



NASDAQ: ISTR

Financial Information

1st Quarter 2021

Disclosures and Disclaimers

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect current views of Investar Holding Corporation (the “Company”) with respect to, among other things, future events and financial performance. The Company generally identifies forward-looking statements by terminology such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “could,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” or the negative version of those words or other comparable words. Any forward-looking statements contained in this presentation are based on the historical performance of the Company and its subsidiaries or on the Company’s current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by the Company that the future plans, estimates or expectations by the Company will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to the Company’s operations, financial results, financial condition, business prospects, growth strategy and liquidity. If one or more of these or other risks or uncertainties materialize, or if the Company’s underlying assumptions prove to be incorrect, the Company’s actual results may vary materially from those indicated in these statements. The Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements. These factors include, but are not limited to, the following, any one or more of which could materially affect the outcome of future events:

- the ongoing impacts of the COVID-19 pandemic;
- business and economic conditions generally and in the financial services industry in particular, whether nationally, regionally or in the markets in which the Company operates;
- increased cyber and payment fraud risk;
- our ability to achieve organic loan and deposit growth, and the composition of that growth;
- our ability to consummate acquisition transactions in accordance with their terms;
- our ability to integrate and achieve anticipated cost savings and other projected benefits from acquisitions;
- changes (or the lack of changes) in interest rates, yield curves and interest rate spread relationships that affect our loan and deposit pricing;
- the extent of continuing client demand for the high level of personalized service that is a key element of our banking approach as well as our ability to execute its strategy generally;
- the dependence on our management team, and our ability to attract and retain qualified personnel;
- changes in the quality or composition of our loan or investment portfolios, including adverse developments in borrower industries or in the repayment ability of individual borrowers;
- inaccuracy of the assumptions and estimates we make in establishing reserves for probable loan losses and other estimates;
- the concentration of our business within the Company’s geographic areas of operation in Louisiana, Texas and Alabama; and
- concentration of credit exposure.

These factors should not be construed as exhaustive. Additional information on these and other risk factors can be found in Item 1A. “Risk Factors” and Item 7. “Special Note Regarding Forward-Looking Statements” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission (“SEC”) and in the “Risk Factors” section of subsequent reports filed with the SEC.



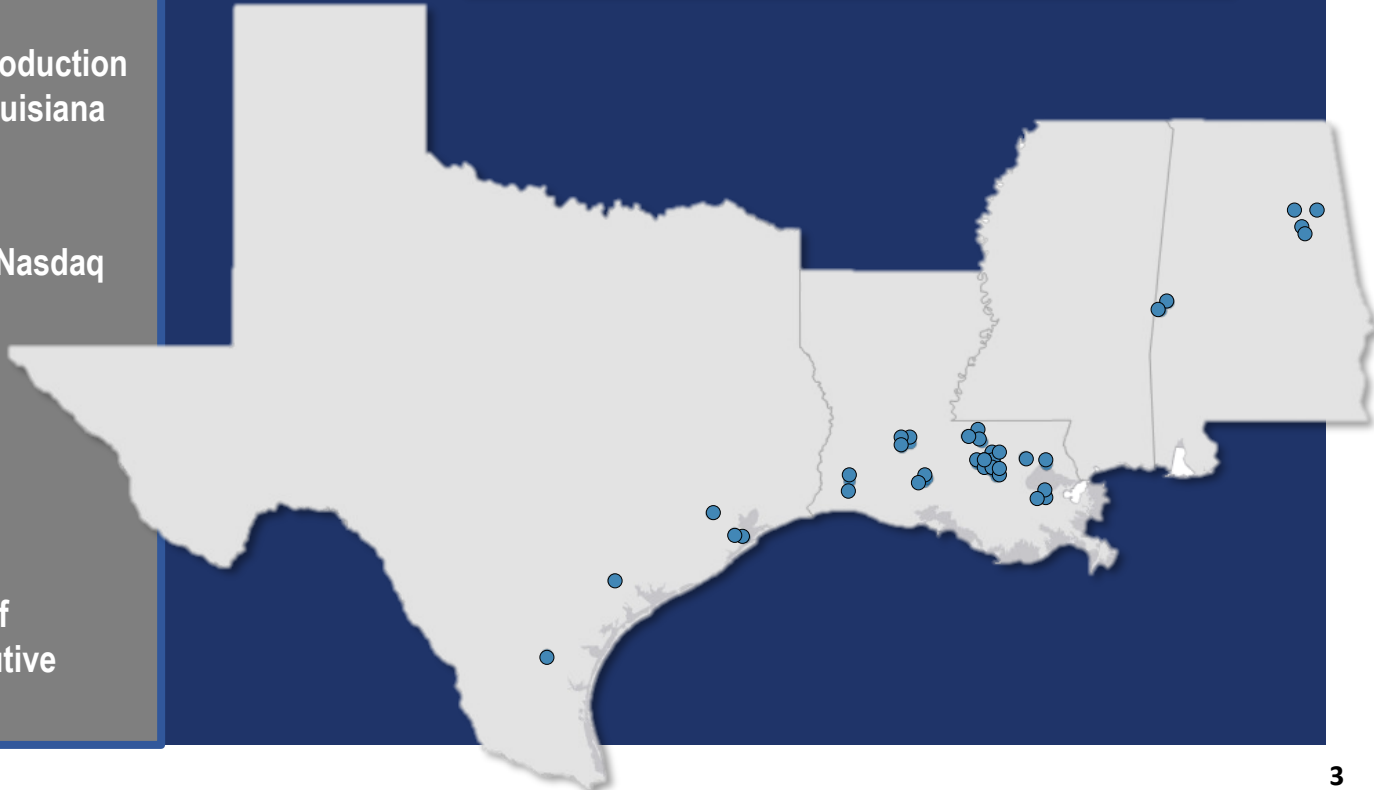
Our Company

Investar Holding Corp. is the Bank Holding Company for Investar Bank

- Headquartered in Baton Rouge, LA
- Founded in 2006
- Full service, commercially-oriented community bank
- 34 branches and 1 loan production office across Alabama, Louisiana and Texas
- Initial public offering and Nasdaq listing in 2014
- Completed 7 whole bank acquisitions and 1 branch transaction
- 30 consecutive quarters of dividends paid; 6 consecutive years of dividend growth

Mission

Investar is a dynamic full service community bank focused on relationships that create value and opportunities for our customers, employees, shareholders and the community served





Financial Highlights – 1st Quarter 2021

Tangible Book Value² Growth

- Increased by \$0.83 during the 1st quarter to \$20.72 per share, representing an increase of 4.2% versus the 4th quarter of 2020 and 12.7% year-over-year
- Repurchased 225,950 shares in the 1st quarter at an average price of \$17.64; repurchased 661,504 shares at an average price of \$16.75 in 2020

Profitability

- Diluted earnings per shares of \$0.51 for the 1st quarter of 2021 compared to \$0.42 in the 4th quarter of 2020
- Record quarterly net income of \$5.4 million in the 1st quarter compared to \$4.5 million in the 4th quarter of 2020
- Net interest margin increased by 9 basis points to 3.64% compared to the 4th quarter of 2020; increase of 18 basis points year-over-year

Deposits

- Cost of interest-bearing deposits decreased by 0.13% to 0.63% compared to the 4th quarter of 2020 and decreased by 0.84% year-over-year
- Noninterest-bearing deposits increased by \$67.3 million during the first quarter to \$515.5 million, representing 25.6% of total deposits
- Time deposits decreased by \$40.0 million during the first quarter to \$495.4 million, representing 24.6% of total deposits; for comparison, time deposits represented 40.2% of total deposits as of the first quarter of 2020

1st Quarter Results

Balance Sheet *(in thousands)*

Assets	\$2,407,956
Net Loans	\$1,825,547
Deposits	\$2,009,880
Equity	\$248,251

Holding Company Capital

TCE / TA ²	9.10%
Leverage Ratio ¹	9.37%
Common Equity Tier 1 Ratio ¹	11.08%
Tier 1 Ratio ¹	11.42%
Total Risk Weighted Ratio ¹	14.77%

Profitability *(1st quarter)*

Net Interest Margin	3.64%
ROAA	0.92%
ROAE	8.79%
Net Income	\$5,360
Pre-Tax, Pre-Provision Income ²	\$7,190

Per Share Information

Tangible Book Value ²	\$20.72
Earnings	\$0.51
Dividends	\$0.07

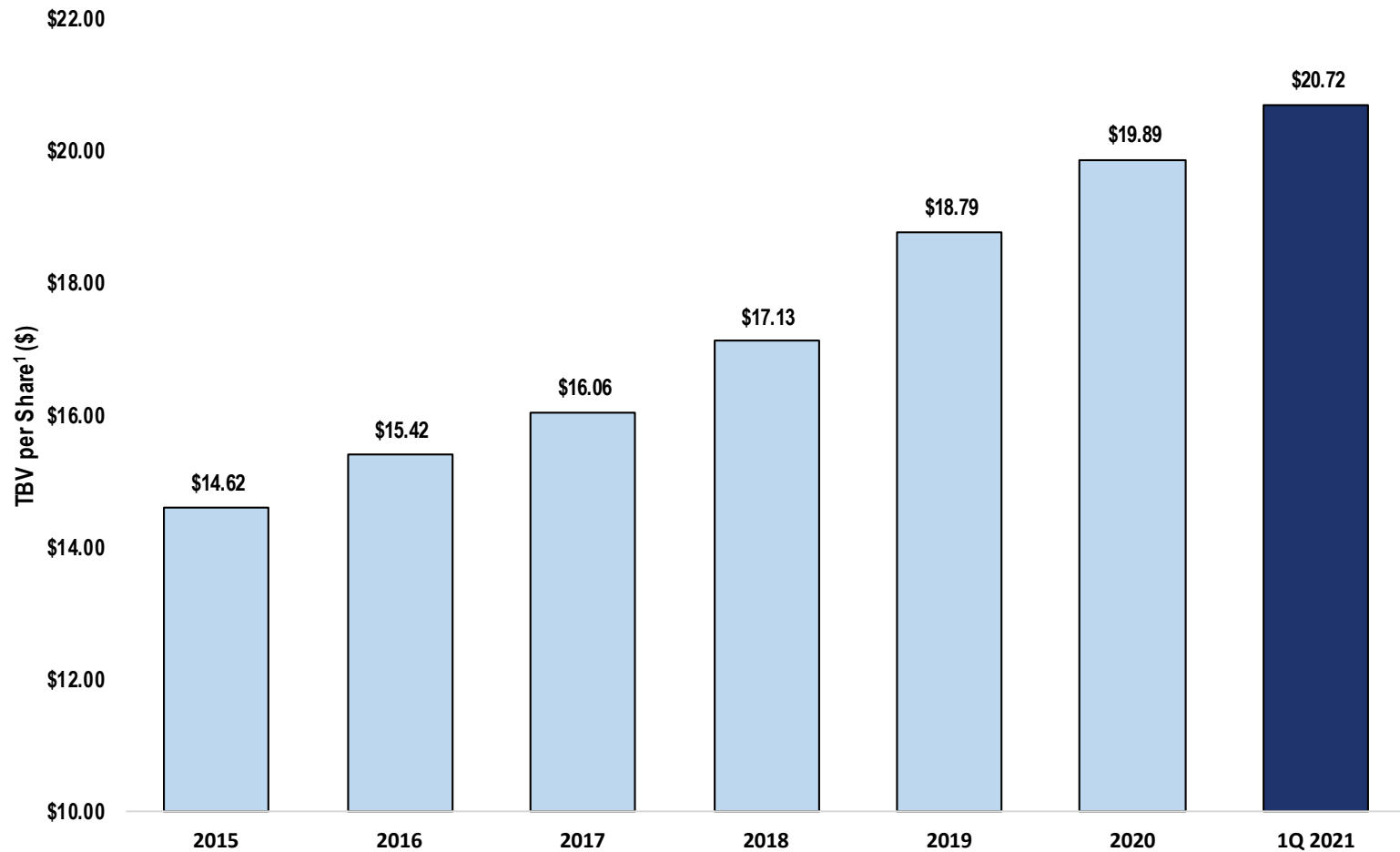
¹ Estimated

² Non-GAAP financial measure; please see appendix for additional details

Creating Shareholder Value



Tangible Book Value Per Share¹

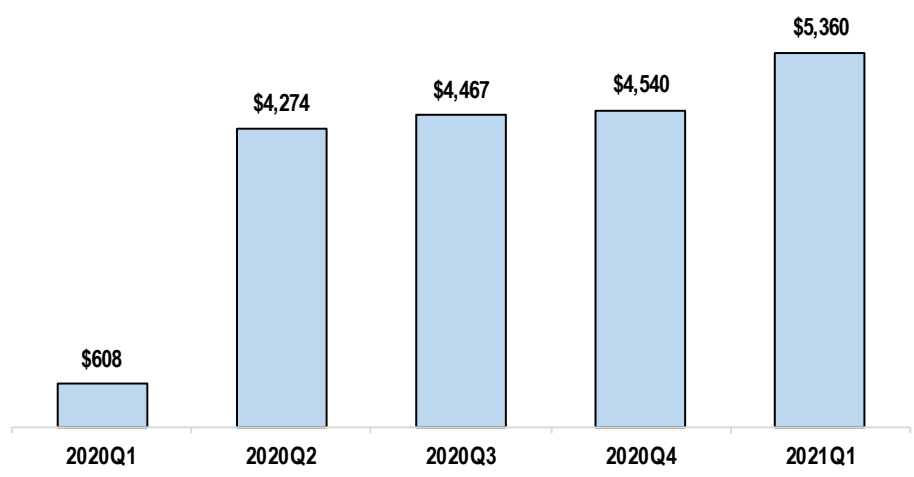


¹ Non-GAAP financial measure; please see appendix for additional details

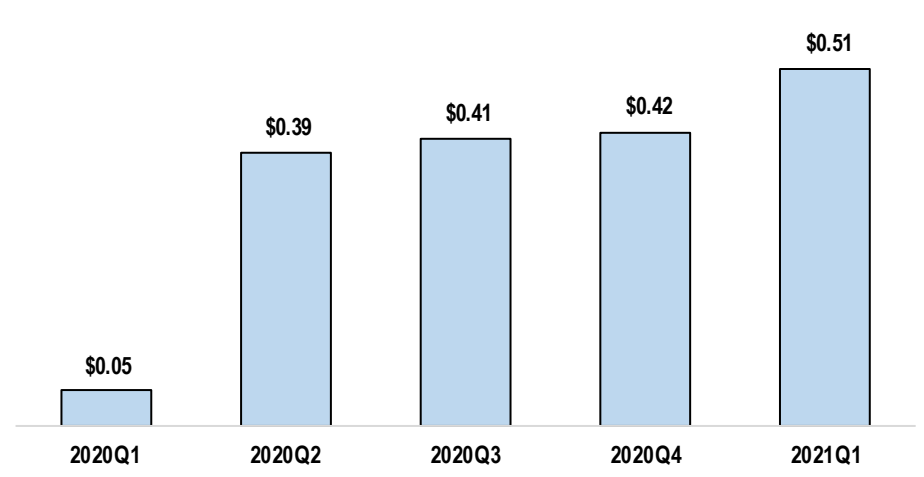


Recent Earnings Performance

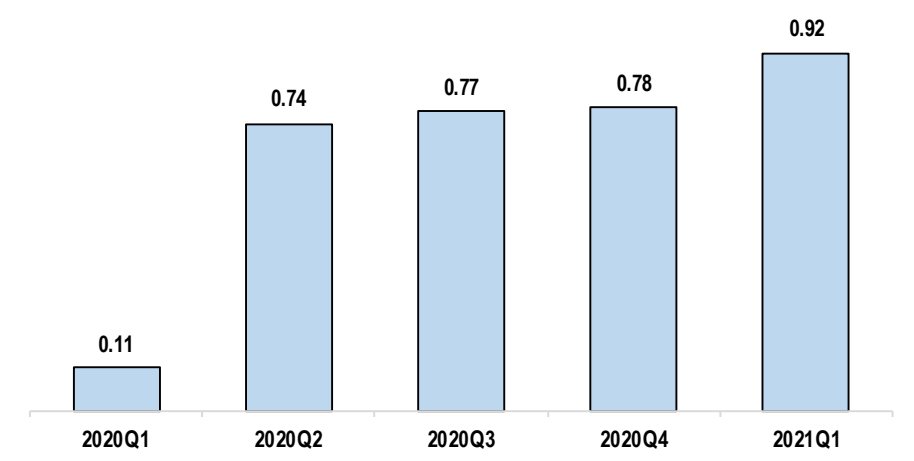
Net Income (\$'000)



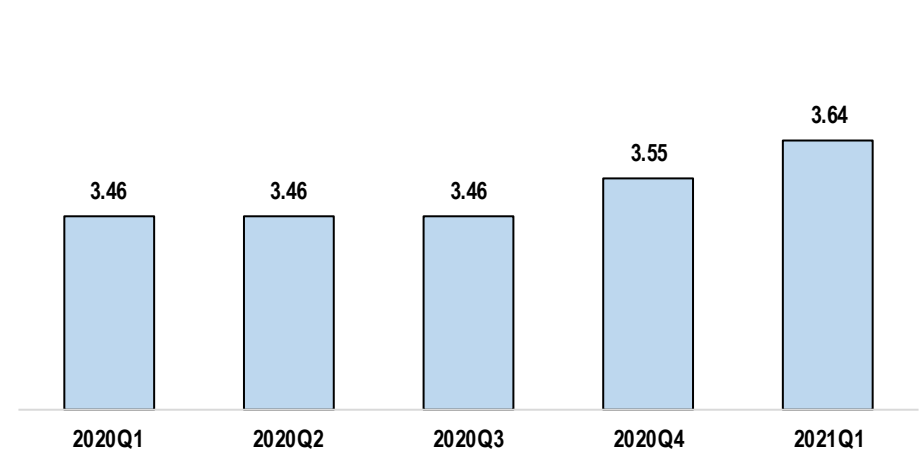
Earnings Per Share



ROAA (%)



Net Interest Margin (%)

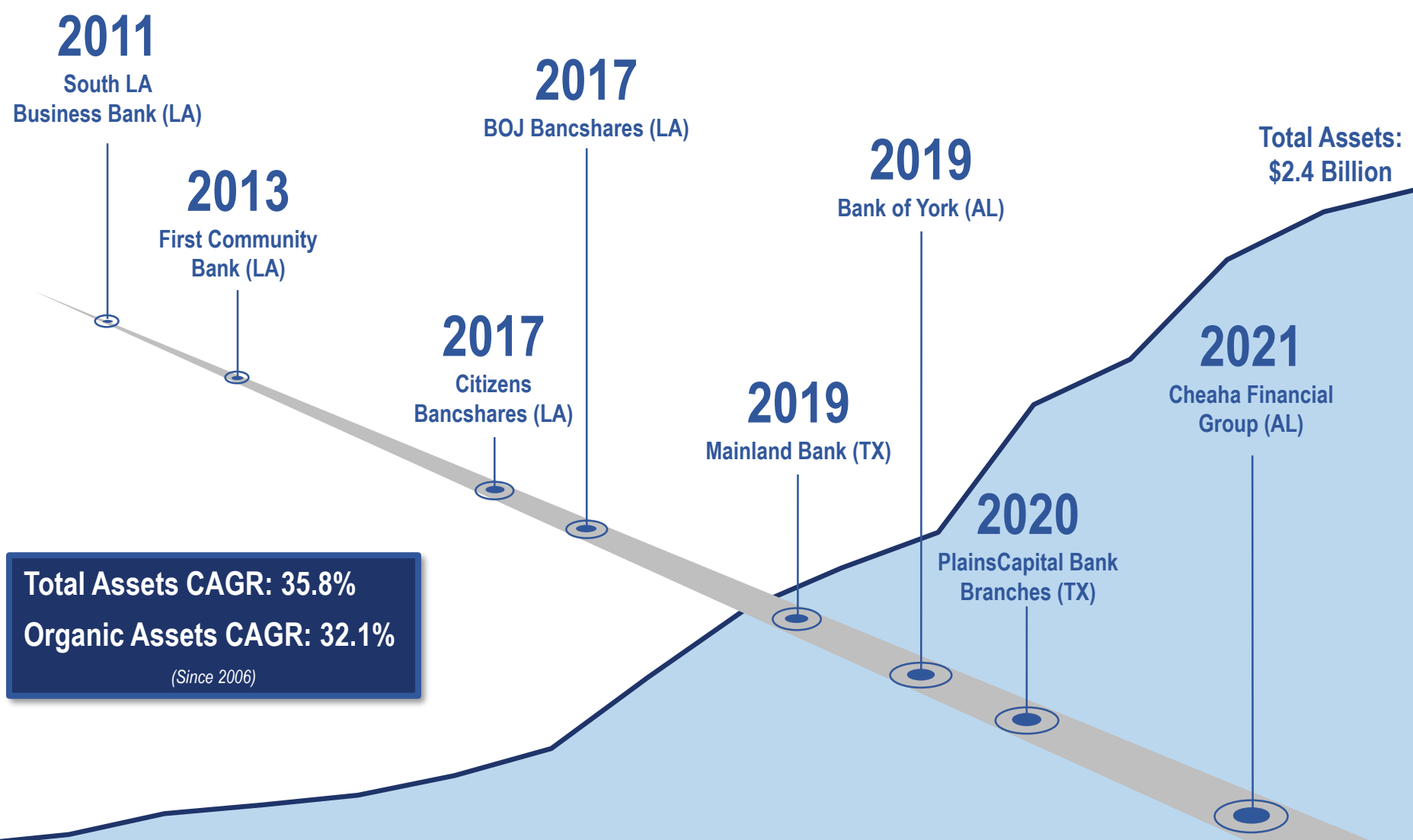


¹ Non-GAAP financial measure; please see appendix for additional details
Note: Net Income and Pre-Tax, Pre-Provision Net Revenue in thousands



Continued Execution of Acquisition Strategy

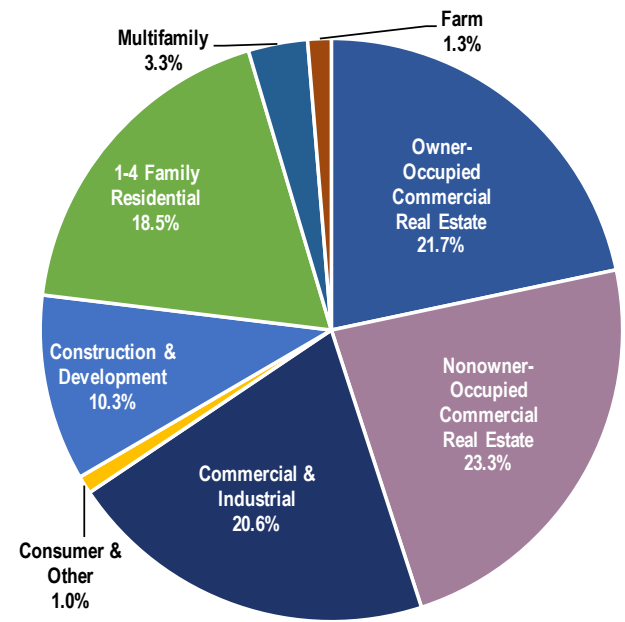
Investar Has Completed 7 Whole Bank Acquisitions and 1 Branch Transaction





Loan Portfolio – 1st Quarter Update

- Loan yield of 4.72%, an increase of 0.02% versus the 4th quarter of 2020
- Total Paycheck Protection Program loans of \$106.6 million, an increase of \$12.1 million compared to the 4th quarter of 2020
- Loan deferrals equaled 0.6% of the total loan portfolio as of the most recent quarter
- Excluding PPP loans, Oil & Gas loans made up 2.4% of the total loan portfolio as of the most recent quarter
- Food Services, Hospitality and Entertainment loans represented 3.3% of the total loan portfolio as of the most recent quarter, excluding PPP loans



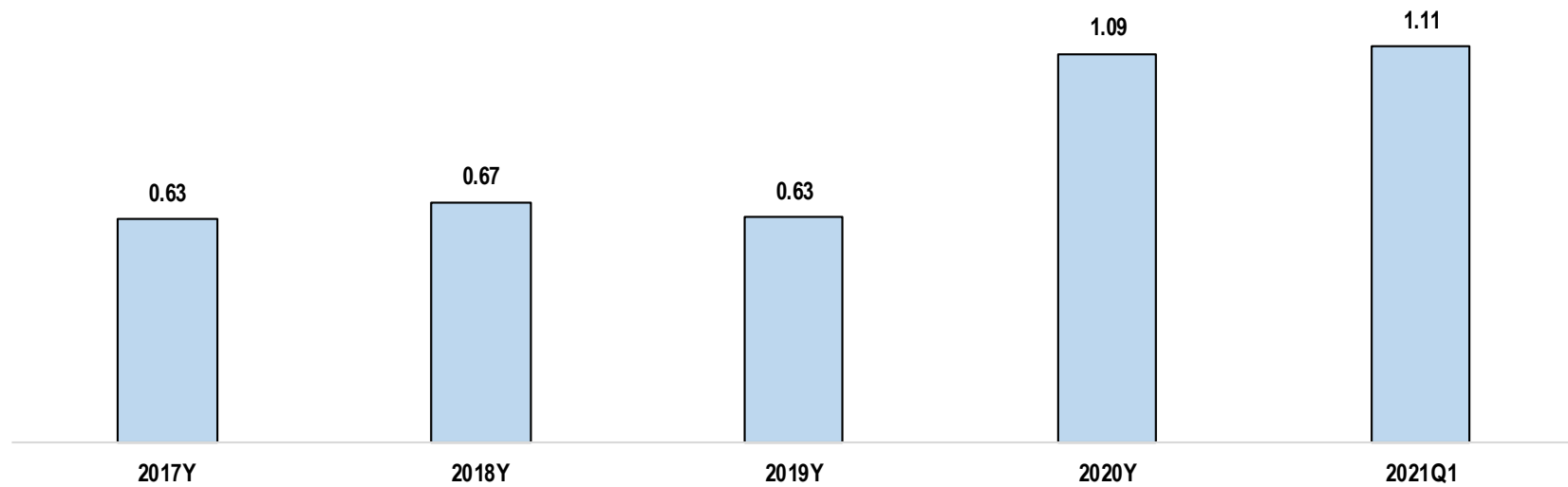
As of March 31, 2021

Loan Type	As of 6/30/20			As of 9/30/20			As of 12/31/20			As of 3/31/21		
	Total Loans	Amount Deferred	Percent Deferred	Total Loans	Amount Deferred	Percent Deferred	Total Loans	Amount Deferred	Percent Deferred	Total Loans	Amount Deferred	Percent Deferred
Construction & Development	\$199,149	\$50,711	25.5%	\$206,751	\$1,427	0.7%	\$206,011	\$307	0.1%	\$190,816	-	0.0%
1-4 Family Residential	326,102	73,784	22.6%	339,364	9,755	2.9%	339,525	1,205	0.4%	341,266	\$4,436	1.3%
Multifamily	60,617	39,567	65.3%	57,734	3,484	6.0%	60,724	209	0.3%	60,844	-	0.0%
Farm	28,845	2,506	8.7%	26,005	357	1.4%	26,547	91	0.3%	24,145	-	0.0%
Owner-Occupied Commercial Real Estate	371,783	98,181	26.4%	379,490	10,928	2.9%	375,421	2,306	0.6%	399,393	2,489	0.6%
Nonowner-Occupied Commercial Real Estate	411,776	178,091	43.2%	404,748	12,161	3.0%	436,974	1,500	0.3%	430,487	3,773	0.9%
Commercial & Industrial	390,085	45,567	11.7%	392,955	18,150	4.6%	394,497	206	0.1%	380,534	396	0.1%
Consumer & Other	25,344	1,891	7.5%	22,633	257	1.1%	20,619	124	0.6%	18,485	81	0.4%
Total	\$1,813,701	\$490,298	27.0%	\$1,829,680	\$56,519	3.1%	\$1,860,318	\$5,948	0.3%	\$1,845,970	\$11,175	0.6%



Loan Loss Reserve Detail

Loan Loss Reserves / Gross Loans (%)

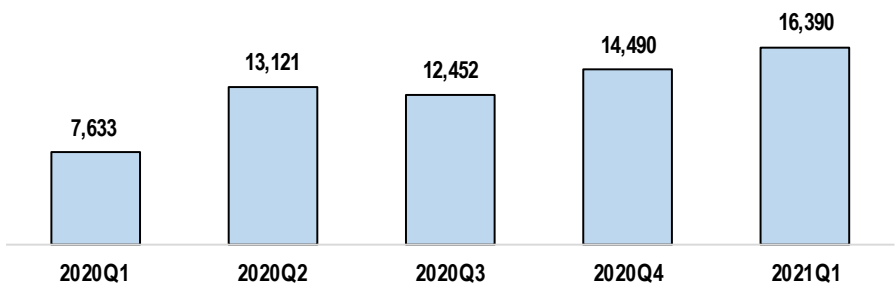


<i>(Dollars in Thousands)</i>	For the Year Ended				For the Quarter Ended
	12/31/2017	12/31/2018	12/31/2019	12/31/2020	3/31/2021
Loan Loss Reserve (\$000)					
Loan Loss Reserve - Beginning	\$7,051	\$7,891	\$9,454	\$19,044	\$20,363
Charge-offs & Adj.	764	1,185	800	1,187	405
Recoveries	65	178	137	106	65
Provision	1,540	2,570	1,908	2,400	400
Loan Loss Reserve - Ending	<u>\$7,891</u>	<u>\$9,454</u>	<u>\$10,700</u>	<u>\$20,363</u>	<u>\$20,423</u>

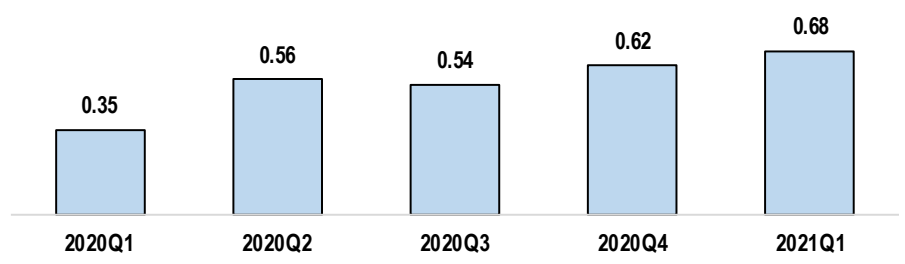


Asset Quality Trends

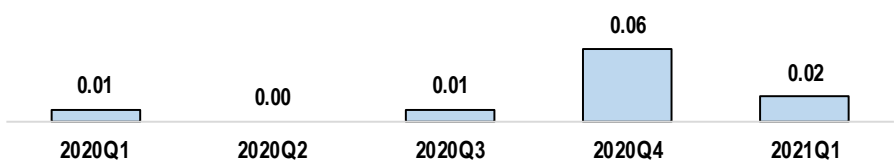
Nonperforming Assets (\$000s)



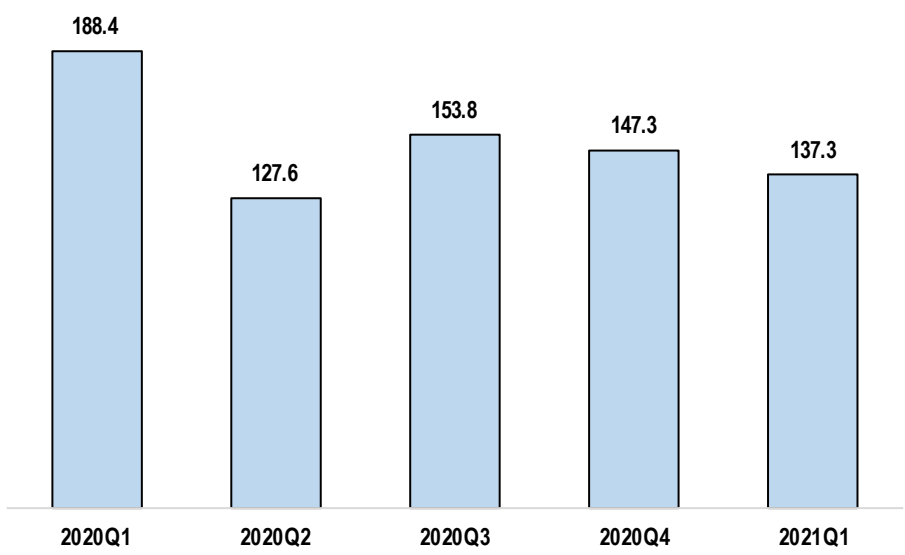
NPAs / Assets (%)



Net Charge-offs / Avg. Loans (%)



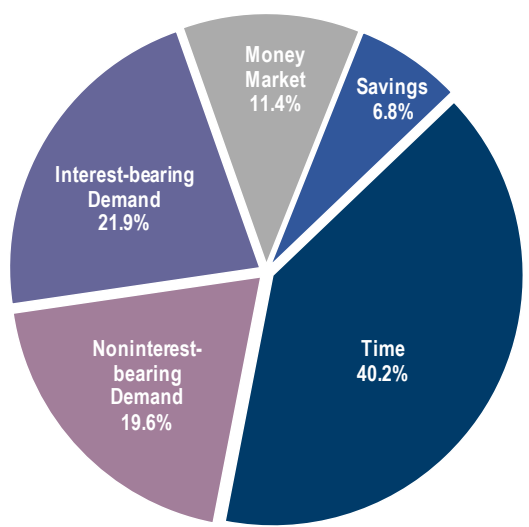
Reserves / NPLs (%)



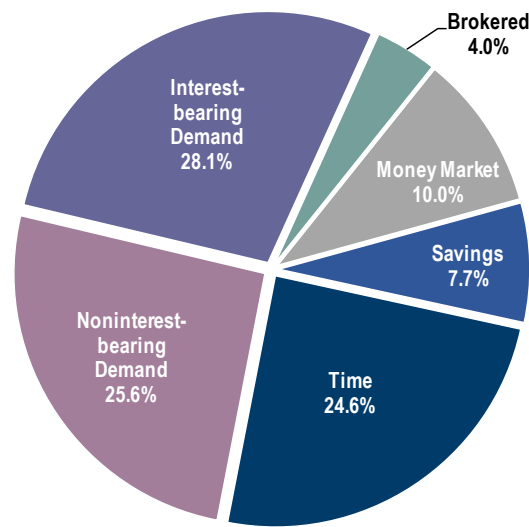


Deposit Transformation

Deposit Mix at March 31, 2020



Deposit Mix at March 31, 2021



One Year Transformation

Deposit Composition - Quarterly Lookback									
(dollars in thousands)	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1
Noninterest-bearing Demand	\$285,811	\$289,481	\$291,039	\$351,905	\$339,379	\$469,095	\$452,070	\$448,230	\$515,487
Interest-bearing Demand	333,434	332,754	305,361	335,478	378,787	437,821	473,819	496,745	564,128
Brokered Deposits	0	0	0	0	0	0	0	80,017	80,015
Money Market	188,373	177,209	194,757	198,999	197,703	183,371	179,133	186,307	200,744
Savings	114,631	111,222	110,636	115,324	118,193	129,157	139,153	141,134	154,131
Time	610,544	641,551	683,564	706,000	694,764	670,144	590,274	535,391	495,375
Total Deposits	\$1,532,793	\$1,552,217	\$1,585,357	\$1,707,706	\$1,728,826	\$1,889,588	\$1,834,449	\$1,887,824	\$2,009,880

Total Deposit Interest Rate ¹	1.15%	1.24%	1.32%	1.27%	1.17%	0.92%	0.74%	0.57%	0.48%
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¹ Non-GAAP financial measure; please see appendix for additional details

APPENDIX



Non-GAAP Reconciliation

(Dollars in thousands, except per share data)

	As of December 31,						As of March 31,
	2015	2016	2017	2018	2019	2020	2021
<u>Tangible Common Equity:</u>							
Total Stockholders' Equity	\$ 109,350	\$ 112,757	\$ 172,729	\$ 182,262	\$ 241,976	\$ 243,284	\$ 248,251
<u>Adjustments:</u>							
Goodwill	(2,684)	(2,684)	(17,086)	(17,424)	(26,132)	(28,082)	(28,144)
Other Intangibles	(491)	(550)	(2,840)	(2,363)	(4,903)	(4,150)	(3,857)
Tangible Common Equity	<u>\$ 106,175</u>	<u>\$ 109,523</u>	<u>\$ 152,803</u>	<u>\$ 162,475</u>	<u>\$ 210,941</u>	<u>\$ 211,052</u>	<u>\$ 216,250</u>
Common Shares Outstanding	7,264,282	7,101,851	9,514,926	9,484,219	11,228,775	10,608,829	10,436,493
Book Value Per Common Share	\$ 15.05	\$ 15.88	\$ 18.15	\$ 19.22	\$ 21.55	\$ 22.93	\$ 23.79
Tangible Book Value Per Common Share	\$ 14.62	\$ 15.42	\$ 16.06	\$ 17.13	\$ 18.79	\$ 19.89	\$ 20.72
<u>Tangible Assets:</u>							
Total Assets	\$ 1,031,555	\$ 1,158,960	\$ 1,622,734	\$ 1,786,469	\$ 2,148,916	\$ 2,321,181	\$ 2,407,956
<u>Adjustments:</u>							
Goodwill	(2,684)	(2,684)	(17,086)	(17,424)	(26,132)	(28,082)	(28,144)
Other Intangibles	(491)	(550)	(2,840)	(2,363)	(4,903)	(4,150)	(3,857)
Tangible Assets	<u>\$ 1,028,380</u>	<u>\$ 1,155,726</u>	<u>\$ 1,602,808</u>	<u>\$ 1,766,682</u>	<u>\$ 2,117,881</u>	<u>\$ 2,288,949</u>	<u>\$ 2,375,955</u>
Total Stockholders' Equity to Total Assets Ratio	10.60%	9.73%	10.64%	10.20%	11.26%	10.48%	10.31%
Tangible Common Equity to Tangible Assets Ratio	10.32%	9.48%	9.53%	9.20%	9.96%	9.22%	9.10%



Non-GAAP Reconciliation

(Dollars in thousands, except per share data)

	For the Three Months Ended								
	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021
Interest on Deposits	\$4,106	\$4,684	\$5,198	\$5,319	\$5,032	\$4,190	\$3,404	\$2,750	\$2,302
Interest-Bearing Deposits	\$1,246,982	\$1,262,736	\$1,294,318	\$1,355,801	\$1,389,447	\$1,420,493	\$1,382,379	\$1,439,594	\$1,494,393
Noninterest-Bearing Deposits	\$285,811	\$289,481	\$291,039	\$351,905	\$339,379	\$469,095	\$452,070	\$448,230	\$515,487
Total Deposits	\$1,532,793	\$1,552,217	\$1,585,357	\$1,707,706	\$1,728,826	\$1,889,588	\$1,834,449	\$1,887,824	\$2,009,880
Total Deposit Interest Rate (Annualized)	1.15%	1.24%	1.32%	1.27%	1.17%	0.92%	0.74%	0.57%	0.48%

