



INVESTARTM



NASDAQ: ISTR

1Q 2020 Earnings Release Presentation

April 23, 2020

FORWARD-LOOKING STATEMENTS

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect the Company's current views 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 on economic conditions in general and on the Bank's markets in particular, and on the Bank's operations and financial results;
- ongoing disruptions in the oil and gas industry due to the significant decrease in the price of oil;
- business and economic conditions generally and in the financial services industry in particular, whether nationally, regionally or in the markets in which we operate;
- our ability to achieve organic loan and deposit growth, and the composition of that growth;
- our ability to integrate and achieve anticipated cost savings from our 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 our strategy generally;
- our 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 our geographic areas of operation in Louisiana, Texas and Alabama; and
- concentration of credit exposure; and
- the satisfaction of the conditions to closing the pending acquisition of Cheaha Bank and the ability to subsequently integrate it effectively.

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, 2019, filed with the Securities and Exchange Commission.

www.investarbank.com

NASDAQ: ISTR

We encourage everyone to visit the Investors Section of our website at www.investarbank.com, where we have posted additional important information such as press releases and SEC filings.

We intend to use our website to expedite public access to time-critical information regarding the Company in advance of or in lieu of distributing a press release or a filing with the SEC disclosing the same information.

Capital Ratios

Consolidated

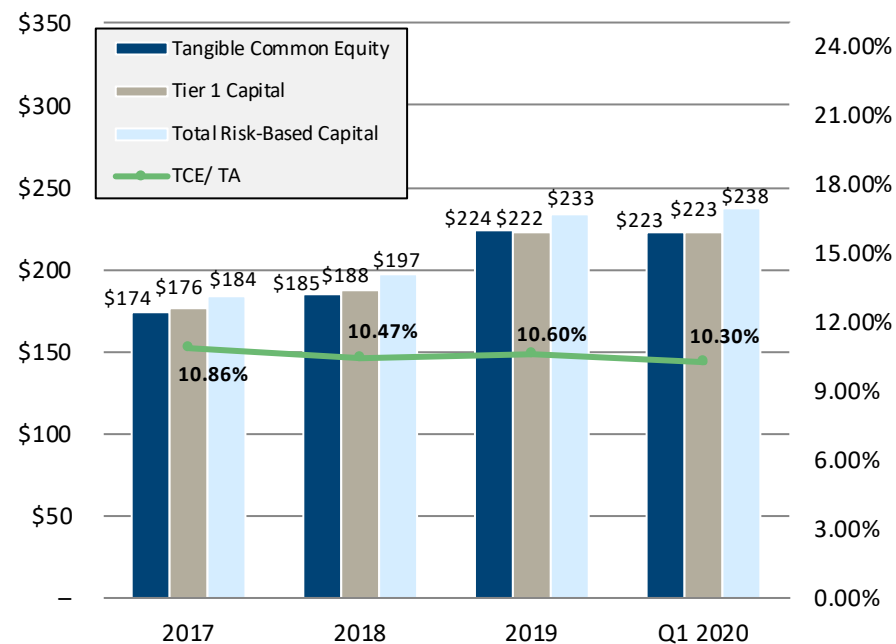
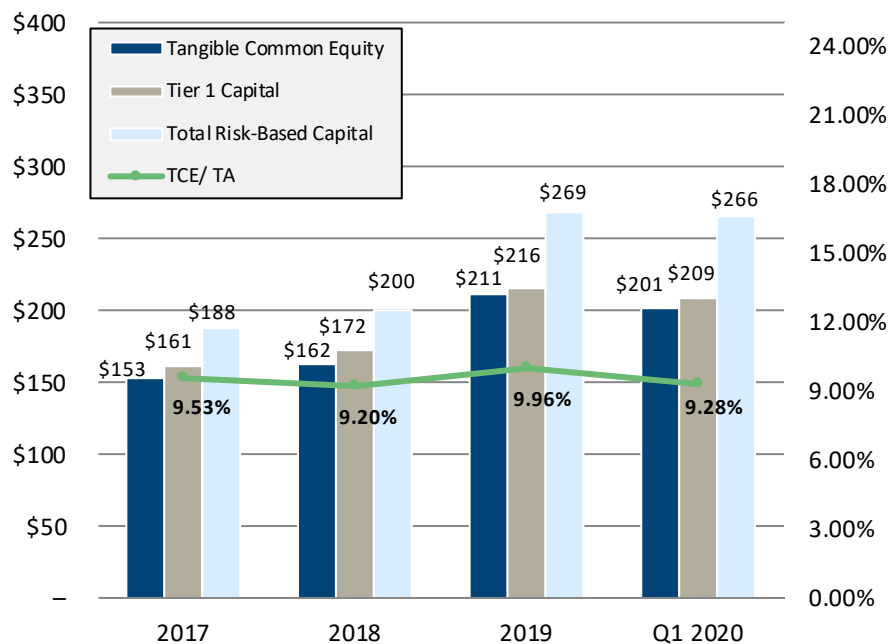
Bank

March 31, 2020

March 31, 2020

Tangible Common Equity / Tangible Assets	9.28%
Leverage Ratio	9.82%
Common Equity Tier 1 Ratio	10.95%
Tier 1 Ratio	11.30%
Total Risk-Based Ratio	14.40%

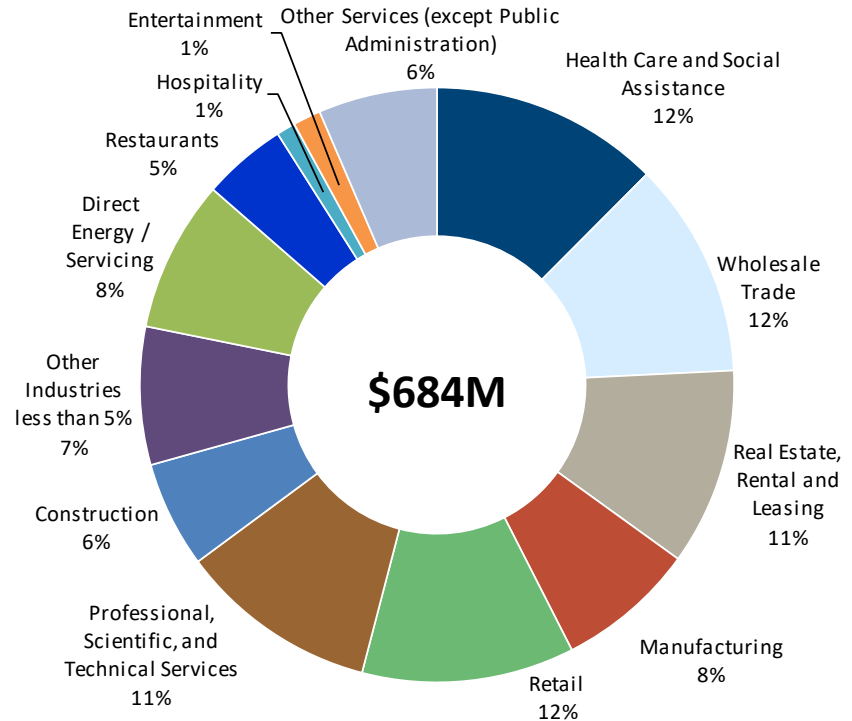
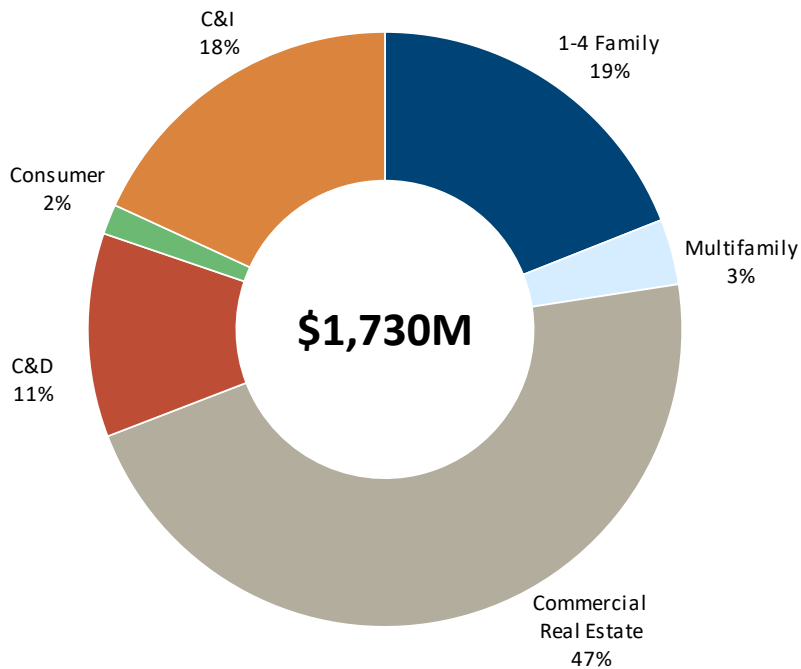
Tangible Common Equity / Tangible Assets	10.30%
Leverage Ratio	10.52%
Common Equity Tier 1 Ratio	12.09%
Tier 1 Ratio	12.09%
Total Risk-Based Ratio	12.87%



Loan Portfolio Segmentation

March 31, 2020

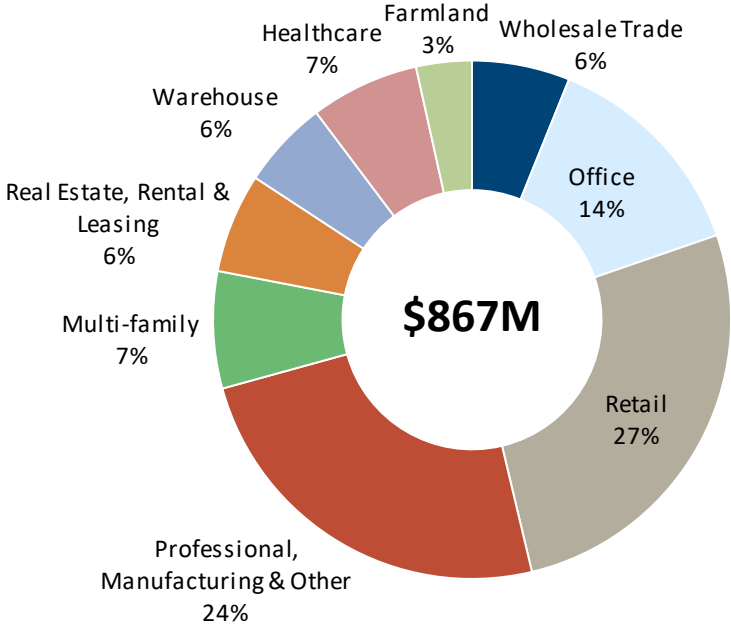
Business Lending Portfolio¹



Yield on loans: 5.11%
43% of CRE is owner-occupied

(1) Business lending portfolio includes owner-occupied CRE and C&I loans as of March 31, 2020

CRE Overview: \$867M

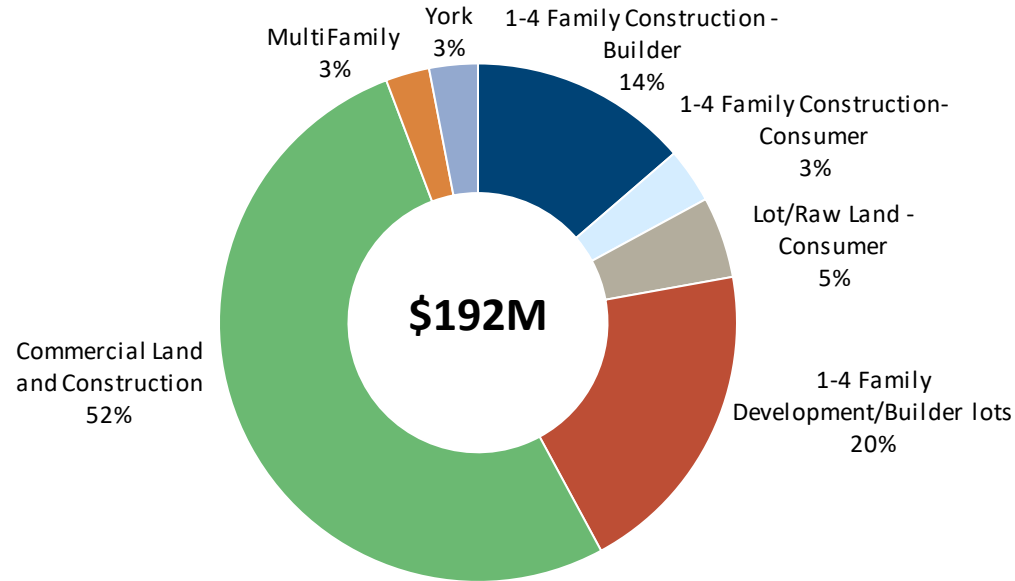


Portfolio Characteristics March 31, 2020

% Total Portfolio ¹	50%
10 Largest Loans / Relationships	14.43% CRE portfolio
10 Largest Loans / Relationships	7% Total Loans
Weighted Average Maturity	8.3 years
Weighted Average Interest Rate	4.63%
Owner-occupied	43% of CRE Portfolio

(1) Inclusive of multifamily and farmland loans

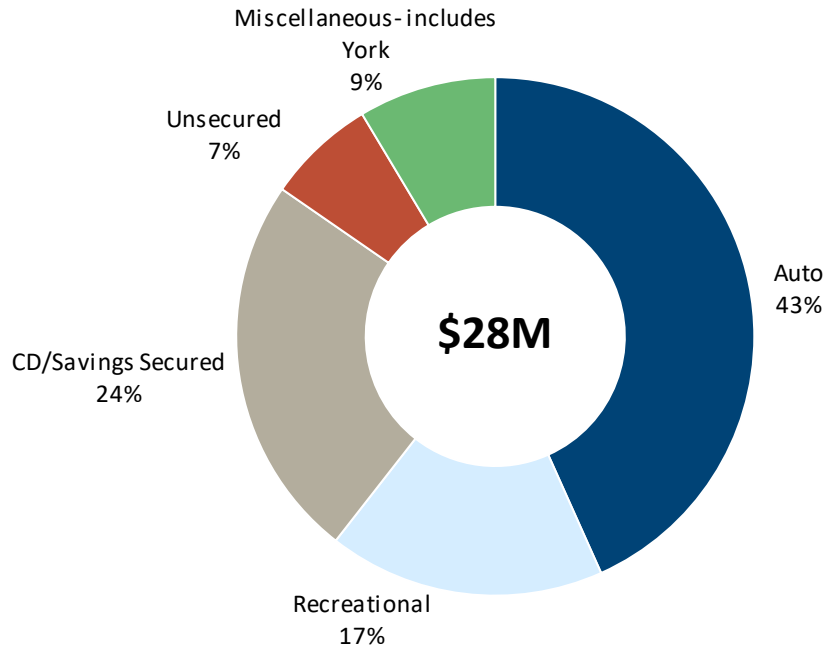
C&D Overview: \$192M



Portfolio Characteristics March 31, 2020

% Total Portfolio	11%
10 Largest Loans / Relationships	32% C&D portfolio
10 Largest Loans / Relationships	3% Total Loans
Weighted Average Maturity	3.1 years
Weighted Average Interest Rate	4.99%

Consumer Overview: \$28M



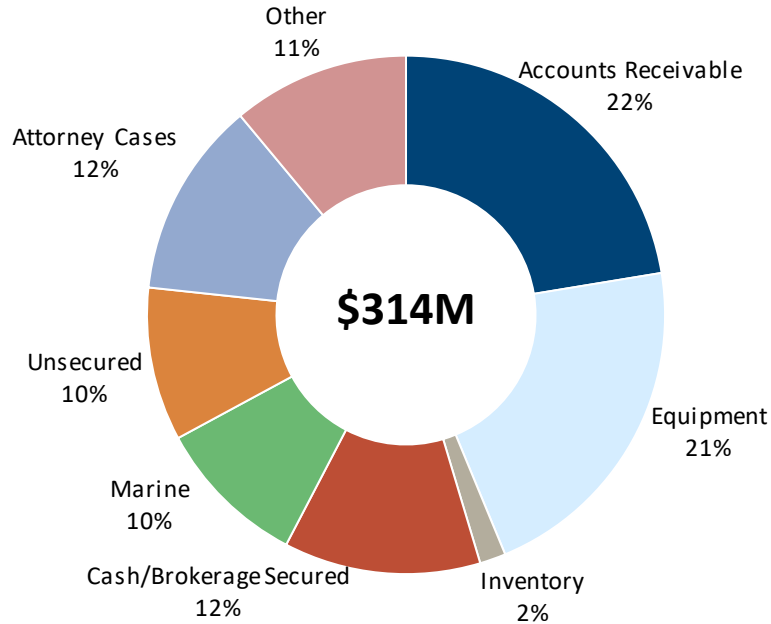
Since exiting the indirect auto loan origination business at the end of 2015, the Bank has experienced decreased loan sales and has ceased originations of consumer loans held for sale

Portfolio Characteristics March 31, 2020

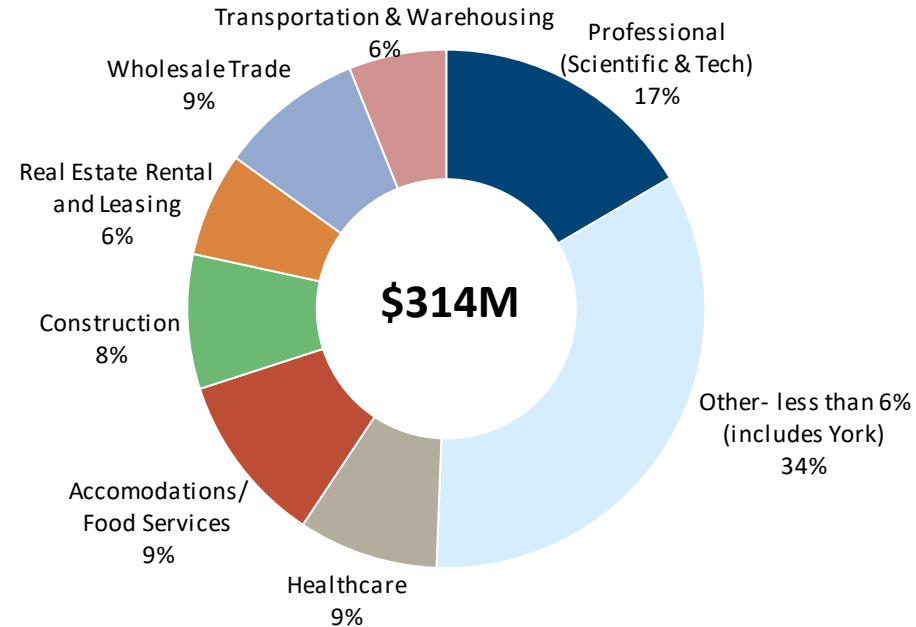
% Total Portfolio	1.6%
10 Largest Loans / Relationships	14% Consumer portfolio
10 Largest Loans / Relationships	0.2% Total Loans
Weighted Average Maturity	6.7 years
Weighted Average Interest Rate	5.33%

C&I Overview: \$314M

By Collateral Type



By Industry

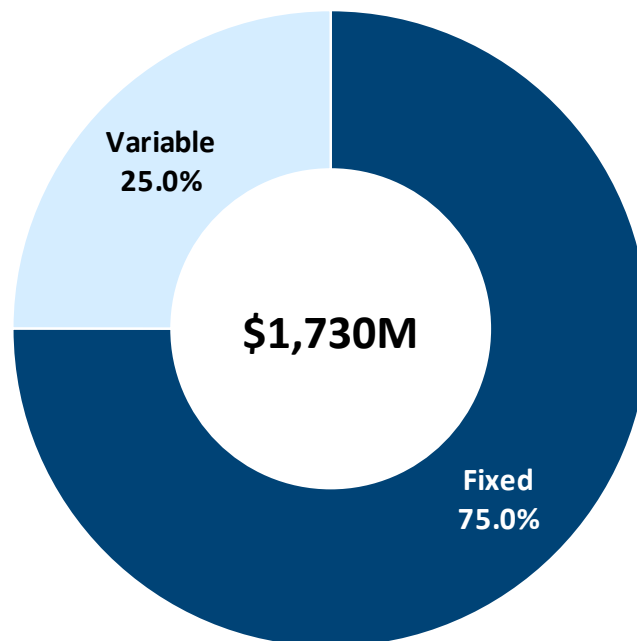


Portfolio Characteristics March 31, 2020

% Total Portfolio	18%
10 Largest Loans / Relationships	27% C&I portfolio
10 Largest Loans / Relationships	5% Total Loans
Weighted Average Maturity	4.1 years
Weighted Average Interest Rate	5.29%

Loan Rate Structure

- Investar's loans are 25% variable rate as of March 31, 2020
- Of these variable rate loans, 27% are in a period where the loan does not immediately reset with a change in the applicable index rate; 73% adjust immediately with a change to the applicable index rate
- Interest rate floors exist for 81% of commercial, commercial real estate, and multifamily loans (i.e. excludes mortgage, consumer, and HELOC loans)

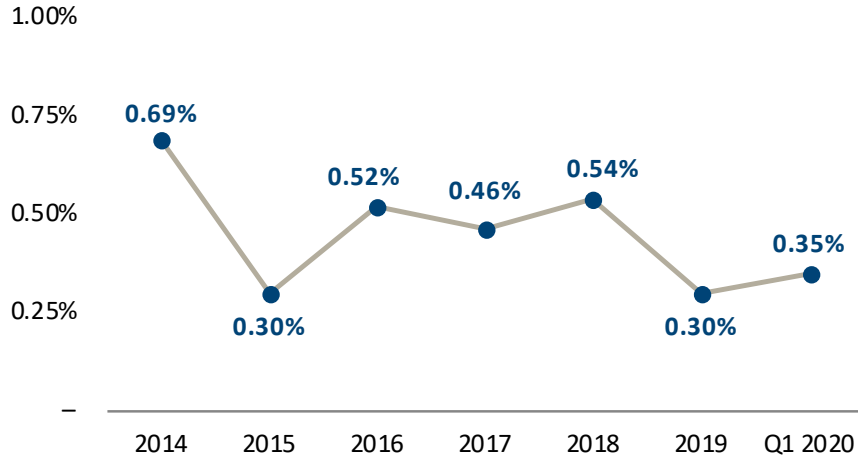


Loan Credit Portfolio Summary

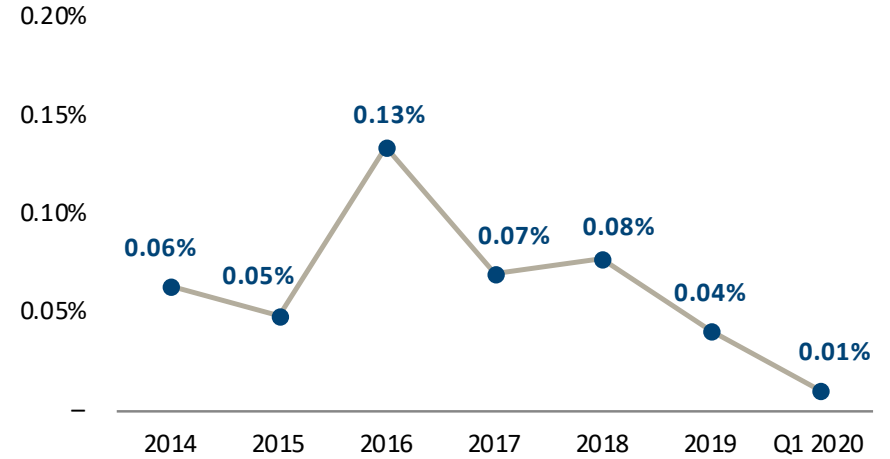
As of March 31, 2020					
<i>(Dollars in thousands)</i>					
	Pass	Special Mention	Substandard	Doubtful	Total
Construction and Development	\$ 176,951	\$ 13,434	\$ 1,212	\$ -	\$ 191,597
1-4 Family	322,573	3,865	2,292	-	328,730
Multifamily	60,437	1,272	-	-	61,709
Farmland	26,677	432	2,264	-	29,373
Commercial Real Estate	767,532	8,637	185	-	776,354
Commercial and Industrial	298,441	14,511	105	793	313,850
Consumer	27,508	130	543	-	28,181
Total Loans	\$ 1,680,119	\$ 42,281	\$ 6,601	\$ 793	\$ 1,729,794

Asset Quality Trends

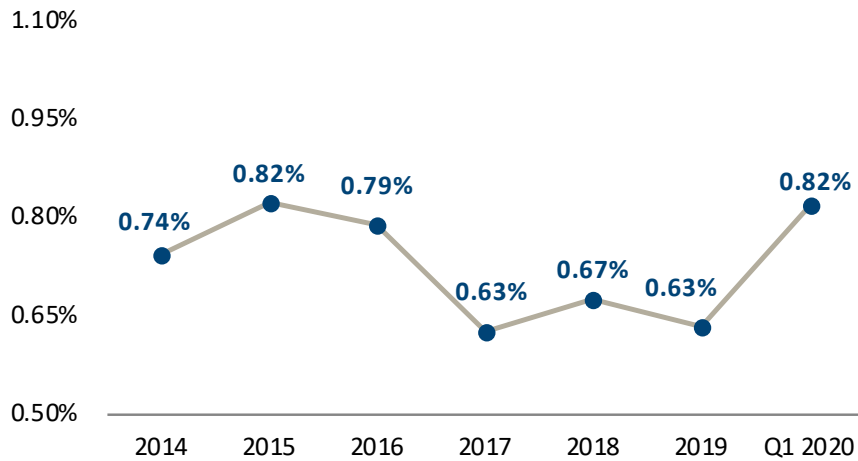
NPAs / Assets



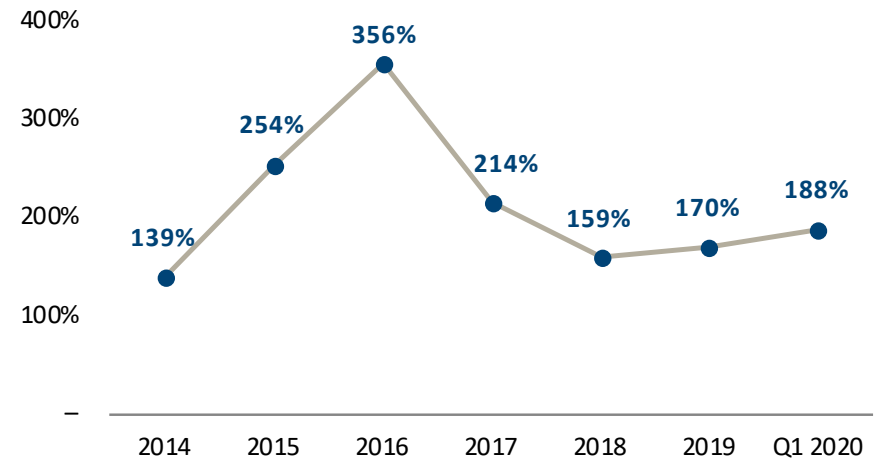
NCOs / Average Loans



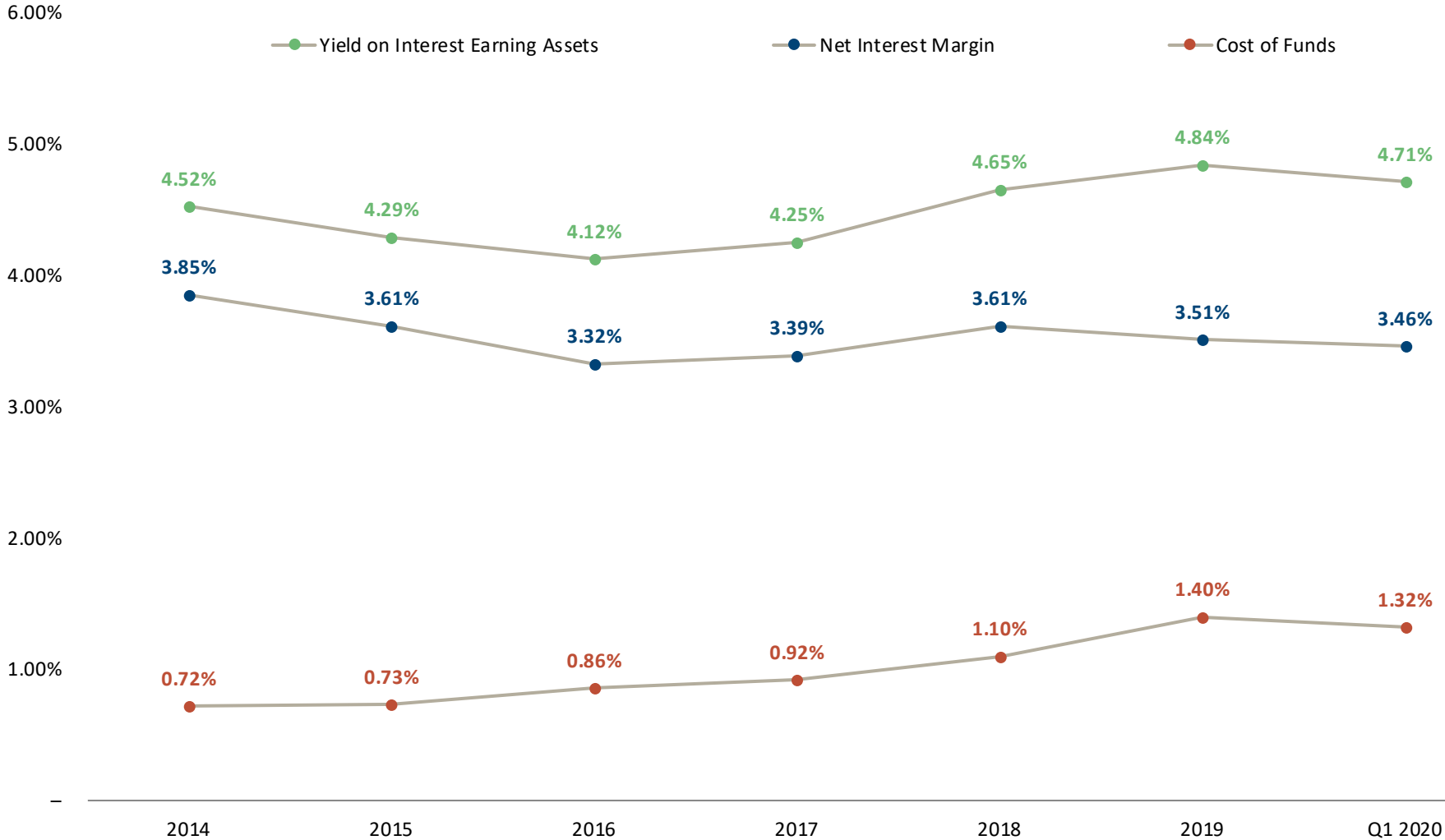
Reserves / Loans



Reserves / NPLs



Net Interest Margin



Securities Portfolio

Available-for-Sale <i>(Dollars in thousands)</i>	Book Value	Gain/ Loss	Fair Value
U.S. Governmental Agencies	\$43,966	\$43	\$44,009
State and Political Subdivisions	32,717	(733)	31,984
Corporate Bonds	24,069	(975)	23,094
Residential Mortgage-backed Securities	100,852	2,830	103,682
Commercial Mortgage-backed Securities	72,437	1,076	73,513
Total	\$274,041	\$2,240	\$276,281

Available-for-Sale Portfolio Characteristics

Weighted average modified duration:	4.23 years
Current tax-equivalent yield:	2.83%

Held-to-Maturity <i>(Dollars in thousands)</i>	Book Value	Gain/ Loss	Fair Value
Residential Mortgage-backed Securities	\$4,882	\$191	\$5,073
State and Political Subdivisions	9,370	(262)	9,108
Total	\$14,253	(\$71)	\$14,181

Held-to-Maturity Portfolio Characteristics

Weighted average modified duration:	5.07 years
Current tax-equivalent yield:	4.01%

Total effective duration for entire portfolio: 2.2 years

