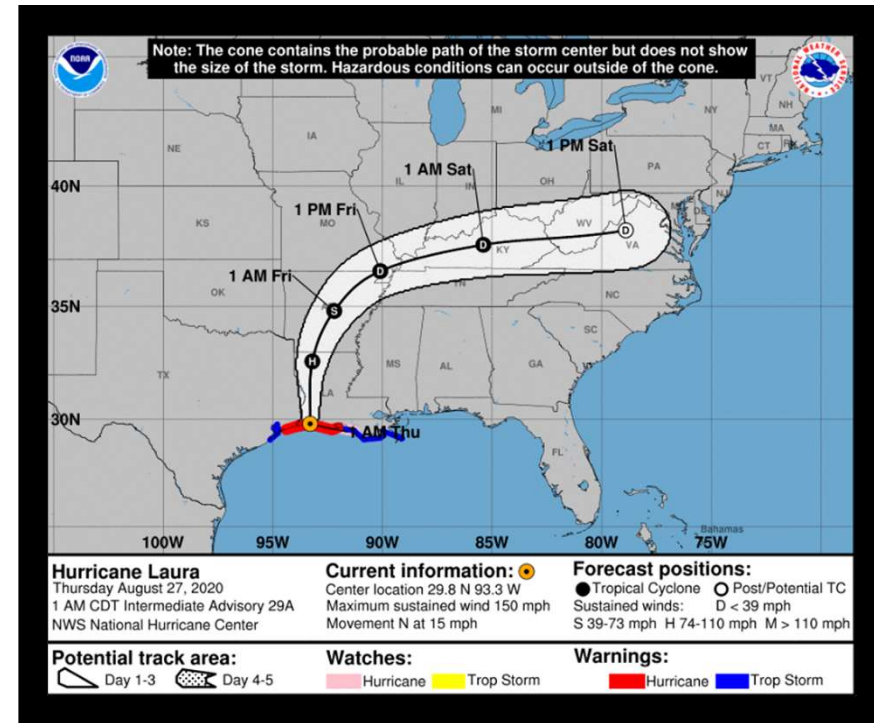
# Overview

- Made landfall at approximately 1:00AM on Thursday, August 27, 2020 near Lake Charles, Louisiana
- Strong Category 4 hurricane at landfall
- Maintained Category 2 status through Central Louisiana
- Maintained tropical storm force winds into Arkansas
- Top sustained winds = 150 mph tied highest in Louisiana history
- No damage to any of our locations



# Business Continuity Effort

- On the day of the hurricane, Red River Bank closed its banking centers in Southwest, Central, and Northeast markets; Southwest and Northshore markets remained open
- Power outages of electric utility providers at start of business on Friday, August 28, 2020<sup>2</sup>
  - Southwest market = 98%
  - Central market = 74%
  - Northwest market = 33%
- Red River Bank opened 3 branches in Central market on Friday
  - One of few banks to have locations open
  - ATMs and drive-through lanes were busy
- Two days after the hurricane, we had a self-powered ATM at the Lake Charles banking center
- On the Monday following the hurricane, we opened the Sulphur Banking Center
- As of June 30, 2020, we had \$14.3 million in deposits and \$66.9 million of non-PPP loans HFI<sup>1</sup> originated in the Southwest market
- Will continue to provide full banking services to existing and new customers



<sup>1</sup>Non-GAAP measure. See "Forward-Looking Statements and Non-GAAP Information" on slide 2 and "Non-GAAP Reconciliation" slides in the Appendix for additional information.

<sup>2</sup>Source: The Daily Advertiser

Image: National Weather Service



# FUTURE PLANS

# Future Plans

- Continue building a strong, super-community bank serving Louisiana
- Focus on assisting our customers, communities, and employees through the pandemic and economic shutdown and Hurricane Laura disaster recovery
- Aggressively monitor asset quality trends and adjust provision expense as appropriate
- Monitor markets for opportunity for organic growth or key acquisitions
- Seek to take advantage of significant disruption in the marketplace due to mergers and acquisitions and branch closures/limited service by larger national banks
- Continue to add key talent and grow customer relationships
- Continue to invest in digital banking tools to provide customers the best of technology and people
- Maintain stock buyback plan

## Summary

**Diversified loan portfolio with solid asset quality and allowance**

**Originated \$199.0 million of PPP loans in second quarter of 2020**

**COVID-19 loan deferrals = \$23.4 million, 1.6% of non-PPP loans HFI<sup>1</sup>  
(as of August 31, 2020)**

**Continued organic growth opportunity throughout Louisiana**

**Well capitalized with 11.52% leverage ratio as of June 30, 2020**

**Consistent returns through June 30, 2020, with YTD ROA = 1.27%**

**Made in Louisiana. Made for Louisiana.**

LOUISIANA...TOGETHER,  
WE'VE GOT THIS.



**RED RIVER BANK**

Made in Louisiana. Made for Louisiana.



# Appendix

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# Non-GAAP Reconciliation

(dollars in thousands, except per share data)	As of June 30, 2020	As of March 31, 2020	As of June 30, 2019
Tangible common equity			
Total stockholders' equity	\$ 271,117	\$ 264,175	\$ 237,911
Adjustments:			
Intangible assets	(1,546)	(1,546)	(1,546)
Total tangible common equity (non-GAAP)	<u>\$ 269,571</u>	<u>\$ 262,629</u>	<u>\$ 236,365</u>
Common shares outstanding	7,322,532	7,322,532	7,300,246
Book value per common share	\$ 37.03	\$ 36.08	\$ 32.59
Tangible book value per common share (non-GAAP)	\$ 36.81	\$ 35.87	\$ 32.38
Tangible assets			
Total assets	\$ 2,361,866	\$ 2,010,701	\$ 1,892,918
Adjustments:			
Intangible assets	(1,546)	(1,546)	(1,546)
Total tangible assets (non-GAAP)	<u>\$ 2,360,320</u>	<u>\$ 2,009,155</u>	<u>\$ 1,891,372</u>
Total stockholders' equity to assets	11.48%	13.14%	12.57%
Tangible common equity to tangible assets (non-GAAP)	11.42%	13.07%	12.50%

# Non-GAAP Reconciliation

(dollars in thousands)	As of June 30, 2020	As of March 31, 2020	As of June 30, 2019
Non-PPP loans HFI			
Loans HFI	\$ 1,615,298	\$ 1,447,362	\$ 1,393,154
Adjustments:			
PPP loans, net	(192,655)	-	-
Non-PPP loans HFI (non-GAAP)	<u>\$ 1,422,643</u>	<u>\$ 1,447,362</u>	<u>\$ 1,393,154</u>
Assets excluding PPP loans, net			
Assets	\$ 2,361,866	\$ 2,010,701	\$ 1,892,918
Adjustments:			
PPP loans, net	(192,655)	-	-
Assets excluding PPP loans, net (non-GAAP)	<u>\$ 2,169,211</u>	<u>\$ 2,010,701</u>	<u>\$ 1,892,918</u>
Allowance for Loan Losses	\$ 14,882	\$ 14,393	\$ 13,591
Deposits	\$ 2,069,322	\$ 1,727,782	\$ 1,634,590
Loans HFI to deposits ratio	78.06%	83.77%	85.23%
Non-PPP loans HFI to deposits ratio (non-GAAP)	68.75%	83.77%	85.23%
Allowance for loans losses to loans HFI	0.92%	0.99%	0.98%
Allowance for loans losses to non-PPP loans HFI (non-GAAP)	1.05%	0.99%	0.98%