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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): April 22, 2024**

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**Investar Holding Corporation**

(Exact name of registrant as specified in its charter)

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**Louisiana**  
(State or other jurisdiction  
of incorporation)

**001-36522**  
(Commission  
File Number)

**27-1560715**  
(I.R.S. Employer  
Identification No.)

**10500 Coursey Blvd.**  
**Baton Rouge, Louisiana 70816**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code: (225) 227-2222**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$1.00 par value per share	ISTR	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition.**

On April 22, 2024, Investar Holding Corporation (the “Company”), the holding company of Investar Bank, National Association (the “Bank”), issued a press release reporting first quarter 2024 results and posted on its website its first quarter 2024 earnings release and investor presentation. The materials contain forward-looking statements regarding the Company and include a cautionary note identifying important factors that could cause actual results to differ materially from those anticipated. Copies of the earnings release and investor presentation are furnished as Exhibit 99.1 and Exhibit 99.2 to this Current Report on Form 8-K.

The information contained in Item 2.02, including Exhibit 99.1 and Exhibit 99.2 of this Current Report, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

## (d) Exhibits

Exhibit Number	Description of Exhibit
99.1	<a href="#">Earnings release of Investar Holding Corporation dated April 22, 2024, announcing financial results for the quarter ended March 31, 2024</a>
99.2	<a href="#">Investor presentation dated April 22, 2024</a>
104	The cover page of Investar Holding Corporation’s Form 8-K is formatted in Inline XBRL

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**INVESTAR HOLDING CORPORATION**

Date: April 22, 2024

By: /s/ John J. D'Angelo  
John J. D'Angelo  
President and Chief Executive Officer

For Immediate Release

## Investar Holding Corporation Announces 2024 First Quarter Results

**BATON ROUGE, LA / ACCESSWIRE / April 22, 2024** / Investar Holding Corporation (“Investar”) (NASDAQ:ISTR), the holding company for Investar Bank, National Association (the “Bank”), today announced financial results for the quarter ended March 31, 2024. Investar reported net income of \$4.7 million, or \$0.48 per diluted common share, for the first quarter of 2024, compared to net income of \$3.5 million, or \$0.36 per diluted common share, for the quarter ended December 31, 2023, and net income of \$3.8 million, or \$0.38 per diluted common share, for the quarter ended March 31, 2023.

On a non-GAAP basis, core earnings per diluted common share for the first quarter of 2024 were \$0.43 compared to \$0.39 for the fourth quarter of 2023, and \$0.51 for the first quarter of 2023. Core earnings exclude certain items including, but not limited to, loss on call or sale of investment securities, net, (gain) loss on sale or disposition of fixed assets, net, loss on sale of other real estate owned, net, change in the fair value of equity securities, write down of other real estate owned, gain on early extinguishment of subordinated debt, and divestiture expense (refer to the *Reconciliation of Non-GAAP Financial Measures* tables for a reconciliation of GAAP to non-GAAP metrics).

Investar’s President and Chief Executive Officer John D’Angelo commented:

“Investar had a solid first quarter, and I am pleased with our results. Despite the potential of a higher-for-longer interest rate environment, we are focused on proactively managing through this uncertainty while remaining strategically positioned to benefit from a decrease in rates. During the first quarter, we continued to execute on our strategy of consistent, quality earnings through the optimization of our balance sheet and prudent expense management, and we are beginning to realize the benefits as evidenced by our results. Primarily through the right-sizing of our balance sheet, we recognized the benefit of a \$1.4 million negative provision. Our GAAP and core metrics for diluted earnings per share and return on average assets improved from the prior quarter.

Our goal is to build a fortress balance sheet that is less interest rate sensitive and responsibly build capital levels through organic earnings growth and a disciplined pace of share repurchases. Each quarter, we continue to focus on the things we can control and make progress towards our goals. We continue to benefit from the origination of higher yielding loans and repricing of our variable-rate assets. During the first quarter we originated and renewed loans, 80% of which were variable-rate loans, at a 9.2% blended interest rate. Our net interest margin decreased from the prior quarter, but we are pleased with the expansion of our adjusted net interest margin when excluding interest income accretion and interest recoveries.

We continue to closely manage our interest-earning assets and short-term funding costs. We completed a partial restructuring of approximately \$8.4 million of our bank owned life insurance with reinvestments in policies that yield more than double the yield of the surrendered policies with just over a one year earn-back period. We refinanced all of our borrowings under the Bank Term Funding Program at a lower rate prior to the expiration of the program. Additionally, we repurchased \$1.0 million in principal amount of subordinated debt at a significant discount to par and recognized a gain of \$0.2 million.

Our efforts to focus on underwriting high quality credits and allow higher risk credit relationships to run off are paying off. Credit quality remained very strong as nonperforming loans represented just 0.26% of total loans, and we experienced minimal charge-offs.

As always, we remain focused on shareholder value and returning capital to shareholders. We repurchased 10,525 shares of our common stock during the first quarter at an average price of \$16.20 per share.”

### First Quarter Highlights

- Return on average assets increased to 0.68% for the quarter ended March 31, 2024 compared to 0.50% for the quarter ended December 31, 2023. Core return on average assets improved to 0.61% for the quarter ended March 31, 2024 compared to 0.54% for the quarter ended December 31, 2023.
- Noninterest expense and core noninterest expense decreased \$0.1 million to \$15.3 million for the quarter ended March 31, 2024 compared to \$15.4 million for the quarter ended December 31, 2023.
- Credit quality remained strong as nonperforming loans were 0.26% of total loans at March 31, 2024 and December 31, 2023.
- Consistent with our strategy of optimizing the balance sheet, total loans decreased \$30.0 million, or 1.4%, to \$2.18 billion at March 31, 2024, compared to \$2.21 billion at December 31, 2023.
- Variable-rate loans as a percentage of total loans improved to 28% at March 31, 2024 compared to 27% at December 31, 2023. During the first quarter we originated and renewed loans, 80% of which were variable-rate loans, at a 9.2% blended interest rate.
- Investar recorded a negative provision for credit losses of \$1.4 million for the quarter ended March 31, 2024, compared to a provision for credit losses of \$0.5 million for the quarter ended December 31, 2023.
- During the first quarter, Investar refinanced all of its borrowings under the Federal Reserve’s Bank Term Funding Program (“BTFP”). The weighted average rate was 4.76% at March 31, 2024 compared to 4.83% at December 31, 2023.
- Investar completed the closure and sale of one branch location in Alabama during the first quarter of 2024 and recorded a \$0.4 million gain on sale or disposition of fixed assets.
- Investar repurchased \$1.0 million in principal amount of our 5.125% Fixed-to-Floating Rate Subordinated Notes due 2032 (the “2032 Notes”) and recognized a gain on early extinguishment of subordinated debt of \$0.2 million.

- Investar surrendered approximately \$8.4 million of bank owned life insurance (“BOLI”) and reinvested the proceeds in higher yielding policies. The restructuring has an expected earn-back period of just over one year.
  - Investar repurchased 10,525 shares of its common stock through its stock repurchase program at an average price of \$16.20 during the quarter ended March 31, 2024, leaving 503,741 shares authorized for repurchase under the program at March 31, 2024.
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## Loans

Total loans were \$2.18 billion at March 31, 2024, a decrease of \$30.0 million, or 1.4%, compared to December 31, 2023, and an increase of \$71.5 million, or 3.4%, compared to March 31, 2023.

The following table sets forth the composition of the total loan portfolio as of the dates indicated (dollars in thousands).

	3/31/2024	12/31/2023	3/31/2023	Linked Quarter Change		Year/Year Change		Percentage of Total Loans	
				\$	%	\$	%	3/31/2024	3/31/2023
Mortgage loans on real estate									
Construction and development	\$ 173,511	\$ 190,371	\$ 210,274	\$ (16,860)	(8.9)%	\$ (36,763)	(17.5)%	8.0%	10.0%
1-4 Family	414,480	413,786	401,329	694	0.2	13,151	3.3	19.0	19.0
Multifamily	105,124	105,946	80,980	(822)	(0.8)	24,144	29.8	4.8	3.8
Farmland	7,539	7,651	10,731	(112)	(1.5)	(3,192)	(29.7)	0.4	0.5
Commercial real estate									
Owner-occupied	453,414	449,610	433,585	3,804	0.8	19,829	4.6	20.8	20.6
Nonowner-occupied	495,844	488,098	533,572	7,746	1.6	(37,728)	(7.1)	22.7	25.3
Commercial and industrial	518,969	543,421	425,093	(24,452)	(4.5)	93,876	22.1	23.8	20.2
Consumer	11,697	11,736	13,480	(39)	(0.3)	(1,783)	(13.2)	0.5	0.6
<b>Total loans</b>	<b>\$ 2,180,578</b>	<b>\$ 2,210,619</b>	<b>\$ 2,109,044</b>	<b>\$ (30,041)</b>	<b>(1.4)%</b>	<b>\$ 71,534</b>	<b>3.4%</b>	<b>100%</b>	<b>100%</b>

At March 31, 2024, the Bank's total business lending portfolio, which consists of loans secured by owner-occupied commercial real estate properties and commercial and industrial loans, was \$972.4 million, a decrease of \$20.6 million, or 2.1%, compared to the business lending portfolio of \$993.0 million at December 31, 2023, and an increase of \$113.7 million, or 13.2%, compared to the business lending portfolio of \$858.7 million at March 31, 2023. The decrease in the business lending portfolio compared to December 31, 2023 is primarily driven by lower loan demand and loan amortization. The increase in the business lending portfolio compared to March 31, 2023 is primarily driven by our purchase of commercial and industrial revolving lines of credit in the second half of 2023, partially offset by lower loan demand due to higher rates.

Nonowner-occupied loans totaled \$495.8 million at March 31, 2024, an increase of \$7.7 million, or 1.6%, compared to \$488.1 million at December 31, 2023, and a decrease of \$37.7 million, or 7.1%, compared to \$533.6 million at March 31, 2023. The increase in nonowner-occupied loans compared to December 31, 2023 is primarily due to conversions from construction and development upon completion of construction. The decrease in nonowner-occupied loans compared to March 31, 2023 is primarily due to a reclassification of approximately \$24.1 million nonowner-occupied loans to multifamily loans due to a change in the primary use of the property and loan amortization.

Construction and development loans totaled \$173.5 million at March 31, 2024, a decrease of \$16.9 million, or 8.9%, compared to \$190.4 million at December 31, 2023, and a decrease of \$36.8 million, or 17.5%, compared to \$210.3 million at March 31, 2023. The decrease in construction and development loans compared to December 31, 2023 and March 31, 2023 is primarily due to conversions to permanent loans upon completion of construction.

### Credit Quality

Nonperforming loans were \$5.6 million, or 0.26% of total loans, at March 31, 2024, a decrease of \$0.2 million compared to \$5.8 million, or 0.26% of total loans, at December 31, 2023, and a decrease of \$0.1 million compared to \$5.7 million, or 0.27% of total loans, at March 31, 2023. The decrease in nonperforming loans compared to December 31, 2023 is mainly attributable to paydowns.

The allowance for credit losses was \$29.1 million, or 515.4% and 1.34% of nonperforming and total loans, respectively, at March 31, 2024, compared to \$30.5 million, or 529.3% and 1.38% of nonperforming and total loans, respectively, at December 31, 2023, and \$30.5 million, or 535.6% and 1.45% of nonperforming and total loans, respectively, at March 31, 2023.

Investar recorded a negative provision for credit losses of \$1.4 million for the quarter ended March 31, 2024 compared to a provision for credit losses of \$0.5 million and \$0.4 million for the quarters ended December 31, 2023 and March 31, 2023, respectively. The negative provision for credit losses in the quarter ended March 31, 2024 was primarily due to a decrease in total loans, aging of existing loans, and, to a lesser extent, the completion of our annual current expected credit loss allowance model recalibration. The provision for credit losses in the quarter ended December 31, 2023 was primarily attributable to loan growth resulting from the purchase of commercial and industrial revolving lines of credit, partially offset by an improvement in the economic forecast. The provision for credit losses for the quarter ended March 31, 2023 was due to organic loan growth.

## Deposits

Total deposits at March 31, 2024 were \$2.21 billion, a decrease of \$47.9 million, or 2.1%, compared to \$2.26 billion at December 31, 2023, and an increase of \$62.2 million, or 2.9%, compared to \$2.15 billion at March 31, 2023.

The following table sets forth the composition of deposits as of the dates indicated (dollars in thousands).

	3/31/2024	12/31/2023	3/31/2023	Linked Quarter Change		Year/Year Change		Percentage of Total Deposits	
				\$	%	\$	%	3/31/2024	3/31/2023
Noninterest-bearing demand deposits	\$ 435,397	\$ 448,752	\$ 508,241	\$ (13,355)	(3.0)%	\$ (72,844)	(14.3)%	19.7%	23.7%
Interest-bearing demand deposits	502,818	489,604	538,515	13,214	2.7	(35,697)	(6.6)	22.8	25.1
Money market deposits	171,113	179,366	180,402	(8,253)	(4.6)	(9,289)	(5.1)	7.7	8.4
Savings deposits	132,449	137,606	137,336	(5,157)	(3.7)	(4,887)	(3.6)	6.0	6.4
Brokered time deposits	237,850	269,102	146,270	(31,252)	(11.6)	91,580	62.6	10.8	6.8
Time deposits	728,201	731,297	634,883	(3,096)	(0.4)	93,318	14.7	33.0	29.6
<b>Total deposits</b>	<b>\$ 2,207,828</b>	<b>\$ 2,255,727</b>	<b>\$ 2,145,647</b>	<b>\$ (47,899)</b>	<b>(2.1)%</b>	<b>\$ 62,181</b>	<b>2.9%</b>	<b>100%</b>	<b>100%</b>

The increase in interest-bearing demand deposits at March 31, 2024 compared to December 31, 2023 is primarily due to organic growth. The decrease in noninterest-bearing demand deposits, money market deposits, and savings deposits at March 31, 2024 compared to December 31, 2023 is primarily the result of customers drawing down on their existing deposit accounts. The decrease in time deposits at March 31, 2024 compared to December 31, 2023 is primarily due to a reduced emphasis on attracting time deposits. Brokered time deposits decreased to \$237.9 million at March 31, 2024 from \$269.1 million at December 31, 2023 primarily due to scheduled maturities as part of our laddering strategy. Investar utilizes brokered time deposits, entirely in denominations of less than \$250,000, to secure fixed cost funding and reduce short-term borrowings. At March 31, 2024, the balance of brokered time deposits remained below 10% of total assets, and the remaining weighted average duration is approximately 14 months with a weighted average rate of 5.18%.

Time deposits and brokered time deposits increased, and other deposit categories decreased at March 31, 2024 compared to March 31, 2023 primarily due to shifts into interest-bearing deposit products as a result of rising interest rates. The majority of the increase in time deposits at March 31, 2024 compared to March 31, 2023 is due to organic growth and existing customer funds migrating from other deposit categories. We utilized shorter term brokered time deposits, which were laddered to provide flexibility, to fund a portion of the purchase of commercial and industrial revolving lines of credit in the second half of 2023.

## Stockholders' Equity

Stockholders' equity was \$227.0 million at March 31, 2024, an increase of \$0.2 million compared to December 31, 2023, and an increase of \$8.5 million compared to March 31, 2023. The increase in stockholders' equity compared to December 31, 2023 is primarily attributable to net income for the quarter, partially offset by an increase in accumulated other comprehensive loss due to a decrease in the fair value of the Bank's available for sale securities portfolio. The increase in stockholders' equity compared to March 31, 2023 is primarily attributable to net income for the last twelve months, partially offset by an increase in accumulated other comprehensive loss due to a decrease in the fair value of the Bank's available for sale securities portfolio.

## Net Interest Income

Net interest income for the first quarter of 2024 totaled \$17.2 million, a decrease of \$1.3 million, or 6.9%, compared to the fourth quarter of 2023, and a decrease of \$3.0 million, or 14.7%, compared to the first quarter of 2023. Total interest income was \$35.7 million, \$36.7 million and \$31.0 million for the quarters ended March 31, 2024, December 31, 2023 and March 31, 2023, respectively. Total interest expense was \$18.5 million, \$18.2 million and \$10.8 million for the corresponding periods. Included in net interest income for the quarters ended March 31, 2024, December 31, 2023 and March 31, 2023 is \$19,000, \$25,000, and \$0.1 million, respectively, of interest income accretion from the acquisition of loans. Also included in net interest income for each of the quarters ended March 31, 2024, December 31, 2023 and March 31, 2023 are interest recoveries of \$21,000, \$1.1 million, and \$0.1 million, respectively.

Investar's net interest margin was 2.59% for the quarter ended March 31, 2024, compared to 2.72% for the quarter ended December 31, 2023 and 3.13% for the quarter ended March 31, 2023. The decrease in net interest margin for the quarter ended March 31, 2024 compared to the quarter ended December 31, 2023 was driven by an 11 basis point increase in the overall cost of funds, and a two basis point decrease in the yield on interest-earning assets. The decrease in net interest margin for the quarter ended March 31, 2024 compared to the quarter ended March 31, 2023 was driven by a 128 basis point increase in the overall cost of funds, partially offset by a 58 basis point increase in the yield on interest-earning assets.

The yield on interest-earning assets was 5.38% for the quarter ended March 31, 2024, compared to 5.40% for the quarter ended December 31, 2023 and 4.80% for the quarter ended March 31, 2023. The decrease in the yield on interest-earning assets compared to the quarter ended December 31, 2023 was primarily attributable to a four basis point decrease in the yield on the loan portfolio, partially offset by a one basis point increase in the yield on the taxable securities portfolio. The increase in the yield on interest-earning assets compared to the quarter ended March 31, 2023 was primarily driven by a 62 basis point increase in the yield on the loan portfolio.

Exclusive of the interest income accretion from the acquisition of loans and interest recoveries, adjusted net interest margin was 2.59% for the quarter ended March 31, 2024, compared to 2.56% for the quarter ended December 31, 2023 and 3.10% for the quarter ended March 31, 2023. The adjusted yield on interest-earning assets was 5.38% for the quarter ended March 31, 2024 compared to 5.23% and 4.77% for the quarters ended December 31, 2023 and March 31, 2023, respectively. Refer to the *Reconciliation of Non-GAAP Financial Measures* table for a reconciliation of GAAP to non-GAAP metrics.

The cost of deposits increased 14 basis points to 3.31% for the quarter ended March 31, 2024 compared to 3.17% for the quarter ended December 31, 2023 and increased 169 basis points compared to 1.62% for the quarter ended March 31, 2023. The increase in the cost of deposits compared to the quarter ended December 31, 2023 resulted from an increase in rates paid on time deposits and brokered time deposits and both a higher average balance and an increase in rates paid on interest-bearing demand deposits. The increase in the cost of deposits compared to the quarter ended March 31, 2023 resulted from both a higher average balance and an increase in rates paid on time deposits and brokered time deposits, and an increase in rates paid on interest-bearing demand deposits and savings deposits, partially offset by a lower average balance of interest-bearing demand deposits.

The cost of short-term borrowings decreased 18 basis points to 4.66% for the quarter ended March 31, 2024 compared to 4.84% for the quarter ended December 31, 2023 and decreased 14 basis points compared to 4.80% for the quarter ended March 31, 2023. Beginning in the second quarter of 2023, the Bank began utilizing the BTFP to secure fixed rate funding for up to a one-year term and reduce short-term Federal Home Loan Bank ("FHLB") advances, which are priced daily. The Bank utilized this source of funding due to its lower rate as compared to FHLB advances, the ability to prepay the obligations without penalty, and as a means to lock in funding. The decrease in the cost of short-term borrowings compared to the quarters ended December 31, 2023 and March 31, 2023 resulted primarily from the refinancing of borrowings under the BTFP at lower rates.

The overall cost of funds for the quarter ended March 31, 2024 increased 11 basis points to 3.51% compared to 3.40% for the quarter ended December 31, 2023 and increased 128 basis points compared to 2.23% for the quarter ended March 31, 2023. The increase in the cost of funds for the quarter ended March 31, 2024 compared to the quarter ended December 31, 2023 resulted from an increase in the cost of deposits and a higher average balance of short-term borrowings, partially offset by a lower average balance of deposits and a decrease in the cost of short-term borrowings. The increase in the cost of funds for the quarter ended March 31, 2024 compared to the quarter ended March 31, 2023 resulted from both a higher average balance and an increase in the cost of deposits, partially offset by both a lower average balance and a decrease in the cost of short-term borrowings.

## Noninterest Income

Noninterest income for the first quarter of 2024 totaled \$2.7 million, an increase of \$1.0 million, or 56.6%, compared to the fourth quarter of 2023 and an increase of \$1.7 million, or 155.4%, compared to the first quarter of 2023.

The increase in noninterest income compared to the quarter ended December 31, 2023 is driven by a \$0.5 million increase in gain on sale or disposition of fixed assets, a \$0.3 million decrease in loss on call or sale of investment securities, a \$0.1 million increase in the change in fair value of equity securities, and a \$0.1 million increase in other operating income. The increase in gain of sale or disposition of fixed assets resulted from the closure of one branch in the Alabama market during the first quarter of 2024. The increase in other operating income is primarily attributable to a \$0.1 million increase in derivative fee income.

The increase in noninterest income compared to the quarter ended March 31, 2023 is primarily attributable to a \$1.3 million increase in gain on sale or disposition of fixed assets, a \$0.1 decrease in the loss on other real estate owned, \$0.1 million increase in the change in fair value of equity securities, and a \$0.2 million increase in other operating income. During the first quarter of 2024, there was a gain of sale or disposition of fixed assets of \$0.4 million resulting from the closure of one branch in the Alabama market compared to a loss on sale or disposition of fixed assets of \$0.9 million as a result of the sale of the Alice and Victoria, Texas branches in the first quarter of 2023. The increase in other operating income is primarily attributable to a \$0.1 million increase in the change in the net asset value of other investments.



## Noninterest Expense

Noninterest expense for the first quarter of 2024 totaled \$15.3 million, a decrease of \$0.1 million, or 0.9%, compared to the fourth quarter of 2023, and a decrease of \$0.9 million, or 5.4%, compared to the first quarter of 2023.

The decrease in noninterest expense for the quarter ended March 31, 2024 compared to the quarter ended December 31, 2023 was primarily driven by a \$0.2 million gain on early extinguishment of subordinated debt, a \$0.1 million decrease in occupancy expense, and a \$0.1 million decrease in depreciation and amortization, partially offset by a \$0.2 million increase in salaries and employee benefits, and a \$0.1 million increase in other operating expense. The gain on early extinguishment of subordinated debt is due to the repurchase of \$1.0 million in principal amount of our 2032 Notes in the first quarter of 2024. The decrease in occupancy was primarily due to higher maintenance costs in the fourth quarter of 2023. The increase in other operating expense resulted from a \$0.1 million increase in Federal Deposit Insurance Corporation (“FDIC”) assessments and a \$0.2 million write down of other real estate owned related to a former branch location, partially offset by a \$0.2 million decrease in bank shares tax.

The decrease in noninterest expense for the quarter ended March 31, 2024 compared to the quarter ended March 31, 2023 was primarily driven by \$0.7 million in expenses as a result of the sale of the Alice and Victoria, Texas branch locations in the first quarter of 2023. As a result of the sale of the Alice and Victoria, Texas branches, we recorded \$0.4 million of occupancy expense to terminate the remaining contractually obligated lease payments, \$0.1 million of salaries and employee benefits for severance, \$0.1 million of professional fees for legal and consulting services, and \$0.1 million of depreciation and amortization to accelerate the amortization of the remaining core deposit intangible. The remaining decrease of \$0.2 million is primarily due to a \$0.2 million gain on early extinguishment of subordinated debt, a \$0.1 million decrease in depreciation and amortization, and a \$0.1 million decrease in professional fees unrelated to the sale of the Alice and Victoria, Texas branch locations, partially offset by a \$0.3 million increase in other operating expenses. The increase in other operating expense resulted from a \$0.2 million increase in FDIC assessments and a \$0.2 million write down of other real estate owned related to a former branch location, partially offset by a \$0.1 million decrease in collection and repossession expenses and a \$0.1 million decrease in bank shares tax.

## Taxes

Investar recorded an income tax expense of \$1.4 million for the quarter ended March 31, 2024, which equates to an effective tax rate of 22.7%, compared to effective tax rates of 18.1% and 18.7% for the quarters ended December 31, 2023 and March 31, 2023, respectively. Investar surrendered approximately \$8.4 million of BOLI and reinvested the proceeds in higher yielding policies. Investar incurred a \$0.3 million income tax expense as a result of the restructuring. The restructuring has an expected earn-back period of just over one year. Excluding the effect of the BOLI surrender, the effective tax rate for the quarter ended March 31, 2024 was approximately 18.0%.

## Basic and Diluted Earnings Per Common Share

Investar reported basic and diluted earnings per common share of \$0.48 for the quarter ended March 31, 2024, compared to basic and diluted earnings per common share of \$0.36 for the quarter ended December 31, 2023, and basic and diluted earnings per common share of \$0.38 for the quarter ended March 31, 2023.

## About Investar Holding Corporation

Investar, headquartered in Baton Rouge, Louisiana, provides full banking services, excluding trust services, through its wholly-owned banking subsidiary, Investar Bank, National Association. The Bank currently operates 28 branch locations serving Louisiana, Texas, and Alabama. At March 31, 2024, the Bank had 323 full-time equivalent employees and total assets of \$2.8 billion.

## Non-GAAP Financial Measures

This press release contains financial information determined by methods other than in accordance with generally accepted accounting principles in the United States of America, or GAAP. These measures and ratios include “tangible common equity,” “tangible assets,” “tangible equity to tangible assets,” “tangible book value per common share,” “core noninterest income,” “core earnings before noninterest expense,” “core noninterest expense,” “core earnings before income tax expense,” “core income tax expense,” “core earnings,” “core efficiency ratio,” “core return on average assets,” “core return on average equity,” “core basic earnings per share,” and “core diluted earnings per share.” We also present certain average loan, yield, net interest income and net interest margin data adjusted to show the effects of excluding interest recoveries and interest income accretion from the acquisition of loans. Management believes these non-GAAP financial measures provide information useful to investors in understanding Investar’s financial results, and Investar believes that its presentation, together with the accompanying reconciliations, provide a more complete understanding of factors and trends affecting Investar’s business and allow investors to view performance in a manner similar to management, the entire financial services sector, bank stock analysts and bank regulators. These non-GAAP measures should not be considered a substitute for GAAP basis measures and results, and Investar strongly encourages investors to review its consolidated financial statements in their entirety and not to rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies’ non-GAAP financial measures having the same or similar names. A reconciliation of the non-GAAP financial measures disclosed in this press release to the comparable GAAP financial measures is included at the end of the financial statement tables.

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## Forward-Looking and Cautionary Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect Investar's current views with respect to, among other things, future events and financial performance. Investar 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 press release are based on the historical performance of Investar and its subsidiaries or on Investar's current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by Investar that the future plans, estimates or expectations by Investar will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to Investar'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 Investar's underlying assumptions prove to be incorrect, Investar's actual results may vary materially from those indicated in these statements. Investar does not undertake any obligation to publicly update or revise 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 significant risks and uncertainties for our business, results of operations and financial condition, as well as our regulatory capital and liquidity ratios and other regulatory requirements caused by business and economic conditions generally and in the financial services industry in particular, whether nationally, regionally or in the markets in which we operate;
- changes in inflation, interest rates, yield curves and interest rate spread relationships that affect our loan and deposit pricing;
- our ability to continue to successfully execute the pivot of our near-term strategy from primarily a growth strategy to a strategy primarily focused on consistent, quality earnings through the optimization of our balance sheet, and our ability to successfully execute a long-term growth strategy;
- our ability to achieve organic loan and deposit growth, and the composition of that growth;
- a reduction in liquidity, including as a result of a reduction in the amount of deposits we hold or other sources of liquidity, which may be caused by, among other things, disruptions in the banking industry similar to those that occurred in early 2023 that caused bank depositors to move uninsured deposits to other banks or alternative investments outside the banking industry;
- our ability to identify and enter into agreements to combine with attractive acquisition candidates, finance acquisitions, complete acquisitions after definitive agreements are entered into, and successfully integrate and grow acquired operations;
- our adoption on January 1, 2023 of ASU 2016-13, and inaccuracy of the assumptions and estimates we make in establishing reserves for credit losses and other estimates;
- 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;
- changes in the quality and composition of, and changes in unrealized losses in, our investment portfolio, including whether we may have to sell securities before their recovery of amortized cost basis and realize losses;
- 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;
- the concentration of our business within our geographic areas of operation in Louisiana, Texas and Alabama;
- increasing costs of complying with new and potential future regulations;
- new or increasing geopolitical tensions, including resulting from wars in Ukraine and Israel and surrounding areas;
- the emergence or worsening of widespread public health challenges or pandemics including COVID-19;
- concentration of credit exposure;
- any deterioration in asset quality and higher loan charge-offs, and the time and effort necessary to resolve problem assets;
- fluctuations in the price of oil and natural gas;
- data processing system failures and errors;
- risks associated with our digital transformation process, including increased risks of cyberattacks and other security breaches and challenges associated with addressing the increased prevalence of artificial intelligence;

- risks of losses resulting from increased fraud attacks against us and others in the financial services industry;
  - potential impairment of our goodwill and other intangible assets;
  - our potential growth, including our entrance or expansion into new markets, and the need for sufficient capital to support that growth;
  - the impact of litigation and other legal proceedings to which we become subject;
  - competitive pressures in the commercial finance, retail banking, mortgage lending and consumer finance industries, as well as the financial resources of, and products offered by, competitors;
  - the impact of changes in laws and regulations applicable to us, including banking, securities and tax laws and regulations and accounting standards, as well as changes in the interpretation of such laws and regulations by our regulators;
  - changes in the scope and costs of FDIC insurance and other coverages;
  - governmental monetary and fiscal policies; and
  - hurricanes, tropical storms, tropical depressions, floods, winter storms, droughts and other adverse weather events, all of which have affected Investar's market areas from time to time; other natural disasters; oil spills and other man-made disasters; acts of terrorism; other international or domestic calamities; acts of God; and other matters beyond our control.
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These factors should not be construed as exhaustive. Additional information on these and other risk factors can be found in Part I Item 1A. “Risk Factors” and in the “Special Note Regarding Forward-Looking Statements” in Part II Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Investar’s Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission.

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**INVESTAR HOLDING CORPORATION**  
**SUMMARY FINANCIAL INFORMATION**  
(Amounts in thousands, except share data)  
(Unaudited)

	As of and for the three months ended				
	3/31/2024	12/31/2023	3/31/2023	Linked Quarter	Year/Year
<b>EARNINGS DATA</b>					
Total interest income	\$ 35,722	\$ 36,668	\$ 30,977	(2.6)%	15.3%
Total interest expense	18,506	18,177	10,804	1.8	71.3
Net interest income	17,216	18,491	20,173	(6.9)	(14.7)
Provision for credit losses	(1,419)	486	388	(392.0)	(465.7)
Total noninterest income	2,748	1,755	1,076	56.6	155.4
Total noninterest expense	15,296	15,440	16,175	(0.9)	(5.4)
Income before income tax expense	6,087	4,320	4,686	40.9	29.9
Income tax expense	1,380	782	874	76.5	57.9
Net income	\$ 4,707	\$ 3,538	\$ 3,812	33.0	23.5
<b>AVERAGE BALANCE SHEET DATA</b>					
Total assets	\$ 2,802,192	\$ 2,817,388	\$ 2,735,823	(0.5)%	2.4%
Total interest-earning assets	2,669,553	2,694,474	2,615,097	(0.9)	2.1
Total loans	2,195,496	2,214,916	2,103,989	(0.9)	4.3
Total interest-bearing deposits	1,805,569	1,824,318	1,557,665	(1.0)	15.9
Total interest-bearing liabilities	2,118,746	2,119,724	1,961,302	(0.0)	8.0
Total deposits	2,233,704	2,279,211	2,108,168	(2.0)	6.0
Total stockholders' equity	228,690	212,454	219,690	7.6	4.1
<b>PER SHARE DATA</b>					
Earnings:					
Basic earnings per common share	\$ 0.48	\$ 0.36	\$ 0.38	33.3%	26.3%
Diluted earnings per common share	0.48	0.36	0.38	33.3	26.3
Core Earnings <sup>(1)</sup> :					
Core basic earnings per common share <sup>(1)</sup>	0.44	0.39	0.52	12.8	(15.4)
Core diluted earnings per common share <sup>(1)</sup>	0.43	0.39	0.51	10.3	(15.7)
Book value per common share	23.21	23.26	22.06	(0.2)	5.2
Tangible book value per common share <sup>(1)</sup>	18.90	18.92	17.74	(0.1)	6.5
Common shares outstanding	9,781,946	9,748,067	9,900,648	0.3	(1.2)
Weighted average common shares outstanding - basic	9,769,626	9,754,617	9,908,931	0.2	(1.4)
Weighted average common shares outstanding - diluted	9,866,973	9,763,296	9,992,467	1.1	(1.3)
<b>PERFORMANCE RATIOS</b>					
Return on average assets	0.68%	0.50%	0.57%	36.0%	19.3%
Core return on average assets <sup>(1)</sup>	0.61	0.54	0.76	13.0	(19.7)
Return on average equity	8.28	6.61	7.04	25.3	17.6
Core return on average equity <sup>(1)</sup>	7.52	7.16	9.46	5.0	(20.5)
Net interest margin	2.59	2.72	3.13	(4.8)	(17.3)
Net interest income to average assets	2.47	2.60	2.99	(5.0)	(17.4)
Noninterest expense to average assets	2.20	2.17	2.40	1.4	(8.3)
Efficiency ratio <sup>(2)</sup>	76.62	76.26	76.12	0.5	0.7
Core efficiency ratio <sup>(1)</sup>	78.81	74.85	69.89	5.3	12.8
Dividend payout ratio	20.83	27.78	25.00	(25.0)	(16.7)
Net charge-offs to average loans	—	—	0.01	—	(100.0)

(1) Non-GAAP financial measure. See reconciliation.

(2) Efficiency ratio represents noninterest expense divided by the sum of net interest income (before provision for credit losses) and noninterest income.

**INVESTAR HOLDING CORPORATION**  
**SUMMARY FINANCIAL INFORMATION**  
(Unaudited)

	As of and for the three months ended				
	3/31/2024	12/31/2023	3/31/2023	Linked Quarter	Year/Year
<b>ASSET QUALITY RATIOS</b>					
Nonperforming assets to total assets	0.36%	0.36%	0.23%	—%	56.5%
Nonperforming loans to total loans	0.26	0.26	0.27	—	(3.7)
Allowance for credit losses to total loans	1.34	1.38	1.45	(2.9)	(7.6)
Allowance for credit losses to nonperforming loans	515.36	529.32	535.55	(2.6)	(3.8)
<b>CAPITAL RATIOS</b>					
<b>Investar Holding Corporation:</b>					
Total equity to total assets	8.14%	8.06%	7.94%	1.0%	2.5%
Tangible equity to tangible assets <sup>(1)</sup>	6.73	6.65	6.48	1.2	3.9
Tier 1 leverage capital	8.60	8.35	8.30	3.0	3.6
Common equity tier 1 capital <sup>(2)</sup>	9.76	9.51	9.64	2.6	1.2
Tier 1 capital <sup>(2)</sup>	10.16	9.90	10.06	2.6	1.0
Total capital <sup>(2)</sup>	13.18	12.99	13.24	1.5	(0.5)
<b>Investar Bank:</b>					
Tier 1 leverage capital	10.01	9.81	9.72	2.0	3.0
Common equity tier 1 capital <sup>(2)</sup>	11.83	11.64	11.78	1.6	0.4
Tier 1 capital <sup>(2)</sup>	11.83	11.64	11.78	1.6	0.4
Total capital <sup>(2)</sup>	13.04	12.89	13.03	1.2	0.1

(1) Non-GAAP financial measure. See reconciliation.

(2) Estimated for March 31, 2024.

**INVESTAR HOLDING CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands, except share data)  
(Unaudited)

	March 31, 2024	December 31, 2023	March 31, 2023
<b>ASSETS</b>			
Cash and due from banks	\$ 18,083	\$ 28,285	\$ 30,571
Interest-bearing balances due from other banks	23,762	3,724	722
<b>Cash and cash equivalents</b>	<b>41,845</b>	<b>32,009</b>	<b>31,293</b>
Available for sale securities at fair value (amortized cost of \$415,546, \$419,283, and \$462,332, respectively)	353,340	361,918	406,107
Held to maturity securities at amortized cost (estimated fair value of \$18,148, \$20,513, and \$7,805, respectively)	17,755	20,472	8,048
Loans	2,180,578	2,210,619	2,109,044
Less: allowance for credit losses	(29,114)	(30,540)	(30,521)
<b>Loans, net</b>	<b>2,151,464</b>	<b>2,180,079</b>	<b>2,078,523</b>
Equity securities at fair value	2,260	1,180	1,241
Nonmarketable equity securities	12,723	13,417	23,376
Bank premises and equipment, net of accumulated depreciation of \$20,038, \$19,476, and \$21,670, respectively	42,659	44,183	47,698
Other real estate owned, net	4,247	4,438	662
Accrued interest receivable	15,047	14,366	12,947
Deferred tax asset	17,779	16,910	16,434
Goodwill and other intangible assets, net	42,154	42,320	42,864
Bank owned life insurance	60,745	58,797	57,715
Other assets	25,688	25,066	24,761
<b>Total assets</b>	<b>\$ 2,787,706</b>	<b>\$ 2,815,155</b>	<b>\$ 2,751,669</b>
<b>LIABILITIES</b>			
<b>Deposits</b>			
Noninterest-bearing	\$ 435,397	\$ 448,752	\$ 508,241
Interest-bearing	1,772,431	1,806,975	1,637,406
<b>Total deposits</b>	<b>2,207,828</b>	<b>2,255,727</b>	<b>2,145,647</b>
Advances from Federal Home Loan Bank	23,500	23,500	300,116
Borrowings under Bank Term Funding Program	229,000	212,500	—
Federal funds purchased	—	—	440
Repurchase agreements	7,850	8,633	—
Subordinated debt, net of unamortized issuance costs	43,363	44,320	44,248
Junior subordinated debt	8,657	8,630	8,545
Accrued taxes and other liabilities	40,503	35,077	34,215
<b>Total liabilities</b>	<b>2,560,701</b>	<b>2,588,387</b>	<b>2,533,211</b>
<b>STOCKHOLDERS' EQUITY</b>			
Preferred stock, no par value per share; 5,000,000 shares authorized	—	—	—
Common stock, \$1.00 par value per share; 40,000,000 shares authorized; 9,781,946, 9,748,067, and 9,900,648 shares issued and outstanding, respectively	9,782	9,748	9,901
Surplus	145,739	145,456	146,027
Retained earnings	120,441	116,711	106,780
Accumulated other comprehensive loss	(48,957)	(45,147)	(44,250)
<b>Total stockholders' equity</b>	<b>227,005</b>	<b>226,768</b>	<b>218,458</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,787,706</b>	<b>\$ 2,815,155</b>	<b>\$ 2,751,669</b>

**INVESTAR HOLDING CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in thousands, except share data)  
(Unaudited)

	For the three months ended		
	March 31, 2024	December 31, 2023	March 31, 2023
<b>INTEREST INCOME</b>			
Interest and fees on loans	\$ 32,135	\$ 33,128	\$ 27,359
Interest on investment securities			
Taxable	2,817	2,970	3,085
Tax-exempt	238	253	105
Other interest income	532	317	428
Total interest income	<u>35,722</u>	<u>36,668</u>	<u>30,977</u>
<b>INTEREST EXPENSE</b>			
Interest on deposits	14,845	14,584	6,221
Interest on borrowings	3,661	3,593	4,583
Total interest expense	<u>18,506</u>	<u>18,177</u>	<u>10,804</u>
Net interest income	17,216	18,491	20,173
Provision for credit losses	(1,419)	486	388
Net interest income after provision for credit losses	<u>18,635</u>	<u>18,005</u>	<u>19,785</u>
<b>NONINTEREST INCOME</b>			
Service charges on deposit accounts	810	798	740
Loss on call or sale of investment securities, net	—	(322)	(1)
Gain (loss) on sale or disposition of fixed assets, net	427	(39)	(859)
Loss on sale of other real estate owned, net	—	—	(142)
Gain on sale of loans	—	—	75
Servicing fees and fee income on serviced loans	—	2	6
Interchange fees	395	417	438
Income from bank owned life insurance	388	371	336
Change in the fair value of equity securities	80	24	(4)
Other operating income	648	504	487
Total noninterest income	<u>2,748</u>	<u>1,755</u>	<u>1,076</u>
Income before noninterest expense	21,383	19,760	20,861
<b>NONINTEREST EXPENSE</b>			
Depreciation and amortization	812	909	1,052
Salaries and employee benefits	9,248	9,003	9,334
Occupancy	581	706	1,024
Data processing	937	892	875
Marketing	41	68	69
Professional fees	419	461	633
Gain on early extinguishment of subordinated debt	(215)	—	—
Other operating expenses	3,473	3,401	3,188
Total noninterest expense	<u>15,296</u>	<u>15,440</u>	<u>16,175</u>
Income before income tax expense	6,087	4,320	4,686
Income tax expense	1,380	782	874
Net income	<u>\$ 4,707</u>	<u>\$ 3,538</u>	<u>\$ 3,812</u>
<b>EARNINGS PER SHARE</b>			
Basic earnings per common share	\$ 0.48	\$ 0.36	\$ 0.38
Diluted earnings per common share	0.48	0.36	0.38
Cash dividends declared per common share	0.10	0.10	0.095



**INVESTAR HOLDING CORPORATION**  
**CONSOLIDATED AVERAGE BALANCE SHEET, INTEREST EARNED AND YIELD ANALYSIS**  
(Amounts in thousands)  
(Unaudited)

	For the three months ended								
	March 31, 2024			December 31, 2023			March 31, 2023		
	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
<b>Assets</b>									
Interest-earning assets:									
Loans	\$ 2,195,496	\$ 32,135	5.89%	\$ 2,214,916	\$ 33,128	5.93%	\$ 2,103,989	\$ 27,359	5.27%
Securities:									
Taxable	410,761	2,817	2.76	427,746	2,970	2.75	459,099	3,085	2.73
Tax-exempt	26,963	238	3.55	28,807	253	3.50	16,496	105	2.58
Interest-bearing balances with banks									
Total interest-earning assets	2,669,553	35,722	5.38	2,694,474	36,668	5.40	2,615,097	30,977	4.80
Cash and due from banks	26,246			27,214			31,356		
Intangible assets	42,243			42,414			43,000		
Other assets	94,311			83,447			76,695		
Allowance for credit losses	(30,161)			(30,161)			(30,325)		
Total assets	<u>\$ 2,802,192</u>			<u>\$ 2,817,388</u>			<u>\$ 2,735,823</u>		
<b>Liabilities and stockholders' equity</b>									
Interest-bearing liabilities:									
Deposits:									
Interest-bearing demand deposits	\$ 680,548	\$ 3,166	1.87%	\$ 668,277	\$ 2,873	1.71%	\$ 736,083	\$ 1,594	0.88%
Savings deposits	134,853	339	1.01	136,045	318	0.93	146,093	16	0.04
Brokered time deposits	255,694	3,314	5.21	275,552	3,590	5.17	67,088	773	4.68
Time deposits	734,474	8,026	4.39	744,444	7,803	4.16	608,401	3,838	2.56
Total interest-bearing deposits	1,805,569	14,845	3.31	1,824,318	14,584	3.17	1,557,665	6,221	1.62
Short-term borrowings	236,826	2,745	4.66	218,977	2,672	4.84	301,033	3,562	4.80
Long-term debt	76,351	916	4.83	76,429	921	4.78	102,604	1,021	4.04
Total interest-bearing liabilities	2,118,746	18,506	3.51	2,119,724	18,177	3.40	1,961,302	10,804	2.23
Noninterest-bearing deposits	428,135			454,893			550,503		
Other liabilities	26,621			30,317			4,328		
Stockholders' equity	228,690			212,454			219,690		
Total liability and stockholders' equity	<u>\$ 2,802,192</u>			<u>\$ 2,817,388</u>			<u>\$ 2,735,823</u>		
Net interest income/net interest margin		<u>\$ 17,216</u>	<u>2.59%</u>		<u>\$ 18,491</u>	<u>2.72%</u>		<u>\$ 20,173</u>	<u>3.13%</u>

**INVESTAR HOLDING CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**INTEREST EARNED AND YIELD ANALYSIS ADJUSTED FOR INTEREST RECOVERIES AND ACCRETION**  
(Amounts in thousands)  
(Unaudited)

	For the three months ended								
	March 31, 2024			December 31, 2023			March 31, 2023		
	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
Interest-earning assets:									
Loans	\$ 2,195,496	\$ 32,135	5.89%	\$ 2,214,916	\$ 33,128	5.93%	\$ 2,103,989	\$ 27,359	5.27%
Adjustments:									
Interest recoveries		21			1,105			141	
Accretion		19			25			55	
Adjusted loans	2,195,496	32,095	5.88	2,214,916	31,998	5.73	2,103,989	27,163	5.24
Securities:									
Taxable	410,761	2,817	2.76	427,746	2,970	2.75	459,099	3,085	2.73
Tax-exempt	26,963	238	3.55	28,807	253	3.50	16,496	105	2.58
Interest-bearing balances with banks	36,333	532	5.89	23,005	317	5.46	35,513	428	4.89
Adjusted interest-earning assets	2,669,553	35,682	5.38	2,694,474	35,538	5.23	2,615,097	30,781	4.77
Total interest-bearing liabilities	2,118,746	18,506	3.51	2,119,724	18,177	3.40	1,961,302	10,804	2.23
Adjusted net interest income/adjusted net interest margin		<u>\$ 17,176</u>	<u>2.59%</u>		<u>\$ 17,361</u>	<u>2.56%</u>		<u>\$ 19,977</u>	<u>3.10%</u>

**INVESTAR HOLDING CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(Amounts in thousands, except share data)  
(Unaudited)

	March 31, 2024	December 31, 2023	March 31, 2023
<b>Tangible common equity</b>			
Total stockholders' equity	\$ 227,005	\$ 226,768	\$ 218,458
Adjustments:			
Goodwill	40,088	40,088	40,088
Core deposit intangible	1,966	2,132	2,676
Trademark intangible	100	100	100
Tangible common equity	<u>\$ 184,851</u>	<u>\$ 184,448</u>	<u>\$ 175,594</u>
<b>Tangible assets</b>			
Total assets	\$ 2,787,706	\$ 2,815,155	\$ 2,751,669
Adjustments:			
Goodwill	40,088	40,088	40,088
Core deposit intangible	1,966	2,132	2,676
Trademark intangible	100	100	100
Tangible assets	<u>\$ 2,745,552</u>	<u>\$ 2,772,835</u>	<u>\$ 2,708,805</u>
Common shares outstanding	9,781,946	9,748,067	9,900,648
Tangible equity to tangible assets	6.73%	6.65%	6.48%
Book value per common share	\$ 23.21	\$ 23.26	\$ 22.06
Tangible book value per common share	18.90	18.92	17.74

**INVESTAR HOLDING CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(Amounts in thousands, except share data)  
(Unaudited)

		Three months ended		
		3/31/2024	12/31/2023	3/31/2023
Net interest income	(a)	\$ 17,216	\$ 18,491	\$ 20,173
Provision for credit losses		(1,419)	486	388
Net interest income after provision for credit losses		18,635	18,005	19,785
Noninterest income	(b)	2,748	1,755	1,076
Loss on call or sale of investment securities, net		—	322	1
(Gain) loss on sale or disposition of fixed assets, net		(427)	39	859
Loss on sale of other real estate owned, net		—	—	142
Gain on sale of loans <sup>(1)</sup>		—	—	(75)
Change in the fair value of equity securities		(80)	(24)	4
Change in the net asset value of other investments <sup>(2)</sup>		(70)	(43)	33
Core noninterest income	(d)	2,171	2,049	2,040
Core earnings before noninterest expense		20,806	20,054	21,825
Total noninterest expense	(c)	15,296	15,440	16,175
Write down of other real estate owned <sup>(3)</sup>		(233)	—	—
Gain on early extinguishment of subordinated debt		215	—	—
Loan purchase expense <sup>(4)</sup>		—	(66)	—
Divestiture expense <sup>(5)</sup>		—	—	(651)
Core noninterest expense	(f)	15,278	15,374	15,524
Core earnings before income tax expense		5,528	4,680	6,301
Core income tax expense <sup>(6)</sup>		1,255	847	1,178
Core earnings		<u>\$ 4,273</u>	<u>\$ 3,833</u>	<u>\$ 5,123</u>
Core basic earnings per common share		0.44	0.39	0.52
Diluted earnings per common share (GAAP)		\$ 0.48	\$ 0.36	\$ 0.38
Loss on call or sale of investment securities, net		—	0.03	—
(Gain) loss on sale or disposition of fixed assets, net		(0.03)	—	0.07
Loss on sale of other real estate owned, net		—	—	0.01
Gain on sale of loans <sup>(1)</sup>		—	—	(0.01)
Change in the fair value of equity securities		(0.01)	—	—
Change in the net asset value of other investments <sup>(2)</sup>		(0.01)	—	—
Write down of other real estate owned <sup>(3)</sup>		0.02	—	—
Gain on early extinguishment of subordinated debt		(0.02)	—	—
Loan purchase expense <sup>(4)</sup>		—	—	—
Divestiture expense <sup>(5)</sup>		—	—	0.06
Core diluted earnings per common share		<u>\$ 0.43</u>	<u>\$ 0.39</u>	<u>\$ 0.51</u>
Efficiency ratio	(c) / (a+b)	76.62%	76.26%	76.12%
Core efficiency ratio	(f) / (a+d)	78.81	74.85	69.89
Core return on average assets <sup>(7)</sup>		0.61	0.54	0.76
Core return on average equity <sup>(7)</sup>		7.52	7.16	9.46
Total average assets		\$ 2,802,192	\$ 2,817,388	\$ 2,735,823
Total average stockholders' equity		228,690	212,454	219,690

- (1) Adjustment to noninterest income recorded upon completion of the sale of the Alice and Victoria, Texas branches for remaining discount on loans sold.
- (2) Change in net asset value of other investments represents unrealized gains or losses on Investar's investments in Small Business Investment Companies and other investment funds and is included in other operating income in the accompanying consolidated statements of income.
- (3) Adjustment to noninterest expense for provision for estimated losses on other real estate owned when fair value is determined to be less than carrying values, which is included in other operating expense in the accompanying consolidated statements of income.
- (4) Adjustment to noninterest expense directly attributable to the purchase of loans, consisting of professional fees for legal and consulting services.
- (5) Adjustment to noninterest expenses directly attributable to the sale of the Alice and Victoria, Texas branch locations, consisting of \$0.4 million of occupancy expense to terminate the remaining contractually obligated lease payments, \$0.1 million of salaries and employee benefits for severance, \$0.1 million of professional fees for legal and consulting services, and \$0.1 million of depreciation and amortization to accelerate the amortization of the remaining core deposit intangible.
- (6) Core income tax expense is calculated using the effective tax rates of 22.7%, 18.1% and 18.7% for the quarters ended March 31, 2024, December 31, 2023

and March 31, 2023, respectively.

(7) Core earnings used in calculation. No adjustments were made to average assets or average equity.



# INVESTAR<sup>®</sup>

NASDAQ: ISTR

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Q1 2024 Investor Presentation

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INVESTAR<sup>®</sup>  
HOLDING CORPORATION





# Cautionary Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect Investor's current views with respect to, among other things, future events and financial performance. Investor 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 press release are based on the historical performance of Investor and its subsidiaries or on Investor's current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by Investor that the future plans, estimates or expectations by Investor will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to Investor'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 Investor's underlying assumptions prove to be incorrect, Investor's actual results may vary materially from those indicated in these statements. Investor does not undertake any obligation to publicly update or revise 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: (1) the significant risks and uncertainties for our business, results of operations and financial condition, as well as our regulatory capital and liquidity ratios and other regulatory requirements caused by business and economic conditions generally and in the financial services industry in particular, whether nationally, regionally or in the markets in which we operate; (2) changes in inflation, interest rates, yield curves and interest rate spread relationships that affect our loan and deposit pricing; (3) our ability to continue to successfully execute the pivot of our near-term strategy from primarily a growth strategy to a strategy primarily focused on consistent, quality earnings through the optimization of our balance sheet, and our ability to successfully execute a long-term growth strategy; (4) our ability to achieve organic loan and deposit growth, and the composition of that growth; (5) a reduction in liquidity, including as a result of a reduction in the amount of deposits we hold or other sources of liquidity, which may be caused by, among other things, disruptions in the banking industry similar to those that occurred in early 2023 that caused bank depositors to move uninsured deposits to other banks or alternative investments outside the banking industry; (6) our ability to identify and enter into agreements to combine with attractive acquisition candidates, finance acquisitions, complete acquisitions after definitive agreements are entered into, and successfully integrate and grow acquired operations; (7) our adoption on January 1, 2023 of ASU 2016-13, and inaccuracy of the assumptions and estimates we make in establishing reserves for credit losses and other estimates; (8) 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; (9) changes in the quality and composition of, and changes in unrealized losses in, our investment portfolio, including whether we may have to sell securities before their recovery of amortized cost basis and realize losses; (10) 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; (11) our dependence on our management team, and our ability to attract and retain qualified personnel; (12) the concentration of our business within our geographic areas of operation in Louisiana, Texas and Alabama; (13) increasing costs of complying with new and potential future regulations; (14) new or increasing geopolitical tensions, including resulting from wars in Ukraine and Israel and surrounding areas; (15) the emergence or worsening of widespread public health challenges or pandemics including COVID-19; (16) concentration of credit exposure; (17) any deterioration in asset quality and higher loan charge-offs, and the time and effort necessary to resolve problem assets; (18) fluctuations in the price of oil and natural gas; (19) data processing system failures and errors; (20) risks associated with our digital transformation process, including increased risks of cyberattacks and other security breaches and challenges associated with addressing the increased prevalence of artificial intelligence; (21) risks of losses resulting from increased fraud attacks against us and others in the financial services industry; (22) potential impairment of our goodwill and other intangible assets; (23) our potential growth, including our entrance or expansion into new markets, and the need for sufficient capital to support that growth; (24) the impact of litigation and other legal proceedings to which we become subject; (25) competitive pressures in the commercial finance, retail banking, mortgage lending and consumer finance industries, as well as the financial resources of, and products offered by, competitors; (26) the impact of changes in laws and regulations applicable to us, including banking, securities and tax laws and regulations and accounting standards, as well as changes in the interpretation of such laws and regulations by our regulators; (27) changes in the scope and costs of FDIC insurance and other coverages; (28) governmental monetary and fiscal policies; and (29) hurricanes, tropical storms, tropical depressions, floods, winter storms, droughts and other adverse weather events, all of which have affected Investor's market areas from time to time; other natural disasters; oil spills and other man-made disasters; acts of terrorism; other international or domestic calamities; acts of God; and other matters beyond our control.

These factors should not be construed as exhaustive. Additional information on these and other risk factors can be found in Part I Item 1A, "Risk Factors" and in the "Special Note Regarding Forward-Looking Statements" in Part II Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Investor's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC.

## Non-GAAP Financial Measures

This presentation contains financial information determined by methods other than in accordance with generally accepted accounting principles in the United States of America, or GAAP. These measures and ratios include "tangible common equity," "tangible assets," "tangible equity to tangible assets," "tangible book value per common share," "core noninterest income," "core earnings before noninterest expense," "core noninterest expense," "core earnings before income tax expense," "core income tax expense," "core earnings," "core efficiency ratio," "core return on average assets," "core return on average equity," "core basic earnings per share," and "core diluted earnings per share." We also present certain average loan, yield, net interest income and net interest margin data adjusted to show the effects of excluding interest recoveries and interest income accretion from the acquisition of loans. Management believes these non-GAAP financial measures provide information useful to investors in understanding Investor's financial results, and Investor believes that its presentation, together with the accompanying reconciliations, provide a more complete understanding of factors and trends affecting Investor's business and allow investors to view performance in a manner similar to management, the entire financial services sector, bank stock analysts and bank regulators. These non-GAAP measures should not be considered a substitute for GAAP basis measures and results, and Investor strongly encourages investors to review its consolidated financial statements in their entirety and not to rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. Reconciliation of the non-GAAP financial measures disclosed in this presentation to the comparable GAAP financial measures are included in the appendix.



# 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
- 28 branches across Alabama, Louisiana and Texas
- Initial public offering and Nasdaq listing in 2014
- Completed 7 whole bank acquisitions and 1 branch transaction
- 42 consecutive quarters of dividends paid; 9 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







# Execution of Strategic Initiatives – 1<sup>st</sup> Quarter 2024

## Balance Sheet Optimization and Capital

- We are continuing to focus on consistent, quality earnings through the optimization and right-sizing of the balance sheet.
- Through the right-sizing of our balance sheet, we recognized the benefit of a \$1.4 million negative provision for credit losses.
- Net interest margin decreased to 2.59% for the 1<sup>st</sup> quarter of 2024 compared to 2.72% for the 4<sup>th</sup> quarter of 2023. Exclusive of interest income accretion from the acquisition of loans and interest recoveries, adjusted net interest margin<sup>1</sup> improved to 2.59% for the 1<sup>st</sup> quarter of 2024, compared to 2.56% for the 4<sup>th</sup> quarter of 2023.
- Variable-rate loans as a percentage of total loans was 28% at March 31, 2024 compared to 27% at December 31, 2023. We originated or renewed \$73.5 million in loans, 80% of which were variable-rate loans, at a 9.2% blended interest rate.
- We refinanced all of our borrowings under the Federal Reserve's Bank Term Funding Program ("BTFP"). The weighted average rate was 4.76% at March 31, 2024 compared to 4.83% at December 31, 2023.
- We surrendered approximately \$8.4 million of bank owned life insurance and reinvested the proceeds in higher yielding policies. The restructuring has an expected earn-back period of just over one year.
- Remained focused on building capital levels through organic earnings coupled with strategic management of the balance sheet, including disciplined pace of share repurchases. We repurchased 10,525 shares during the 1<sup>st</sup> quarter at an average price of \$16.20.

## Credit Quality

- Nonperforming assets to total assets remained strong at 0.36% at March 31, 2024 and December 31, 2023. The allowance for credit losses to nonperforming loans was 515.4% at March 31, 2024 compared to 529.3% at December 31, 2023.
- We continued to originate high quality loans and allow higher risk credit relationships to run off.

## Expense Control and Efficiency

- Despite inflationary pressures, noninterest expense and core noninterest expense<sup>1</sup> decreased \$0.1 million to \$15.3 million for the 1<sup>st</sup> quarter of 2024 compared to \$15.4 million for the 4<sup>th</sup> quarter of 2023.
- Our digital transformation and optimization of our physical branch and ATM footprint progressed as we completed the closure and sale of one branch in our Alabama market in January 2024 and recorded a \$0.4 million gain on sale or disposition of fixed assets.



# Financial Overview – 1<sup>st</sup> Quarter 2024

## Highlights

- Recorded quarterly net income of \$4.7 million in the 1<sup>st</sup> quarter of 2024.
- Return on average assets increased to 0.68% for the 1<sup>st</sup> quarter of 2024 compared to 0.50% for the 4<sup>th</sup> quarter of 2023. Core return on average assets<sup>1</sup> increased to 0.61% for the 1<sup>st</sup> quarter of 2024 compared to 0.54% for the 4<sup>th</sup> quarter of 2023.
- Noninterest expense and core noninterest expense<sup>1</sup> decreased \$0.1 million to \$15.3 million during the 1<sup>st</sup> quarter of 2024 compared to the 4<sup>th</sup> quarter of 2023.
- Repurchased \$1.0 million in principal amount of our 5.125% Fixed-to-Floating Rate Subordinated Notes due 2032 and recognized a gain on early extinguishment of subordinated debt of \$0.2 million.
- Repurchased 10,525 shares during the 1<sup>st</sup> quarter of 2024 at an average price of \$16.20.

## Liquidity

- Beginning in the 2<sup>nd</sup> quarter of 2023, the Bank began utilizing the BTFP to secure fixed rate funding for up to a one-year term and reduce short-term Federal Home Loan Bank ("FHLB") advances, which are priced daily. The Bank utilized this source of funding due to its lower rate as compared to FHLB advances, the ability to prepay the obligations without penalty, and as a means to lock in funding.
- Refinanced all of our borrowings under the BTFP at a lower rate.

## Loans and Credit Quality

- Consistent with our strategy of optimizing the balance sheet, total loans decreased \$30.0 million, or 1.4%, to \$2.18 billion at March 31, 2024 compared to \$2.21 billion at December 31, 2023.
- Nonperforming loans were 0.26% of total loans at March 31, 2024 and December 31, 2023.
- Variable-rate loans as a percentage of total loans improved to 28% at March 31, 2024 compared to 27% at December 31, 2023. Variable-rate loans as a percentage of loan originations and renewals was 80% for the quarter ended March 31, 2024.

## 1<sup>st</sup> Quarter Results

### Balance Sheet (in millions)

Assets	\$ 2,788
Net Loans	\$ 2,151
Deposits	\$ 2,208
Equity	\$ 227

### Holding Company Capital

TCE/TA <sup>1</sup>	6.73%
Tier 1 Leverage Capital	8.60%
Common Equity Tier 1 Capital	9.76%
Tier 1 Capital	10.16%
Total Capital	13.18%

### Profitability (dollars in thousands)

Net Interest Margin	2.59%
ROAA	0.68%
ROAE	8.28%
Net Income	\$ 4,707
Pre-Tax, Pre-Provision Income <sup>1</sup>	\$ 4,668

### Per Share Information

Tangible Book Value <sup>1</sup>	\$ 18.90
Earnings (Diluted)	\$ 0.48
Dividends	\$ 0.10



# Leadership Team



***John J. D'Angelo, President and Chief Executive Officer***

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Mr. D'Angelo has been the President and Chief Executive Officer of the Company since our organization as a bank holding company in 2013. He has also served as the Bank's President and Chief Executive Officer since its organization in 2006. Prior to Investar Bank's organization, Mr. D'Angelo was manager of the private banking, small business banking, construction lending, brokerage and trust areas of Hibernia National Bank (the predecessor to Capital One Bank, N.A.) for more than six years in the East Baton Rouge Parish, Louisiana, market. From 1996 to 2005, Mr. D'Angelo was president and director of Aegis Lending Corporation, a company with lending operations in 46 states and the District of Columbia.



***John R. Campbell, Executive VP and Chief Financial Officer***

---

Mr. Campbell joined the Bank in January 2023 as the Chief Financial Officer. Prior to joining the Bank, he served as the Director of Accounting and Corporate Controller for Laitram LLC, a global manufacturing company. Prior to joining Laitram LLC in 2005, Mr. Campbell served in corporate treasury, accounting and financial reporting, portfolio management, and lending roles for Hibernia National Bank for over ten years. Mr. Campbell also spent four years as an auditor with Ernst & Young LLP serving both public and privately-held clients in a variety of industries, including financial services. He has a Bachelor of Science in Finance from Louisiana State University and is a licensed Certified Public Accountant.



***Jeffrey W. Martin, Executive VP and Chief Credit Officer***

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Mr. Martin joined the Bank in April 2020 as the Business Banking Director. In October 2021, he assumed the role of Chief Credit Officer. Prior to joining the Bank, he served as a Commercial Banking Executive for Regions Bank. He has over 30 years of banking experience, including senior roles in credit risk management, special assets, business development strategy and commercial banking.



***Linda M. Crochet, Executive VP and Chief Operating Officer***

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Ms. Crochet joined the Bank in January 2019 as the Greater Baton Rouge Loan Portfolio President. In October 2021, she assumed the role of Chief Operations Officer of the Company and the Bank. Prior to joining the Bank, Ms. Crochet served as Senior Director of Credit Process and Technology within the Credit Risk Management department of Capital One Bank from 2005 to 2018. Ms. Crochet also spent 21 years at Hibernia National Bank, which was acquired by Capital One Bank in 2005, in various roles that include credit underwriting, credit policy, lending, and investor relations.



# Corporate Culture

## VALUES

Integrity  
Neighborhoodly  
Visionary  
Empowerment  
Star Service  
Team Focused  
Accountable  
Responsive



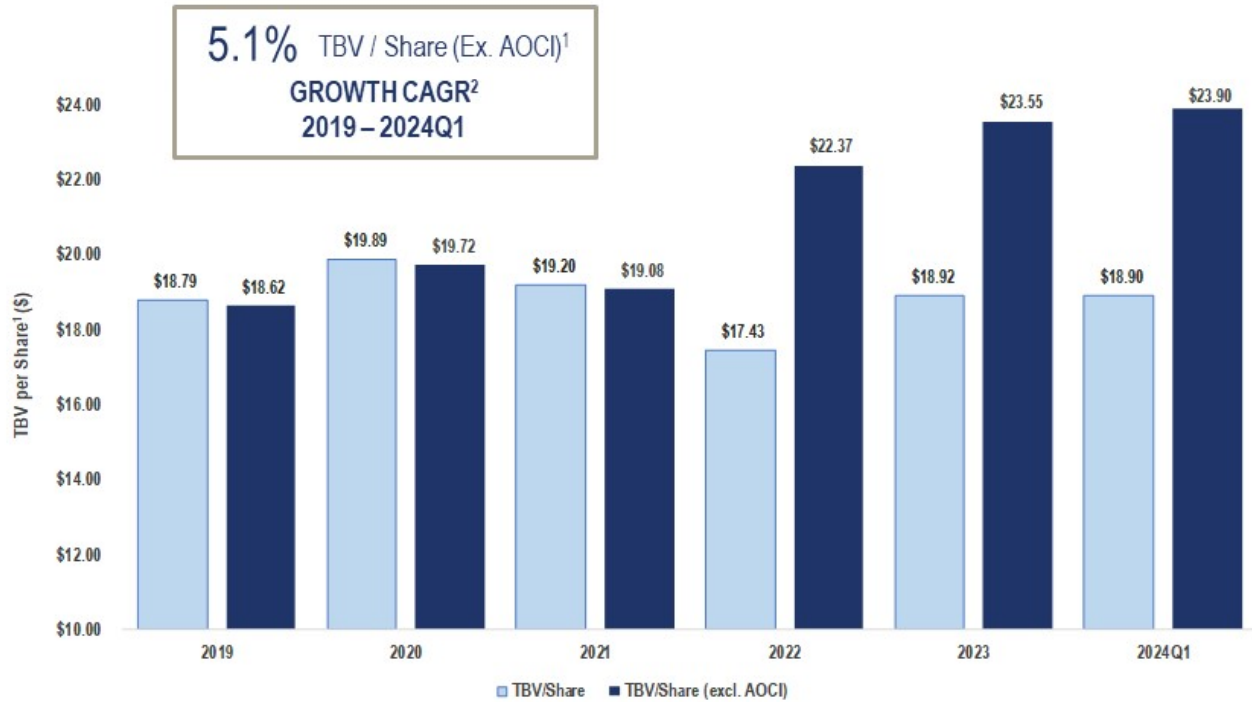
## MISSION

**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



# Creating Shareholder Value

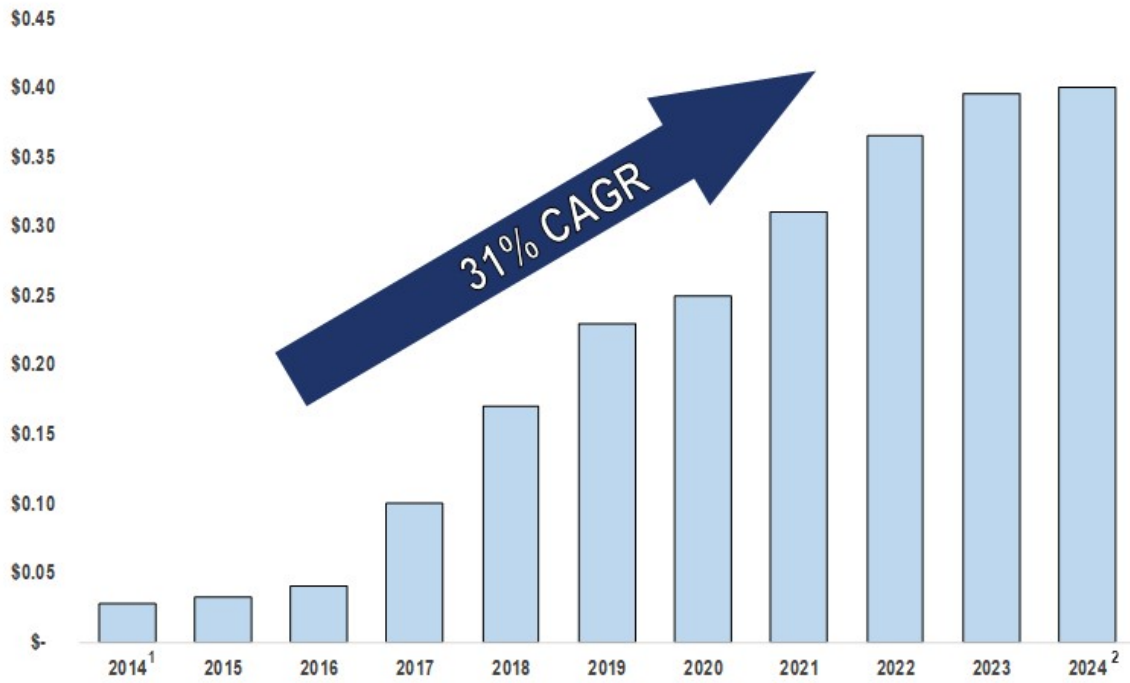
## Tangible Book Value Per Share<sup>1</sup>







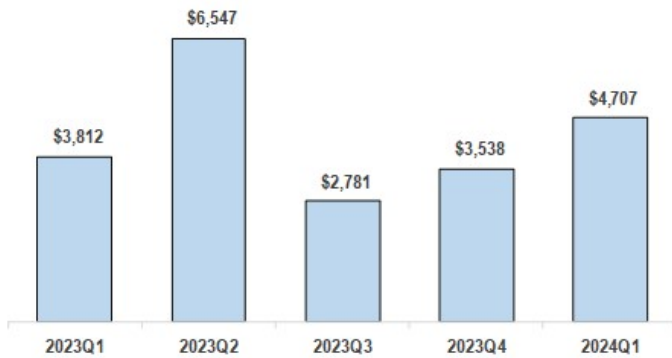
# Dividend History



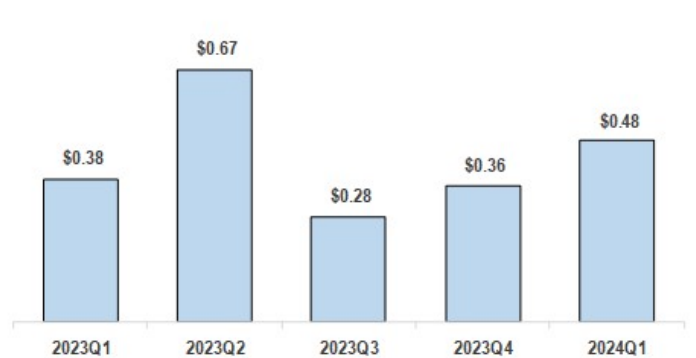


# Recent GAAP Earnings Performance

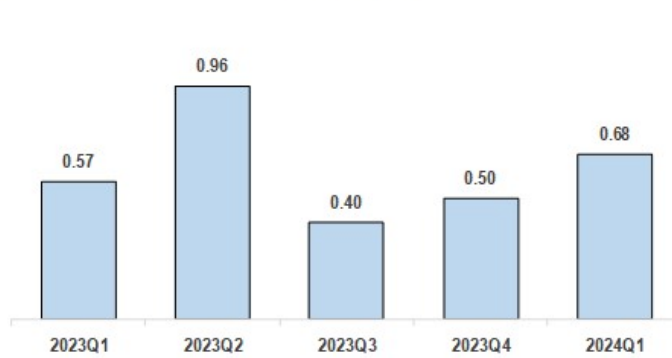
## Net Income (\$000)



## Earnings Per Share (Diluted)



## ROAA (%)



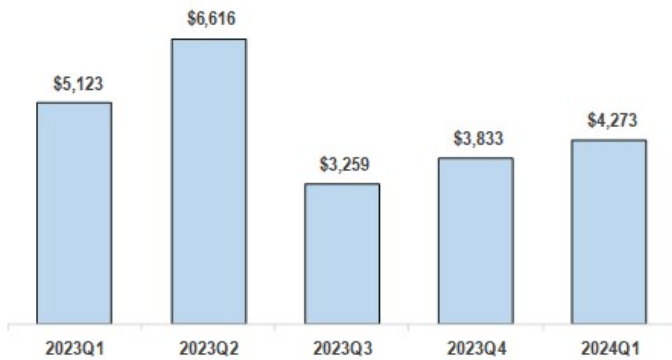
## Net Interest Margin (%)





# Recent Core Earnings Performance

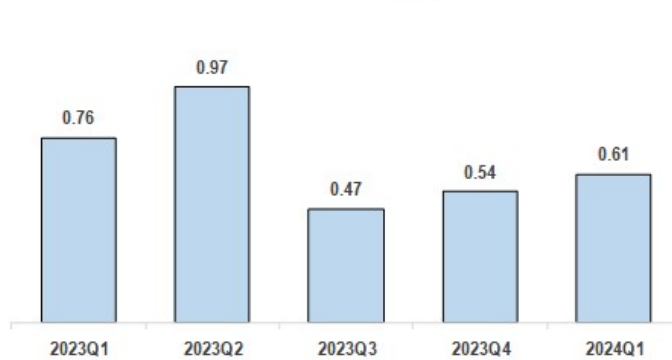
### Core Earnings (\$000)<sup>1</sup>



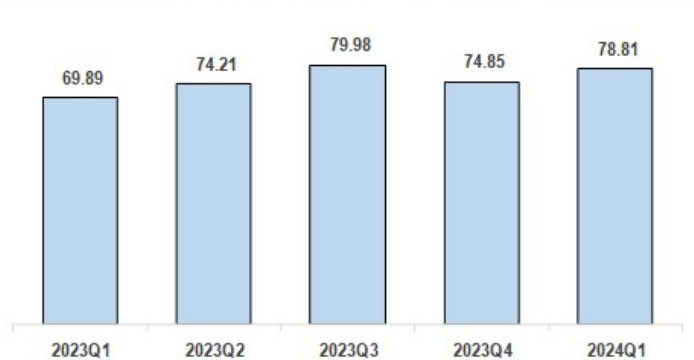
### Core Earnings Per Share (Diluted)<sup>1</sup>



### Core ROAA (%)<sup>1</sup>



### Core Efficiency Ratio (%)<sup>1</sup>

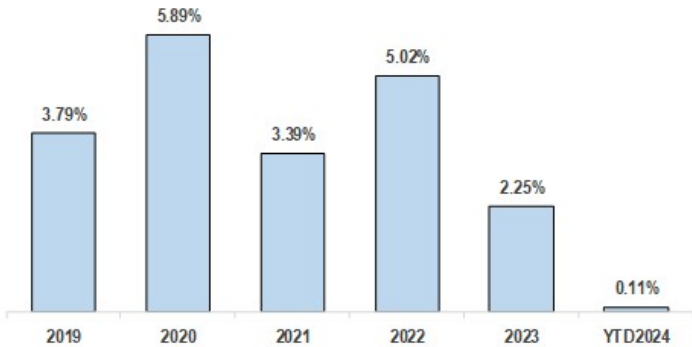






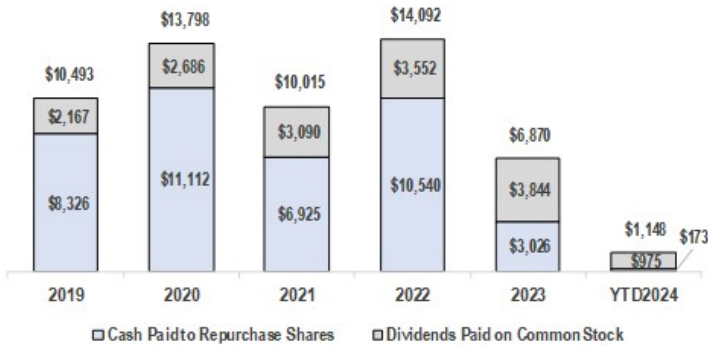
# Returns to Shareholders

## Shares Repurchased (%)<sup>1</sup>



- In July 2023, the Board of Directors authorized an additional 350,000 shares for repurchase under our stock repurchase program.
- Repurchased 10,525 shares during the 1<sup>st</sup> quarter at an average price of \$16.20.
- YTD purchases represent discounts to tangible book value of 14% as of March 31, 2024.

## Dollars Returned to Shareholders (\$000)

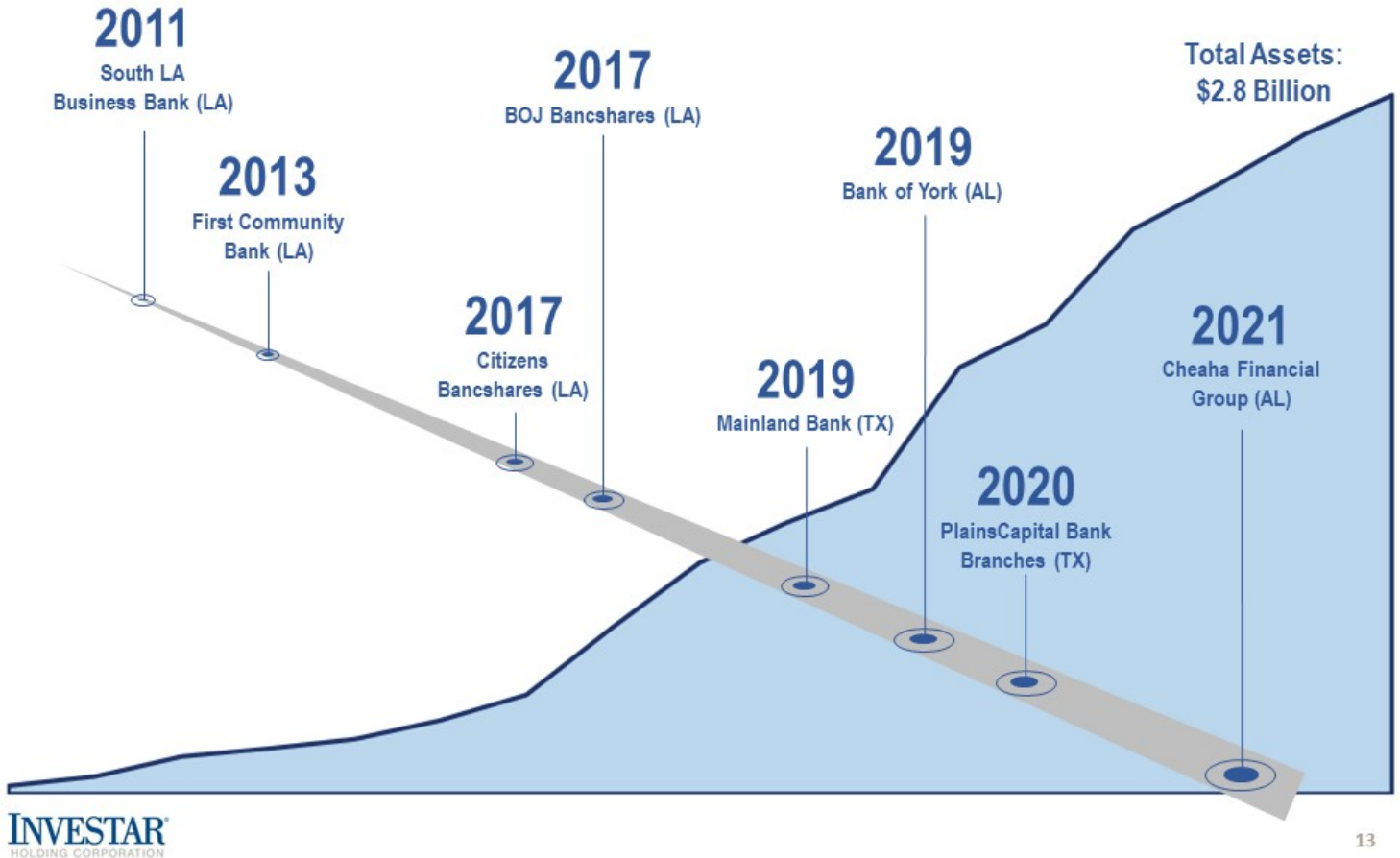


- Since the inception of the stock repurchase program in 2015, the Company has paid \$47.9 million to repurchase 2,546,259 shares at an average price of \$18.81.
- The repurchase program is complemented by our ongoing quarterly shareholder dividend, which has increased at 31% per annum since our initial public offering to \$0.10 per share.



# Continued Execution of Acquisition Strategy

*Investar Has Completed 7 Whole Bank Acquisitions and 1 Branch Transaction*





# Investment Portfolio – 1<sup>st</sup> Quarter 2024

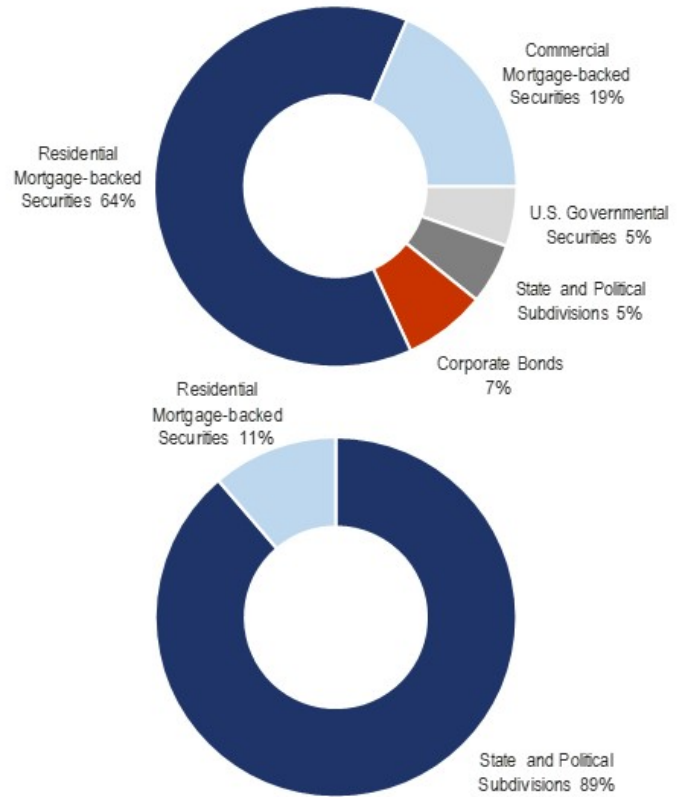
<b>Available-for-Sale</b>			
<i>(Dollars in thousands)</i>	<b>Book Value</b>	<b>Gain (Loss)</b>	<b>Fair Value</b>
U.S. Governmental Securities	\$ 19,039	\$ (390)	\$ 18,649
State and Political Subdivisions	17,853	(2,003)	15,850
Corporate Bonds	29,751	(3,440)	26,311
Residential Mortgage-backed Securities	273,359	(47,498)	225,861
Commercial Mortgage-backed Securities	75,544	(8,875)	66,669
<b>Total</b>	<b>\$ 415,546</b>	<b>\$ (62,206)</b>	<b>\$ 353,340</b>

<b>Available-for-Sale Portfolio Characteristics</b>	
Weighted average modified duration	5.6 years
Current tax-equivalent yield	2.82%

<b>Held-to-Maturity</b>			
<i>(Dollars in thousands)</i>	<b>Book Value</b>	<b>Gain (Loss)</b>	<b>Fair Value</b>
Residential Mortgage-backed Securities	\$ 2,280	\$ (236)	\$ 2,044
State and Political Subdivisions	15,475	629	16,104
<b>Total</b>	<b>\$ 17,755</b>	<b>\$ 393</b>	<b>\$ 18,148</b>

<b>Held-to-Maturity Portfolio Characteristics</b>	
Weighted average modified duration	7.8 years
Current tax-equivalent yield	5.08%

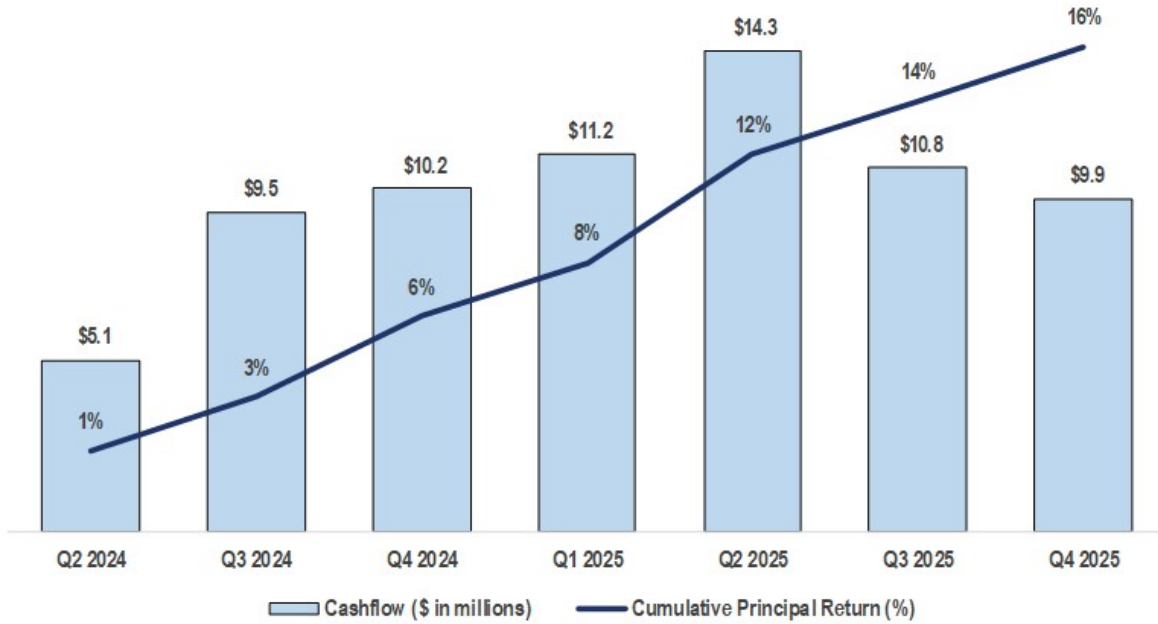
<b>Total Effective Duration:</b>	<b>5.9 years</b>
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# Investment Portfolio – Principal Cash Flows

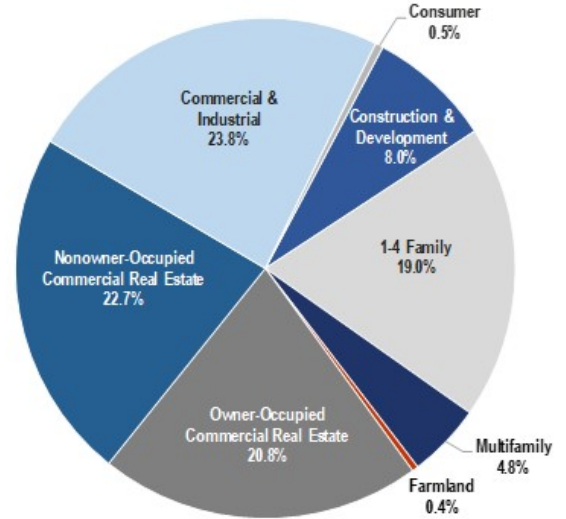
~\$71 Million Maturing by Q4 '25





# Loan Portfolio – 1<sup>st</sup> Quarter 2024

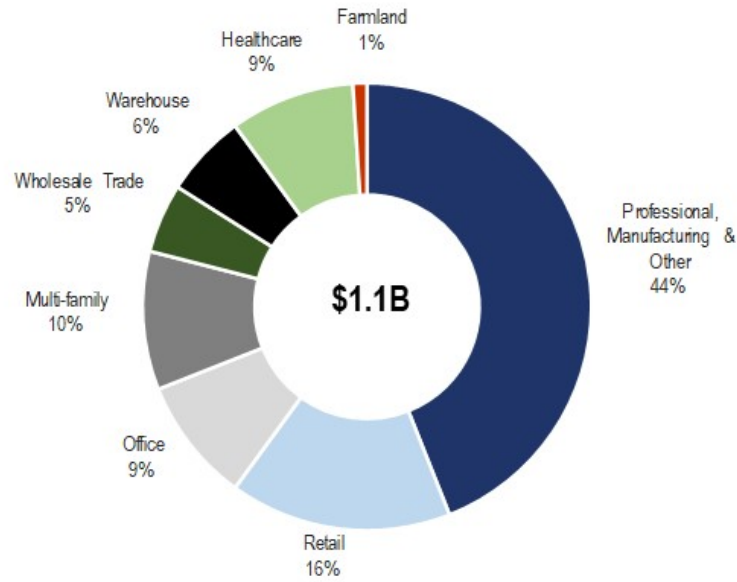
- Consistent with our strategy to optimize the balance sheet, total loans decreased \$30.0 million, or 1.4%, to \$2.18 billion at March 31, 2024 compared to \$2.21 billion at December 31, 2023.
- Loan yield decreased to 5.89% for the 1<sup>st</sup> quarter of 2024 compared to 5.93% for the 4<sup>th</sup> quarter of 2023 primarily due to a \$1.1 million interest recovery during the 4<sup>th</sup> quarter of 2023. Exclusive of interest income accretion from the acquisition of loans and interest recoveries, adjusted loan yield<sup>1</sup> improved to 5.88% for the 1<sup>st</sup> quarter of 2024 compared to 5.73% for the fourth quarter of 2023.
- Variable-rate loans as a percentage of total loans improved to 28% at March 31, 2024 compared to 27% at December 31, 2023. Variable-rate loans as a percentage of loan originations and renewals was 80% for the quarter ended March 31, 2024.



Loan Portfolio Detail - Quarterly Lookback								
(Dollars in thousands)	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
Construction & Development	\$ 214,543	\$ 220,609	\$ 201,633	\$ 210,274	\$ 197,850	\$ 211,390	\$ 190,371	\$ 173,511
1-4 Family	380,028	391,857	401,377	401,329	414,380	415,162	413,786	414,480
Multifamily	56,491	57,306	81,812	80,980	80,424	102,974	105,946	105,124
Farmland	15,676	14,202	12,877	10,731	8,434	8,259	7,651	7,539
Owner-Occupied Commercial Real Estate	440,714	445,671	445,148	433,585	441,393	440,208	449,610	453,414
Nonowner-Occupied Commercial Real Estate	451,108	464,520	513,095	533,572	530,820	501,649	488,098	495,844
Commercial & Industrial	343,355	397,759	435,093	425,093	399,488	411,290	543,421	518,969
Consumer	14,480	13,753	13,732	13,480	12,074	12,090	11,736	11,697
<b>Total Loans</b>	<b>\$ 1,916,395</b>	<b>\$ 2,005,677</b>	<b>\$ 2,104,767</b>	<b>\$ 2,109,044</b>	<b>\$ 2,084,863</b>	<b>\$ 2,103,022</b>	<b>\$ 2,210,619</b>	<b>\$ 2,180,578</b>



# CRE Portfolio Overview



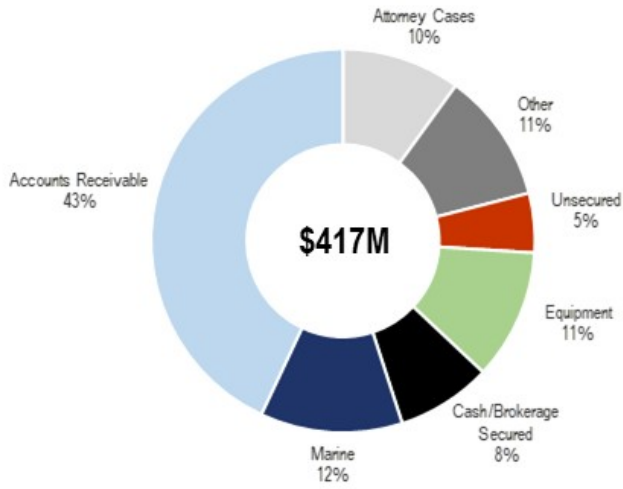
Portfolio Characteristics	
March 31, 2024	
% of Total Portfolio	48.7%
Owner-Occupied as % of CRE Portfolio	42.7%
Nonowner-Occupied Office as a % of Total Portfolio	4.6%
Average Loan Size	\$948K



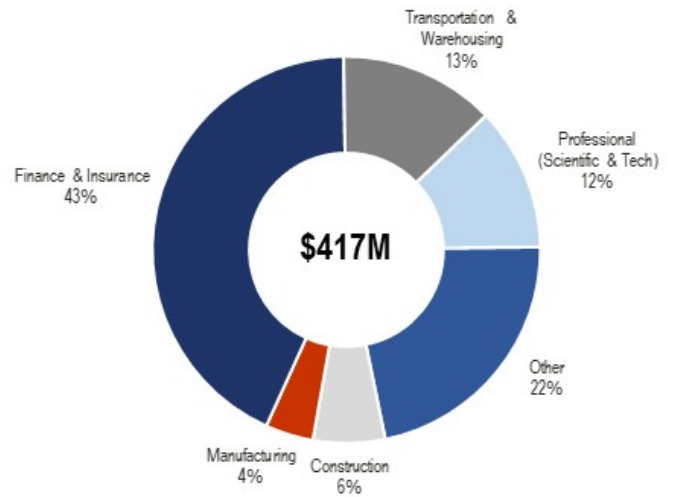


# C&I Portfolio Overview

## By Collateral Type



## By Industry



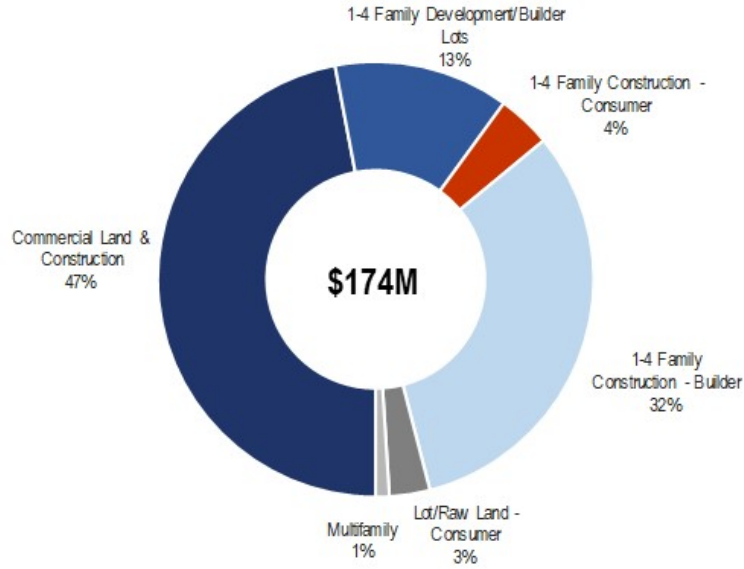
## Portfolio Characteristics

March 31, 2024

% of Total Portfolio	19.1%
Average Loan Size	\$120K



# Construction & Development Portfolio Overview

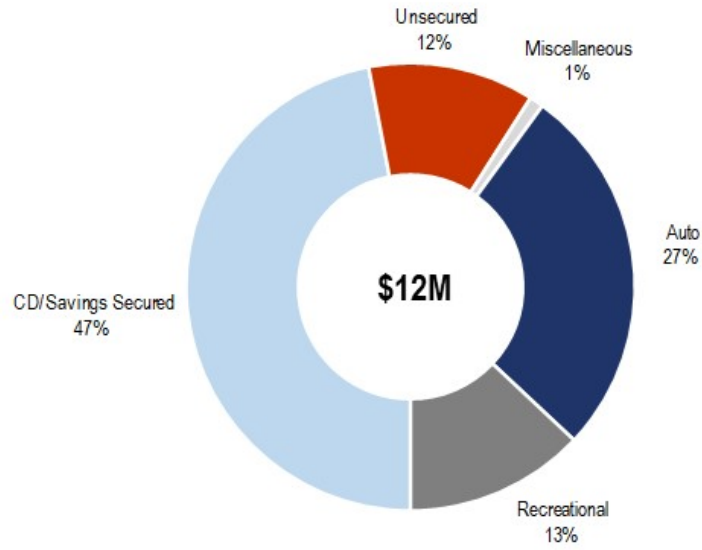


Portfolio Characteristics	
March 31, 2024	
% of Total Portfolio	8.0%
Average Loan Size	\$541K





# Consumer Portfolio Overview

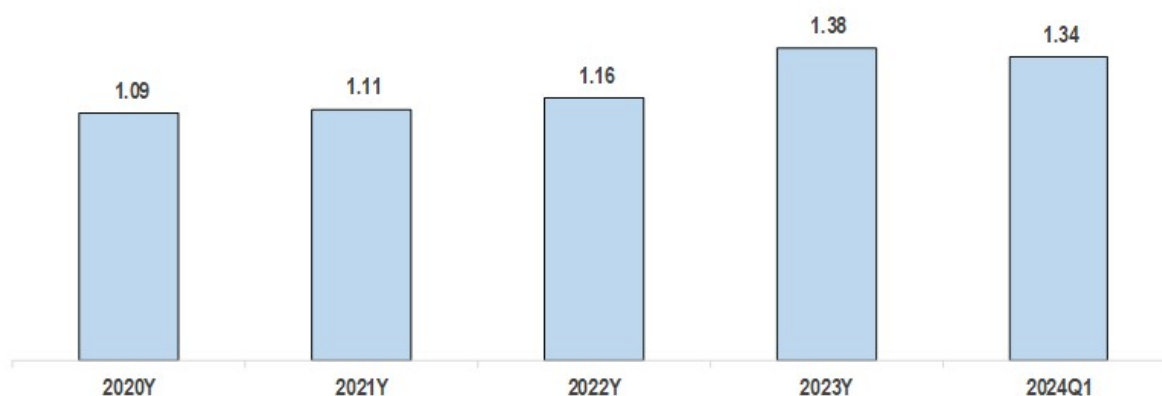


Portfolio Characteristics	
March 31, 2024	
% of Total Portfolio	0.5%
Average Loan Size	\$11K



# Allowance for Credit Losses

## Allowance for Credit Losses / Total Loans (%)



(Dollars in thousands)	For the Year Ended				For the Three Months Ended
	12/31/2020	12/31/2021	12/31/2022	12/31/2023	3/31/2024
<b>Allowance for Credit Losses</b>					
Allowance for Credit Losses - Beginning	\$ 10,700	\$ 20,363	\$ 20,859	\$ 24,364	\$ 30,540
ASC Topic 326 adoption impact <sup>1</sup>	-	-	-	5,865	-
Provision for credit losses on loans	11,160	22,885	2,922	(1,964)	(1,411)
Charge-offs & Adj.	(1,754)	(22,636)	(633)	(742)	(103)
Recoveries	257	247	1,216	3,017	88
<b>Allowance for Credit Losses - Ending</b>	<b>\$ 20,363</b>	<b>\$ 20,859</b>	<b>\$ 24,364</b>	<b>\$ 30,540</b>	<b>\$ 29,114</b>

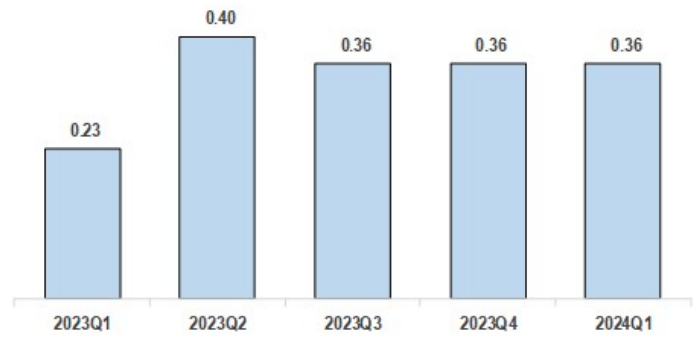


# Asset Quality Trends

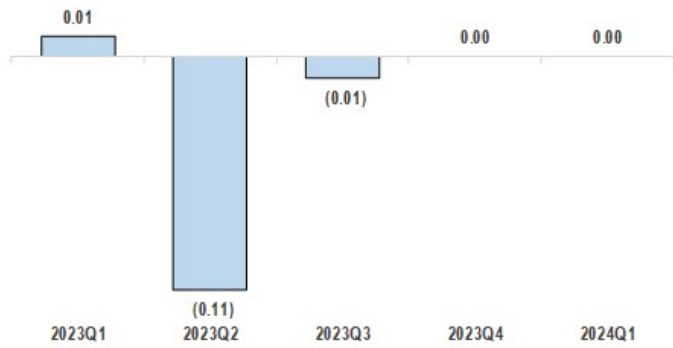
## Nonperforming Assets (\$000s)



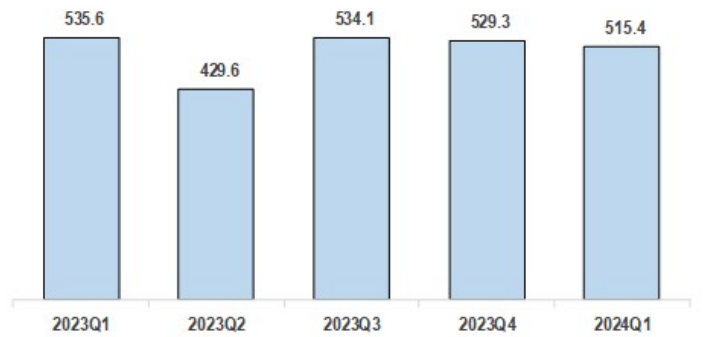
## NPAs / Assets (%)



## Net Charge-offs / Avg. Loans (%)



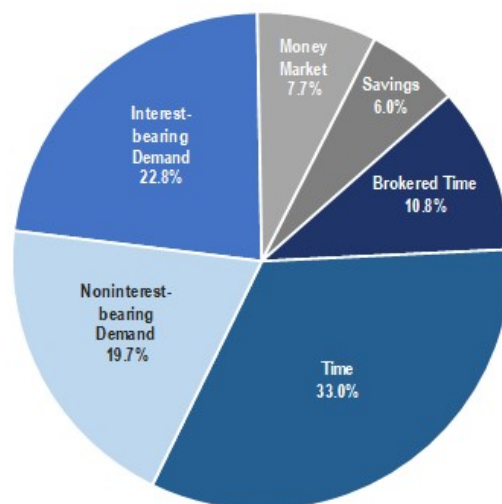
## Reserves / NPLs (%)





# Deposit Portfolio - 1<sup>st</sup> Quarter 2024

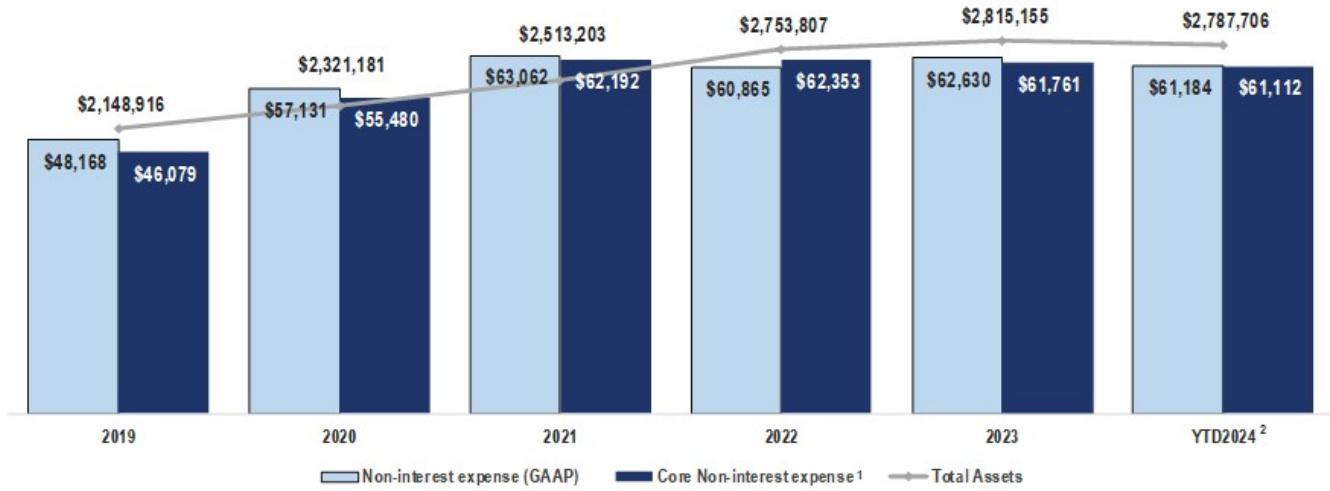
- Total deposits decreased \$47.9 million, or 2.1%, to \$2.21 billion at March 31, 2024, compared to \$2.26 billion at December 31, 2023.
- Beginning in the 4<sup>th</sup> quarter of 2022, management utilized brokered time deposits, entirely in denominations of less than \$250,000, to secure fixed cost funding and reduce short-term borrowings. The remaining weighted average duration of brokered time deposits is approximately 14 months with a weighted average rate of 5.18%.
- We utilized shorter term brokered time deposits, which were laddered to provide flexibility, to fund a portion of the purchase of commercial and industrial revolving lines of credit in the 2<sup>nd</sup> half of 2023.



Deposit Composition - Quarterly Lookback									
(Dollars in thousands)	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
Noninterest-bearing Demand	\$ 614,416	\$ 615,779	\$ 590,610	\$ 580,741	\$ 508,241	\$ 488,311	\$ 459,519	\$ 448,752	\$ 435,397
Interest-bearing Demand	710,914	647,277	624,025	565,598	538,515	514,501	482,706	489,604	502,818
Money Market	276,112	243,795	251,213	208,596	180,402	158,984	186,478	179,366	171,113
Savings	182,532	176,760	167,131	155,176	137,336	125,442	131,743	137,606	132,449
Brokered Time	-	-	-	9,990	146,270	153,365	197,747	269,102	237,850
Time	402,030	379,059	419,704	562,264	634,883	740,250	751,240	731,297	728,201
<b>Total Deposits</b>	<b>\$ 2,186,004</b>	<b>\$ 2,062,670</b>	<b>\$ 2,052,683</b>	<b>\$ 2,082,365</b>	<b>\$ 2,145,647</b>	<b>\$ 2,180,853</b>	<b>\$ 2,209,433</b>	<b>\$ 2,255,727</b>	<b>\$ 2,207,828</b>
<b>Total Deposit Interest Rate<sup>1</sup></b>	<b>0.18%</b>	<b>0.17%</b>	<b>0.25%</b>	<b>0.58%</b>	<b>1.20%</b>	<b>1.78%</b>	<b>2.14%</b>	<b>2.54%</b>	<b>2.67%</b>



# Non-Interest Expense





# Financial Profile

(Dollars in thousands, except per share data)	As of December 31,					For the Three Months Ended			
	2019	2020	2021	2022	2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
<b>Balance Sheet</b>									
Total Assets	\$ 2,148,916	\$ 2,321,181	\$ 2,513,203	\$ 2,753,807	\$ 2,815,155	\$ 2,753,674	\$ 2,789,533	\$ 2,815,155	\$ 2,787,706
Total Loans	\$ 1,691,975	\$ 1,860,318	\$ 1,872,012	\$ 2,104,767	\$ 2,210,619	\$ 2,084,863	\$ 2,103,022	\$ 2,210,619	\$ 2,180,578
Total Deposits	\$ 1,707,706	\$ 1,887,824	\$ 2,120,266	\$ 2,082,365	\$ 2,255,727	\$ 2,180,853	\$ 2,209,433	\$ 2,255,727	\$ 2,207,828
Loans/Deposits	99.08%	98.54%	88.29%	101.08%	98.00%	95.60%	95.18%	98.00%	98.77%
<b>Capital</b>									
TCA/ TA <sup>1</sup>	9.96%	9.22%	8.04%	6.37%	6.65%	6.48%	6.05%	6.65%	6.73%
Total Capital	15.02%	14.71%	12.99%	13.25%	12.99%	13.49%	12.87%	12.99%	13.18%
Tier 1 Capital	12.03%	11.36%	9.90%	10.21%	9.90%	10.28%	9.79%	9.90%	10.16%
Tier 1 Leverage Capital	10.45%	9.49%	8.12%	8.53%	8.35%	8.45%	8.53%	8.35%	8.60%
<b>Profitability Measures</b>									
Net Interest Margin	3.51%	3.49%	3.53%	3.67%	2.83%	2.82%	2.66%	2.72%	2.59%
Non Interest Income / Average Assets	0.31%	0.53%	0.47%	0.70%	0.24%	0.30%	0.24%	0.25%	0.39%
Non Interest Expense / Average Assets	2.44%	2.51%	2.45%	2.34%	2.27%	2.22%	2.29%	2.17%	2.20%
Efficiency Ratio	67.81%	66.72%	65.79%	56.29%	77.26%	74.50%	82.56%	76.26%	76.62%
ROAA	0.85%	0.61%	0.31%	1.37%	0.60%	0.96%	0.40%	0.50%	0.68%
ROAE	8.21%	5.77%	3.22%	15.63%	7.63%	11.85%	5.01%	6.61%	8.28%
Diluted Earnings Per Share	\$ 1.66	\$ 1.27	\$ 0.76	\$ 3.50	\$ 1.69	\$ 0.67	\$ 0.28	\$ 0.36	\$ 0.48
Net Income	\$ 16,839	\$ 13,889	\$ 8,000	\$ 35,709	\$ 16,678	\$ 6,547	\$ 2,781	\$ 3,538	\$ 4,707
<b>Asset Quality</b>									
NPAs / Assets	0.30%	0.62%	1.28%	0.44%	0.36%	0.40%	0.36%	0.36%	0.36%
NCOs / Avg Loans	0.04%	0.08%	1.18%	-0.03%	-0.11%	-0.11%	-0.01%	0.00%	0.00%

APPENDIX

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# Non-GAAP Reconciliation

(Dollars in thousands, except per share data)	As of December 31,					For the Three Months Ended			
	2019	2020	2021	2022	2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
<b>Tangible common equity:</b>									
Total stockholders' equity	\$ 241,976	\$ 243,284	\$ 242,598	\$ 215,782	\$ 226,768	\$ 218,357	\$ 208,717	\$ 226,768	\$ 227,005
<b>Adjustments:</b>									
Goodwill	(26,132)	(28,144)	(40,088)	(40,088)	(40,088)	(40,088)	(40,088)	(40,088)	(40,088)
Other intangibles	(4,903)	(4,088)	(3,948)	(3,059)	(2,232)	(2,589)	(2,408)	(2,232)	(2,066)
Tangible common equity	\$ 210,941	\$ 211,052	\$ 198,562	\$ 172,635	\$ 184,448	\$ 175,680	\$ 166,221	\$ 184,448	\$ 184,851
AOCI	1,891	1,805	1,163	(48,913)	(45,147)	(49,165)	(60,452)	(45,147)	(48,957)
Tangible common equity excluding AOCI	\$ 209,050	\$ 209,247	\$ 197,399	\$ 221,548	\$ 229,595	\$ 224,845	\$ 226,673	\$ 229,595	\$ 233,808
Common shares outstanding	11,228,775	10,608,829	10,343,494	9,901,847	9,748,067	9,831,145	9,779,688	9,748,067	9,781,946
Book value per common share	\$ 21.55	\$ 22.93	\$ 23.45	\$ 21.79	\$ 23.26	\$ 22.20	\$ 21.34	\$ 23.26	\$ 23.21
Tangible book value per common share	\$ 18.79	\$ 19.89	\$ 19.20	\$ 17.43	\$ 18.92	\$ 17.87	\$ 17.00	\$ 18.92	\$ 18.90
Tangible book value per common share excluding AOCI	\$ 18.62	\$ 19.72	\$ 19.08	\$ 22.37	\$ 23.55	\$ 22.87	\$ 23.18	\$ 23.55	\$ 23.90
<b>Tangible assets:</b>									
Total assets	\$ 2,148,916	\$ 2,321,181	\$ 2,513,203	\$ 2,753,807	\$ 2,815,155	\$ 2,753,674	\$ 2,789,533	\$ 2,815,155	\$ 2,787,706
<b>Adjustments:</b>									
Goodwill	(26,132)	(28,144)	(40,088)	(40,088)	(40,088)	(40,088)	(40,088)	(40,088)	(40,088)
Other intangibles	(4,903)	(4,088)	(3,948)	(3,059)	(2,232)	(2,589)	(2,408)	(2,232)	(2,066)
Tangible assets	\$ 2,117,881	\$ 2,288,949	\$ 2,469,167	\$ 2,710,660	\$ 2,772,835	\$ 2,710,997	\$ 2,747,037	\$ 2,772,835	\$ 2,745,552
Total stockholders' equity to total assets ratio	11.26%	10.48%	9.65%	7.84%	8.06%	7.93%	7.48%	8.06%	8.14%
Tangible common equity to tangible assets ratio	9.96%	9.22%	8.04%	6.37%	6.65%	6.48%	6.05%	6.65%	6.73%





## Non-GAAP Reconciliation (continued)

<i>(Dollars in thousands)</i>	For the Three Months Ended						
	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
Net Income	\$ 7,304	\$ 8,898	\$ 3,812	\$ 6,547	\$ 2,781	\$ 3,538	\$ 4,707
Plus: Provision for Credit Losses	1,162	1,268	388	(2,840)	(34)	486	(1,419)
Plus: Income Tax Expense	1,699	1,881	874	1,509	585	782	1,380
<b>Pre-Tax, Pre-Provision Net Income</b>	<b>\$ 10,165</b>	<b>\$ 12,047</b>	<b>\$ 5,074</b>	<b>\$ 5,216</b>	<b>\$ 3,332</b>	<b>\$ 4,806</b>	<b>\$ 4,668</b>



## Non-GAAP Reconciliation (continued)

(Dollars in thousands)	For the Three Months Ended								
	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
Interest on Deposits	\$ 976	\$ 907	\$ 1,315	\$ 3,052	\$ 6,221	\$ 9,534	\$ 11,733	\$ 14,584	\$ 14,845
Average Interest-Bearing Deposits	1,576,643	1,498,354	1,456,826	1,482,268	1,557,665	1,655,506	1,707,848	1,824,318	1,805,569
Average Noninterest-Bearing Deposits	586,556	611,618	612,777	590,020	550,503	490,123	462,525	454,893	428,135
Average Total Deposits	2,163,199	2,109,972	2,069,603	2,072,288	2,108,168	2,145,629	2,170,373	2,279,211	2,233,704
<b>Total Deposit Interest Rate</b>	<b>0.18%</b>	<b>0.17%</b>	<b>0.25%</b>	<b>0.58%</b>	<b>1.20%</b>	<b>1.78%</b>	<b>2.14%</b>	<b>2.54%</b>	<b>2.67%</b>



## Non-GAAP Reconciliation (continued)

<i>(Dollars in thousands)</i>	For the Three Months Ended				
	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
Net interest income	\$ 20,173	\$ 18,387	\$ 17,469	\$ 18,491	\$ 17,216
Provision for credit losses	388	(2,840)	(34)	486	(1,419)
<b>Net interest income after provision for credit losses</b>	<b>\$ 19,785</b>	<b>\$ 21,227</b>	<b>\$ 17,503</b>	<b>\$ 18,005</b>	<b>\$ 18,635</b>
Noninterest income	1,076	2,070	1,637	1,755	2,748
Loss on call or sale of investment securities, net	1	-	-	322	-
Loss (gain) on sale or disposition of fixed assets, net	859	58	367	39	(427)
Loss (gain) on sale of other real estate owned, net	142	(5)	(23)	-	-
Gain on sale of loans <sup>1</sup>	(75)	-	-	-	-
Change in the fair value of equity securities	4	107	(22)	(24)	(80)
Change in the net asset value of other investments <sup>2</sup>	33	(78)	105	(43)	(70)
<b>Core noninterest income</b>	<b>\$ 2,040</b>	<b>\$ 2,152</b>	<b>\$ 2,064</b>	<b>\$ 2,049</b>	<b>\$ 2,171</b>
Core earnings before noninterest expense	21,825	23,379	19,567	20,054	20,806
Total noninterest expense	16,175	15,241	15,774	15,440	15,296
Write down of other real estate owned <sup>3</sup>	-	-	-	-	(233)
Gain on early extinguishment of subordinated debt	-	-	-	-	215
Severance <sup>4</sup>	-	-	(123)	-	-
Loan purchase expense <sup>5</sup>	-	-	(29)	(66)	-
Divestiture expense <sup>6</sup>	(651)	-	-	-	-
<b>Core noninterest expense</b>	<b>\$ 15,524</b>	<b>\$ 15,241</b>	<b>\$ 15,622</b>	<b>\$ 15,374</b>	<b>\$ 15,278</b>
<b>Core earnings before income tax expense</b>	<b>\$ 6,301</b>	<b>\$ 8,138</b>	<b>\$ 3,945</b>	<b>\$ 4,680</b>	<b>\$ 5,528</b>
Core income tax expense <sup>7</sup>	1,178	1,522	686	847	1,255
<b>Core earnings</b>	<b>\$ 5,123</b>	<b>\$ 6,616</b>	<b>\$ 3,259</b>	<b>\$ 3,833</b>	<b>\$ 4,273</b>



## Non-GAAP Reconciliation (continued)

<i>(Dollars in thousands, except per share data)</i>	For the Three Months Ended				
	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
Core basic earnings per common share	\$ 0.52	\$ 0.67	\$ 0.33	\$ 0.39	\$ 0.44
Diluted earnings per common share (GAAP)	0.38	0.67	0.28	0.36	0.48
Loss on call or sale of investment securities, net	-	-	-	0.03	-
Loss (gain) on sale or disposition of fixed assets, net	0.07	-	0.03	-	(0.03)
Loss (gain) on sale of other real estate owned, net	0.01	-	-	-	-
Gain on sale of loans <sup>1</sup>	(0.01)	-	-	-	-
Change in the fair value of equity securities	-	0.01	-	-	(0.01)
Change in the net asset value of other investments <sup>2</sup>	-	(0.01)	0.01	-	(0.01)
Write down of other real estate owned <sup>3</sup>	-	-	-	-	0.02
Gain on early extinguishment of subordinated debt	-	-	-	-	(0.02)
Severance <sup>4</sup>	-	-	0.01	-	-
Loan purchase expense <sup>5</sup>	-	-	-	-	-
Divestiture expense <sup>6</sup>	0.06	-	-	-	-
Core diluted earnings per common share	<b>\$ 0.51</b>	<b>\$ 0.67</b>	<b>\$ 0.33</b>	<b>\$ 0.39</b>	<b>\$ 0.43</b>
Efficiency Ratio	76.12%	74.50%	82.56%	76.26%	76.62%
Core Efficiency Ratio	69.89%	74.21%	79.98%	74.85%	78.81%
Core return on average assets <sup>8</sup>	0.76%	0.97%	0.47%	0.54%	0.61%
Total average assets	\$ 2,735,823	\$ 2,748,171	\$ 2,736,358	\$ 2,817,388	\$ 2,802,192



<sup>1</sup> Adjustment to noninterest income recorded upon completion of the sale of the Alice and Victoria branches for remaining discount on loans sold.

<sup>2</sup> Change in net asset value of other investments represents unrealized gains or losses on Investar's investments in Small Business Investment Companies and other investment funds and is included in other operating income in the accompanying consolidated statements of income.

<sup>3</sup> Adjustment to noninterest expense for provision for estimated losses on other real estate owned when fair value is determined to be less than carrying values, which is included in other operating expense in the accompanying consolidated statements of income.

<sup>4</sup> Severance in the third quarter of 2023 is directly attributable to Investar's exit from its consumer mortgage origination business, consisting of salaries and employee benefits.

<sup>5</sup> Adjustments to noninterest expense directly attributable to the purchase of loans, consisting of professional fees for legal and consulting services.

<sup>6</sup> Adjustments to noninterest expenses directly attributable to the sale of the Alice and Victoria, Texas branch locations, consisting of \$0.4 million of occupancy expense to terminate the remaining contractually obligated lease payments, \$0.1 million of salaries and employee benefits for severance, \$0.1 million of professional fees for legal and consulting services, and \$0.1 million of depreciation and amortization to accelerate the amortization of the remaining core deposit intangible.

<sup>7</sup> Core income tax expense is calculated using the effective tax rates of 22.7%, 18.1%, 17.4%, 18.7%, and 18.7% for the quarters ended March 31, 2024, December 31, 2023, September 30, 2023, June 30, 2023, and March 31, 2023, respectively.

<sup>8</sup> Core earnings used in calculation. No adjustments were made to average assets.



## Non-GAAP Reconciliation (continued)

<i>(Dollars in thousands)</i>	2019	2020	2021	2022	2023	YTD 2024	YTD 2024 Annualized
Total noninterest expense	\$ 48,168	\$ 57,131	\$ 63,062	\$ 60,865	\$ 62,630	\$ 15,296	\$ 61,184
Severance	-	(289)	(181)	(632)	(123)	-	-
Loan purchase expense	-	-	-	-	(95)	-	-
Acquisition expense	(2,089)	(1,062)	(2,448)	-	-	-	-
Employee retention credit, net of consulting fees	-	-	1,759	2,342	-	-	-
(Loss) gain on early extinguishment of subordinated debt	-	-	-	(222)	-	215	-
Divestiture expense	-	-	-	-	(651)	-	-
PPP incentive	-	(200)	-	-	-	-	-
Community grant	-	(100)	-	-	-	-	-
Write down of other real estate owned	-	-	-	-	-	(233)	-
Non-routine legal expense	-	-	-	-	-	-	-
<b>Core noninterest expense</b>	<b>\$ 46,079</b>	<b>\$ 55,480</b>	<b>\$ 62,192</b>	<b>\$ 62,353</b>	<b>\$ 61,761</b>	<b>\$ 15,278</b>	<b>\$ 61,112</b>



## Non-GAAP Reconciliation (continued)

<i>(Dollars in thousands)</i>	For the three months ended					
	March 31, 2024			December 31, 2023		
	Average Balance	Interest Income/Expense	Yield/ Rate	Average Balance	Interest Income/Expense	Yield/ Rate
Interest-earning assets:						
Loans	\$ 2,195,496	\$ 32,135	5.89%	\$ 2,214,916	\$ 33,128	5.93%
Adjustments:						
Interest recoveries		21			1,105	
Accretion		19			25	
Adjusted loans	2,195,496	32,095	5.88	2,214,916	31,998	5.73
Securities:						
Taxable	410,761	2,817	2.76	427,746	2,970	2.75
Tax-exempt	26,963	238	3.55	28,807	253	3.50
Interest-bearing balances with banks	36,333	532	5.89	23,005	317	5.46
Adjusted interest-earning assets	2,669,553	35,682	5.38	2,694,474	35,538	5.23
Total interest-bearing liabilities	2,118,746	18,506	3.51	2,119,724	18,177	3.40
Net interest income/net interest margin		\$ 17,216	2.59%		\$ 18,491	2.72%
Adjusted net interest income/adjusted net interest margin		\$ 17,176	2.59%		\$ 17,361	2.56%



