

# INVESTAR HOLDING CORP

## **FORM 8-K** (Current report filing)

Filed 11/06/17 for the Period Ending 11/06/17

Address	10500 COURSEY BLVD THIRD FLOOR BATON ROUGE, LA, 70816
Telephone	225-227-2222
CIK	0001602658
Symbol	ISTR
SIC Code	6022 - State Commercial Banks
Industry	Banks
Sector	Financials
Fiscal Year	12/31

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

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of report (Date of earliest event reported): November 6, 2017**

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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.)**

**7244 Perkins Road  
Baton Rouge, Louisiana 70808  
(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))

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 7.01. Regulation FD Disclosure

During November 2017, officers of Investar Holding Corporation (the “Company”) will make presentations regarding the Company at various investor conferences. The slides furnished as Exhibit 99.1 to this Current Report on Form 8-K were prepared for the presentations.

The information in this report is being furnished, not filed, pursuant to Regulation FD. Accordingly, the information in Items 7.01 and 9.01 of this report will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by the Company that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Company.

The exhibit to this report may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal securities law. Any forward-looking statements are based on the historical performance of the Company and its subsidiaries or on the Company’s current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by the Company that the future plans, estimates or expectations by the Company will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to the Company’s operations, financial results, financial condition, business prospects, growth strategy and liquidity. If one or more of these or other risks or uncertainties materialize, or if the Company’s underlying assumptions prove to be incorrect, the Company’s actual results may vary materially from those indicated in these statements. The Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements. These factors include, but are not limited to, the following, any one or more of which could materially affect the outcome of future events:

- business and economic conditions generally and in the financial services industry in particular, whether nationally, regionally or in the markets in which we operate;
- our ability to achieve organic loan and deposit growth, and the composition of that growth;
- changes (or the lack of changes) in interest rates, yield curves and interest rate spread relationships that affect our loan and deposit pricing;
- the extent of continuing client demand for the high level of personalized service that is a key element of our banking approach as well as our ability to execute our strategy generally;
- our dependence on our management team, and our ability to attract and retain qualified personnel;
- changes in the quality or composition of our loan or investment portfolios, including adverse developments in borrower industries or in the repayment ability of individual borrowers;
- inaccuracy of the assumptions and estimates we make in establishing reserves for probable loan losses and other estimates;
- the concentration of our business within our geographic areas of operation in Louisiana;
- concentration of credit exposure;
- the ability to effectively integrate employees, customers, operations and branches from our recent acquisition of Citizens Bancshares, Inc. and its wholly-owned subsidiary, Citizens Bank; and
- the satisfaction of the conditions to closing the pending acquisition of BOJ Bancshares, Inc. and the ability to subsequently integrate it effectively.

These factors should not be construed as exhaustive. Additional information on these and other risk factors can be found in Item 1A. “Risk Factors” and Item 7. “Special Note Regarding Forward-Looking Statements” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission.

### Additional Information About the Proposed Transaction and Where to Find It

This communication is being made in respect of the proposed merger transaction involving Investar Holding Corporation (“Company”) and BOJ Bancshares, Inc. (“BOJ”). This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities.

In connection with the proposed transaction, the Company has filed a registration statement on Form S-4 (File No. 333-220884) with the SEC, which includes a proxy statement of BOJ and a prospectus of the Company, and will file other documents regarding the proposed transaction with the SEC. Before making any voting or investment decision, investors and security holders of BOJ and the Company are

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urged to carefully read the entire registration statement and proxy statement/prospectus, as well as any amendments or supplements to these documents and any other relevant documents filed with the SEC, because they contain important information about the proposed transaction. A definitive proxy statement/prospectus is being mailed to the stockholders of BOJ, seeking the required stockholder approvals. These documents and other documents relating to the acquisition filed by the Company can be obtained free of charge at [investors.investarbank.com](http://investors.investarbank.com) or at the SEC's website at [www.sec.gov](http://www.sec.gov).

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit  
Number

Description of Exhibit

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[99.1](#)      [Presentation slides to be used at various investor conferences during November 2017.](#)

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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: November 6, 2017

By: /s/ John J. D'Angelo

John J. D'Angelo

President and Chief Executive Officer



**INVESTAR**<sup>®</sup>  
HOLDING CORPORATION

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**NASDAQ: ISTR**

**Hovde Conference  
November 2017**



# FORWARD-LOOKING STATEMENTS



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

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- our ability to achieve organic loan and deposit growth, and the composition of that growth;
- changes (or the lack of changes) in interest rates, yield curves and interest rate spread relationships that affect our loan and deposit pricing;
- the extent of continuing client demand for the high level of personalized service that is a key element of our banking approach as well as our ability to execute our strategy generally;
- our dependence on our management team, and our ability to attract and retain qualified personnel;
- changes in the quality or composition of our loan or investment portfolios, including adverse developments in borrower industries or in the repayment ability of individual borrowers;
- inaccuracy of the assumptions and estimates we make in establishing reserves for probable loan losses and other estimates;
- the concentration of our business within our geographic areas of operation in Louisiana; and
- concentration of credit exposure.

These factors should not be construed as exhaustive. Additional information on these and other risk factors can be found in Item 1A. "Risk Factors" and Item 7. "Special Note Regarding Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission.

[www.investarbank.com](http://www.investarbank.com)

NASDAQ: ISTR

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

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



# COMPANY PROFILE AS OF SEPTEMBER 30, 2017



## Market Data

Shares Outstanding	8,704,562
Market Cap	\$209.8 million
Price per Share	\$24.10
Dividend Yield (YTD)	0.35%
Price/ Tangible Book Value	150.2%
Price/LTM EPS	24.59

## Financial Highlights

Assets	\$1.5 billion
Net Loans	\$1.1 billion
Deposits	\$1.1 billion
Tangible Equity	\$139.6 million
TE/TA	9.54%
Net Income	\$5.9 million
ROAA	0.62%
ROAE	5.65%
NPA's/Assets	0.46%
Net Interest Margin	3.32%
Cost of Funds	1.05%



## SENIOR MANAGEMENT

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**John J. D'Angelo,**  
*President & CEO*

- Founding President and Chief Executive Officer
- New Orleans native; graduate of Louisiana State University
- Prior to founding Investar, Mr. D'Angelo was president and director of Aegis Lending Corporation, a mortgage lending company with operations in 46 states and the District of Columbia
- Previously, Mr. D'Angelo held various senior positions at Hibernia National Bank (the predecessor to Capital One Bank, N.A.), focusing on the East Baton Rouge Parish, Louisiana, market
- Current ownership of 1.9%

**Christopher L. Hufft,**  
*Chief Financial Officer*

- Joined the Bank in February 2014 as Chief Accounting Officer, and assumed the role of Chief Financial Officer in October of 2015.
- Prior to joining the Bank, Mr. Hufft served for 9 years as the Vice President of Accounting at Amedisys, Inc., a publicly-traded home health and hospice company
- Mr. Hufft, a licensed certified public accountant, also spent seven years in public accounting, serving both public and privately-held clients in the banking, healthcare and manufacturing sectors
- B.S. Accounting – Louisiana State University

**Travis M. Lavergne,**  
*Chief Credit Officer*

- Served as Executive Vice President and Chief Credit Officer since March, 2013 and Chief Risk Management Officer since joining in July 2012
- Prior to joining the Bank, Mr. Lavergne was a Senior Examiner at the Louisiana Office of Financial Institutions from September 2005 to July 2012
- B.S. Finance – Louisiana State University
- M.B.A. Southeastern Louisiana University



## ACCOMPLISHMENTS SINCE IPO

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Since IPO in June 2014, Investar has experienced significant progress :

**Further Established in Four Key Louisiana Markets**

**Shifted from Consumer Loans to C&I and CRE Focus**

**Maintained High Quality Organic Loan Growth**

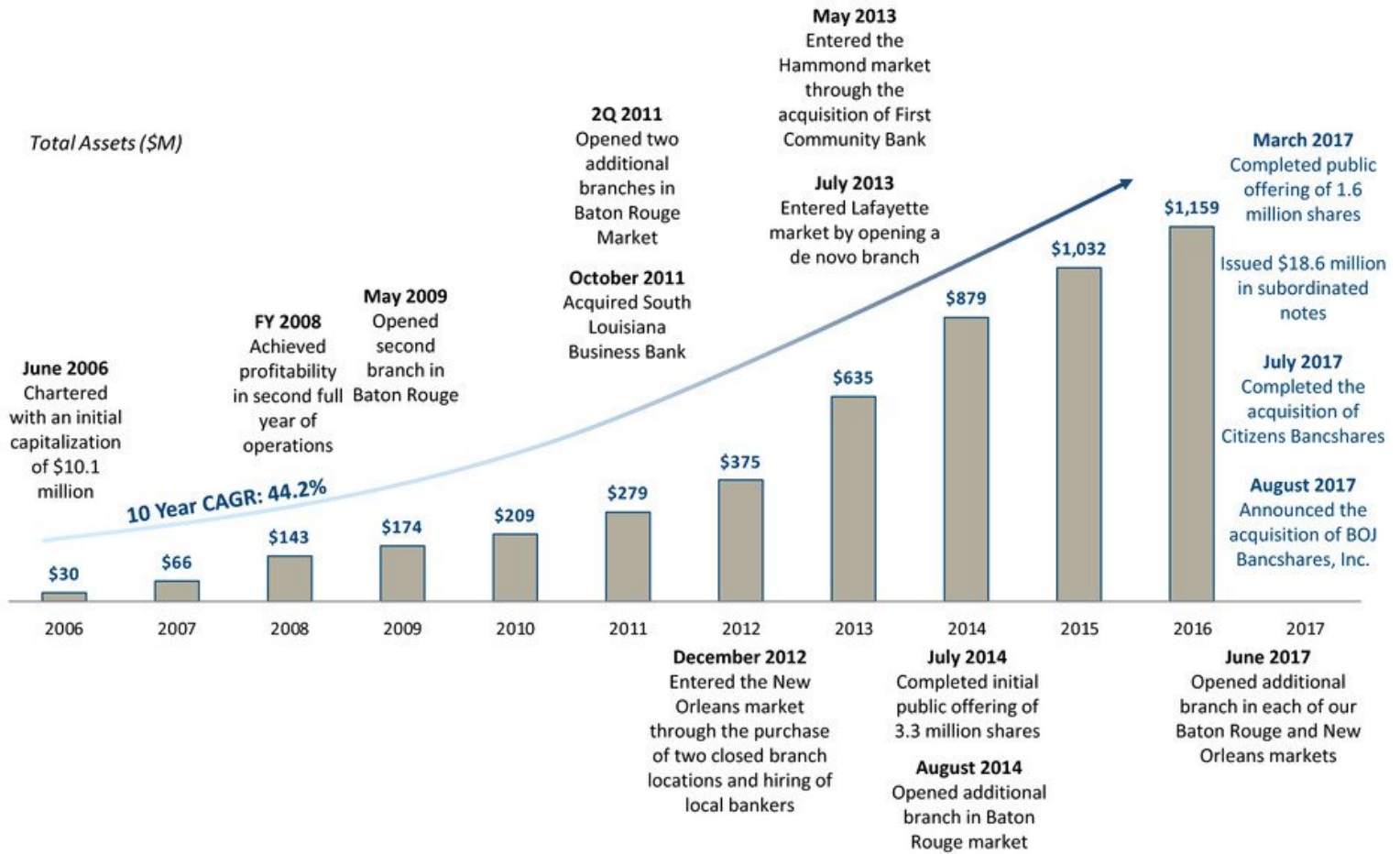
**Transitioned from Transactional Banking to Relationship Banking**

**Continued to Add Experienced Bankers in Key Areas**

**Completed Largest Acquisition Since Inception on July 1, 2017 and  
Announced an Additional Acquisition for 2017**



# INVESTAR TIMELINE



Note: Bank level data shown for 2006 through 2012 (holding company incorporated in 2013)

## Company overview

- Chartered as a de novo commercial bank in June 2006 by John J. D'Angelo, the current President and Chief Executive Officer
- Completed initial public offering of 3.3 million shares in July 2014, generating net proceeds of \$41.7 million
- Headquartered in Baton Rouge, LA, ISTR offers a wide range of commercial banking products to meet the needs of small to medium-sized businesses
- Completed acquisition of Citizens Bancshares, Inc. ("Citizens") on July 1, 2017 and announced the acquisition of BOJ Bancshares in August 2017
- ISTR currently operates 15 full service banking offices, including the 3 branch locations acquired from Citizens, located throughout its primary markets of Baton Rouge, New Orleans, Lafayette, and Hammond, Louisiana.
- Including deposits held at Citizens, ISTR is ranked 11<sup>th</sup> in the Louisiana market with \$1.1 billion of total deposits as of June 30, 2016, and 7<sup>th</sup> for those headquartered in Louisiana
- Experienced management team that has generated strong organic growth complemented by three successful acquisitions since 2011
- Strong capital position and disciplined credit philosophy
- ISTR had 227 full-time equivalents as of September 30, 2017

## Financial highlights

	As of and for the Year Ended		
	2014	2015	2016
<b>Balance Sheet</b>			
Total Assets	\$879	\$1,032	\$1,159
Gross Loans	\$726	\$826	\$893
Total Deposits	\$628	\$737	\$908
Total Equity	\$103	\$109	\$113
<b>Profitability</b>			
ROAA	0.73%	0.77%	0.71%
Net Interest Margin	3.85%	3.61%	3.32%
Efficiency Ratio <sup>1</sup>	74.90%	68.72%	66.25%
<b>Capital</b>			
TCE / TA	11.43%	10.32%	9.48%
Total Risk-Based Ratio	14.41%	12.72%	12.47%
<b>Asset Quality</b>			
NPAs / Loans & OREO	0.97%	0.42%	0.67%
NCOs / Avg. Loans	0.07%	0.05%	0.14%
NPLs / Loans	0.54%	0.32%	0.22%



Note: Dollars in millions, unless noted otherwise

(1) Efficiency ratio represents noninterest expenses divided by the sum of net interest income (before provision for loan losses) and noninterest income

# ATTRACTIVE MARKETS

- **Baton Rouge**
  - Louisiana's second largest market by deposits and the state capital, deemed the major industrial, medical, research, motion picture, and growing technology center of the American South
- **Hammond**
  - Commercial hub of a large agricultural segment of Louisiana, bedroom community of New Orleans, and home to Southeastern Louisiana University with 5.26% population growth projected from 2017 to 2022
- **Lafayette**
  - Louisiana's third largest city by population and deposits with 9.56% household income growth projected from 2017 to 2022
- **New Orleans**
  - Louisiana's largest city by population and deposits and a hub of hospitality, healthcare, universities, and energy

Louisiana Deposit Market Share				
2016 Rank	Institution (ST)	Branches	Deposits (\$000)	Market Share (%)
1	JPMorgan Chase & Co. (NY)	147	17,299,155	17.78
2	Capital One Financial Corp. (VA)	131	16,926,353	17.39
3	Hancock Holding Co. (MS)	113	11,852,531	12.18
4	Regions Financial Corp. (AL)	103	7,358,196	7.56
5	IBERIABANK Corp. (LA)	78	6,866,575	7.06
6	Origin Bancorp Inc. (LA)	22	1,653,151	1.70
7	Red River Bancshares Inc. (LA)	21	1,411,881	1.45
8	MidSouth Bancorp Inc. (LA)	43	1,305,277	1.34
9	First Guaranty Bancshares Inc. (LA)	21	1,295,643	1.33
10	Gulf Coast Bank and Trust Co. (LA)	19	1,257,757	1.29
--	<b>Pro Forma ISTR/ Citizens/ BOJ Bancshares, Inc. (LA)</b>	<b>18</b>	<b>1,201,075</b>	<b>1.23</b>
<b>11</b>	<b>Pro Forma ISTR/ Citizens (LA)</b>	<b>13</b>	<b>1,080,177</b>	<b>1.11</b>
12	Home Bancorp Inc. (LA)	24	1,078,230	1.11
13	Louisiana Community Bancorp Inc. (LA)	25	1,020,091	1.05
14	Business First Bancshares Inc. (LA)	16	1,000,026	1.03
15	BancorpSouth Inc. (MS)	23	930,106	0.96
16	CB&T Holding Corp. (LA)	3	920,334	0.95
17	Citizens National Bancshares (LA)	12	739,604	0.76
18	One American Corp. (LA)	24	739,212	0.76
19	First Trust Corp. (LA)	11	700,373	0.72
20	Jeff Davis Bancshares Inc. (LA)	24	695,963	0.72
<b>Total For Institutions In Market</b>		<b>1,510</b>	<b>97,318,053</b>	



Note: Large banks defined as having over \$50 billion in assets  
 Source: SNL Financial; Deposit data as of June 30, 2016

# OPPORTUNISTIC ACQUISITIONS COMPLETED

## Branch map



## Whole bank acquisitions

- Three whole bank transactions completed since 2011
- Processes and infrastructure established to analyze selective opportunities going forward

### South Louisiana Business Bank

- Announced: June 2011
- Closed: October 2011
- 1 Branch in Prairieville, LA
- \$31.5 million in gross loans and \$38.6 million in deposits<sup>1</sup>

#### Rationale:

- Entered Ascension Parish with 3.4% deposit market share
- Capital accretive
- Management talent

### First Community Bank

- Announced: January 2013
- Closed: May 2013
- 2 Branches – Hammond and Mandeville, LA
- \$77.5 million in gross loans and \$86.5 million in deposits<sup>1</sup>

#### Rationale:

- Recorded bargain purchase gain
- Initial entrance into Hammond market plus another location in the New Orleans MSA

### Citizens Bancshares, Inc.

- Announced: March 2017
- Closed: July 2017
- 3 Branches – Evangeline Parish, LA
- \$128.8 million in gross loans and \$216.5 million in deposits<sup>1</sup>

#### Rationale:

- Further bolster core deposit base
- Initial entrance into Evangeline Parish market
- Profitable target with clean asset quality

(1) Based on fair values at time of closing

## Transaction overview

- Citizens is a historically profitable institution, with LTM ROAA of approximately 0.90%
- Citizens offers ISTR an attractive deposit base, with noninterest-bearing deposits of approximately 20% of total deposits and cost of funds of 0.60%
- Clean asset quality, with NPAs / Assets of 0.58%
- Deal value equal to \$45.8 million (100% cash consideration)
- 128% of tangible book value at announcement
- Closed on July 1, 2017

## Citizens historical financial highlights

	For the Year Ended		
	2014	2015	2016
<b>Balance Sheet</b>			
Total Assets	\$247	\$247	\$245
Net Loans	124	126	127
Deposits	213	212	208
Noninterest-Bearing Deposits	20%	20%	20%
Gross Loans / Deposits	59%	61%	62%
<b>Capital</b>			
Total Equity	\$32	\$34	\$36
TCE / TA	13.00%	13.66%	14.51%
Total Capital Ratio	30.80%	31.83%	33.63%
<b>Earnings &amp; Profitability</b>			
Net Income	\$2.3	\$2.2	\$2.2
ROAA	0.92%	0.88%	0.87%
Net Interest Margin	3.08%	2.99%	3.09%
Efficiency Ratio	58.9%	59.8%	61.3%
<b>Asset Quality</b>			
NPAs / Assets	0.27%	0.37%	0.58%
Reserves / Loans	1.53%	1.50%	1.49%
NCOs / Average Loans	0.00%	0.00%	0.01%

Note: Dollars in millions; bank level regulatory data shown for Citizens as of December 31, 2016



# RECENTLY ANNOUNCED ACQUISITION OF BOJ BANCSHARES, INC.



## Transaction overview

- ISTR announced the acquisition of BOJ Bancshares, Inc., a \$150 million asset bank headquartered in Louisiana, on August 7, 2017
  - Expansion into East Baton Rouge Parishes, East Feliciana Parishes, and West Feliciana Parishes
  - BOJ bolsters ISTR's core deposit base, with noninterest-bearing deposits of approximately 27% of total deposits and cost of funds of 0.60%
  - BOJ has historically strong margins with NIM of 3.83% and yield on loans of 5.40%
- Deal value equal to \$22.8 million<sup>1</sup> (\$3.95 million of cash and 799,559 shares of ISTR common stock<sup>2</sup>)
- Expected closing fourth quarter of 2017

## BOJ historical financial highlights

	For the Year Ended		
	2014	2015	2016
<b>Balance Sheet</b>			
Total Assets	\$140	\$137	\$155
Net Loans	100	97	106
Deposits	122	119	130
Noninterest-Bearing Deposits	22%	23%	28%
Gross Loans / Deposits	83%	82%	82%
<b>Capital</b>			
Total Equity	\$17	\$18	\$19
TCE / TA	12.31%	13.11%	12.13%
Total Capital Ratio	20.01%	21.22%	19.71%
<b>Earnings &amp; Profitability</b>			
Net Income <sup>3</sup>	\$1.3	\$0.9	\$1.3
ROAA <sup>3</sup>	0.96%	0.65%	0.88%
Net Interest Margin	4.02%	3.87%	3.84%
Efficiency Ratio	64.2%	64.7%	65.5%
<b>Asset Quality</b>			
NPAs / Assets	1.32%	1.31%	1.89%
Reserves / Loans	1.02%	1.03%	0.90%
NCOs / Average Loans	0.28%	0.74%	0.21%

(1) Based on ISTR closing price of \$23.55 on October 17, 2017

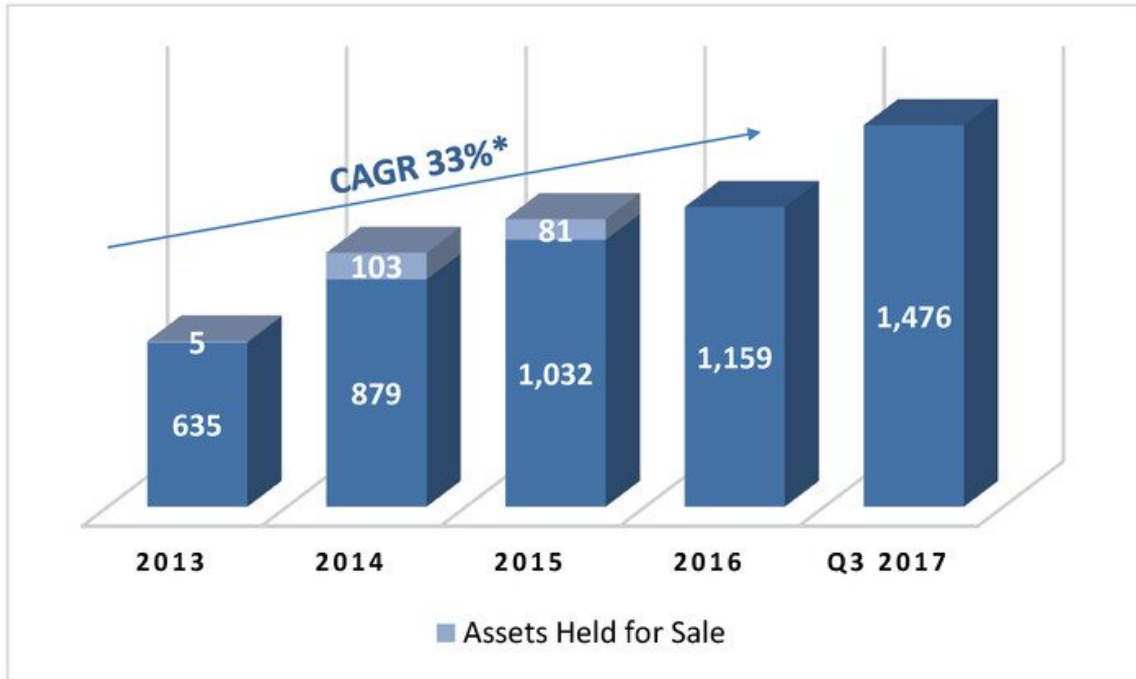
(2) Subject to adjustment based upon fluctuations in ISTR's average closing price for the ten consecutive trading days prior to the closing date

(3) S-Corp profitability adjusted for taxes assuming 35.0% tax rate

Note: Dollars in millions; bank level regulatory data shown for BOJ as of June 30, 2017

## Total Assets

(in thousands)



\*Represents the 4-year compounded annual growth rate for the four years ended December 31, 2016

## Total Loans

(in millions)



\* Growth % excludes Loans HFS



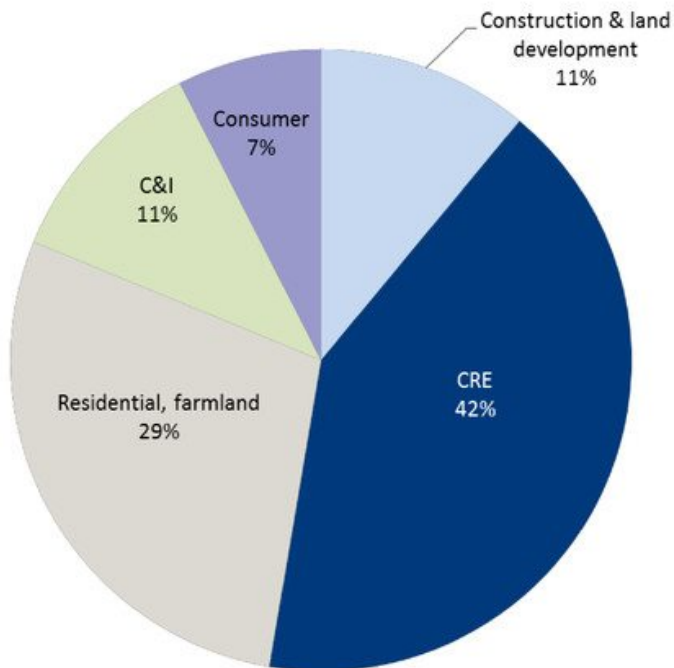
# LOAN COMPOSITION



	December 31,				September 30,		Increase/(Decrease)	
	2015		2016		2017		Amount	%
<i>(dollars in thousands)</i>	Amount	%	Amount	%	Amount	%	Amount	%
<b>Mortgage loans on real estate</b>								
Construction and land development	\$ 81,863	11.0%	\$ 90,737	10.2%	\$ 122,501	11.0%	\$ 31,764	35.0%
1-4 Family	156,300	21.0	177,205	19.8	252,003	22.7	74,798	42.2
Multifamily	29,694	4.0	42,759	4.8	50,770	4.6	8,011	18.7
Farmland	2,955	0.4	8,207	0.9	14,130	1.3	5,923	72.2
Commercial real estate								
Owner-occupied	137,752	18.5	180,458	20.2	217,369	19.6	36,911	20.5
Nonowner-occupied	150,831	20.2	200,258	22.4	245,053	22.0	44,795	22.4
<b>Commercial and industrial</b>	69,961	9.4	85,377	9.6	125,230	11.3	39,853	46.7
<b>Consumer</b>	116,085	15.5	108,425	12.1	83,465	7.5	(24,960)	(23.0)
<b>Total loans</b>	<b>\$ 745,441</b>	<b>100%</b>	<b>\$ 893,426</b>	<b>100%</b>	<b>\$ 1,110,521</b>	<b>100%</b>	<b>\$ 217,095</b>	<b>24.3%</b>
Loans held for sale	80,509		-		-		-	
<b>Total gross loans</b>	<b>\$ 825,950</b>		<b>\$ 893,426</b>		<b>\$ 1,110,521</b>		<b>\$ 217,095</b>	

# LOAN COMPOSITION

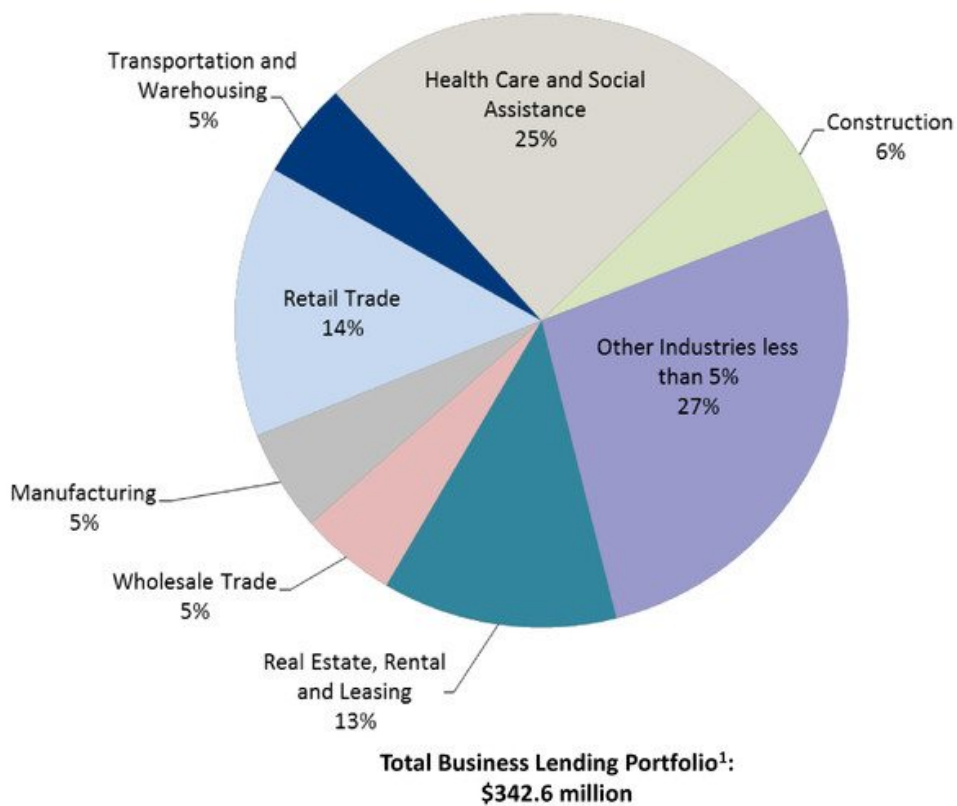
September 30, 2017



**Total Loans: \$1.1 billion**  
**Yield on loans: 4.66%**  
**47% of CRE is owner-occupied**

# LOAN COMPOSITION

## Business Lending Portfolio<sup>1</sup>



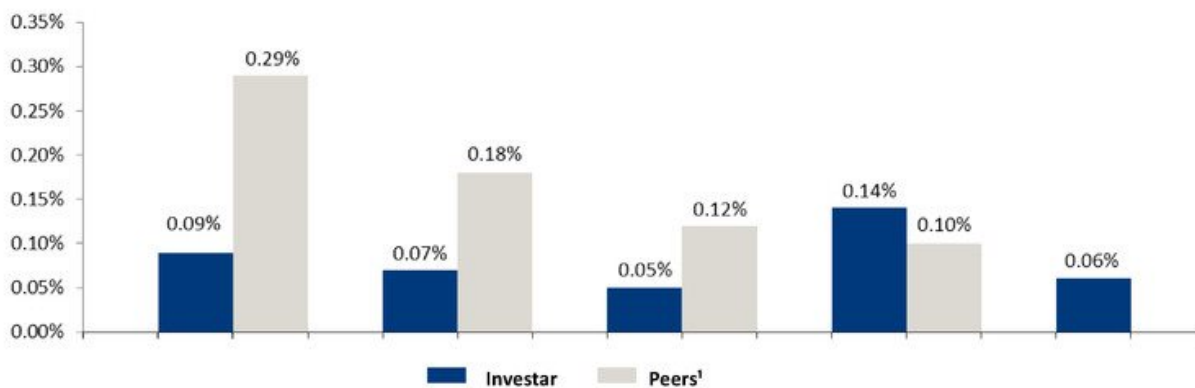
(1) Business lending portfolio includes owner-occupied CRE and C&I loans as of September 30, 2017

# CREDIT METRICS

## NPAs / Total Loans + OREO



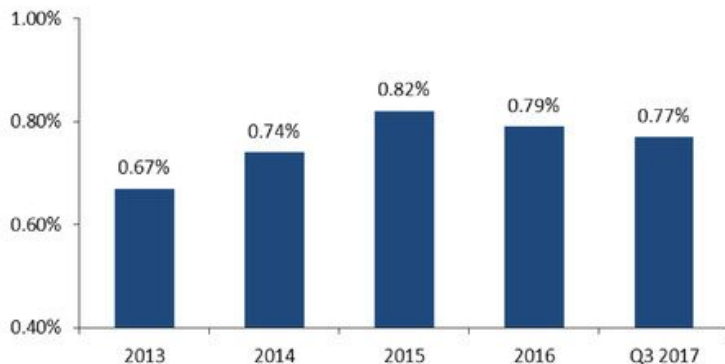
## NCOs / Average Loans



(1) Peer group consists of UBPR peers produced by the FFIEC and defined by a combination of asset size, number of branches and location in a Metropolitan Statistical Area; peer information not yet available for Q3 2017.

# DISCIPLINED LENDING

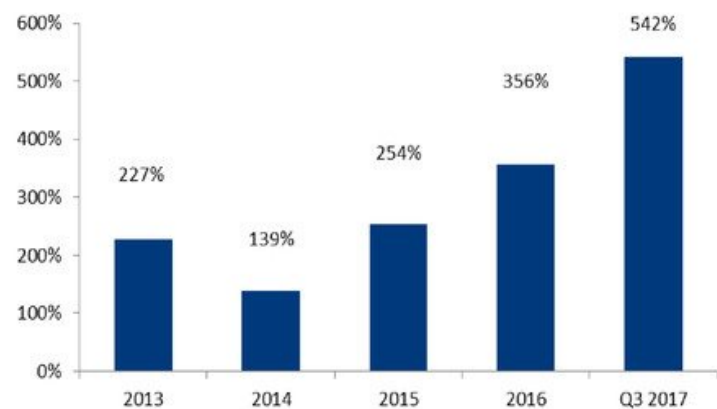
## Reserves / Total Loans<sup>1</sup>



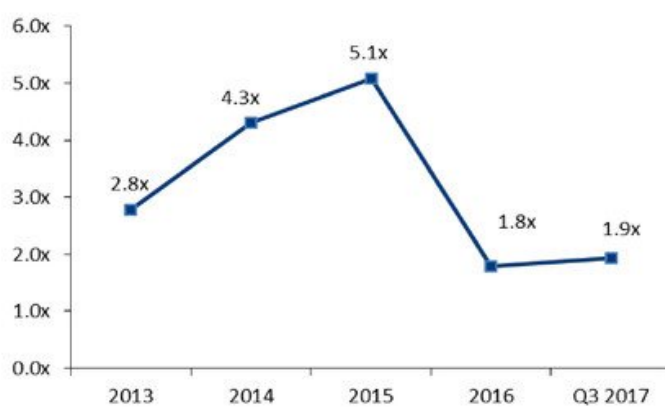
At September 30, 2017:

- Reserves / Total Loans<sup>1</sup>: 0.77%

## Reserves / NPLs



## Provision Expense / NCOs



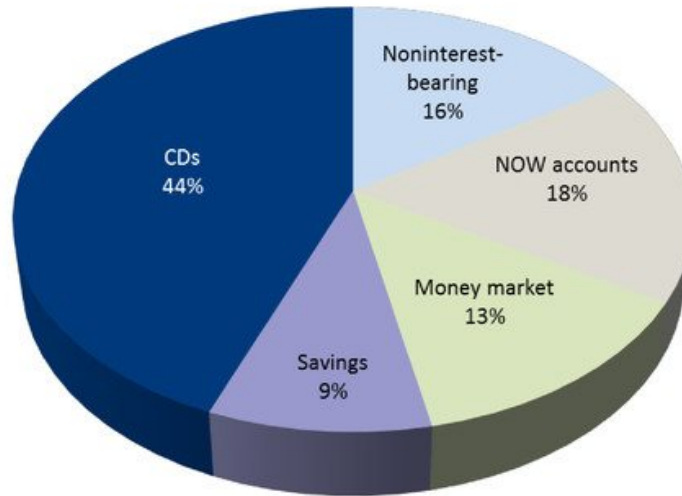
(1) Total loans excludes loans held for sale, if applicable, allowance for loan losses, and acquired loans





# DEPOSIT COMPOSITION AND GROWTH

Deposit Composition <sup>1</sup>  
(\$1.1 billion)



**Cost of funds of interest-bearing deposits: 0.95%**  
**Annualized Growth in noninterest-bearing deposits: 29%**

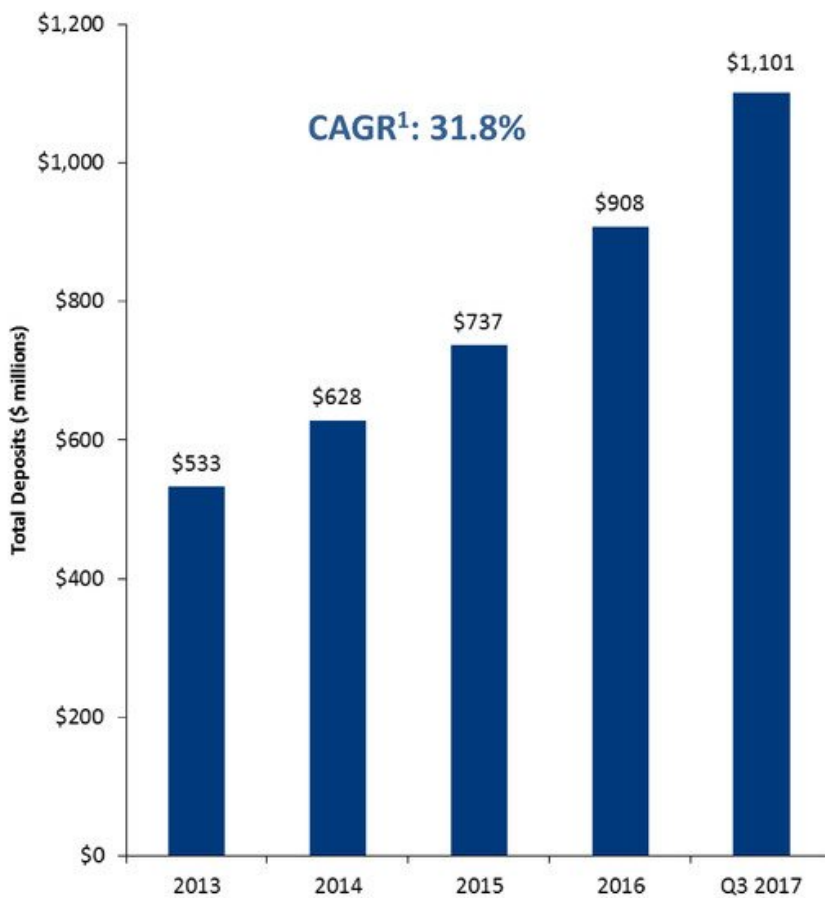
**Target:** 20% of total deposits are noninterest-bearing

- Treasury Management
- Small Business Banking
- Focus on Relationship Banking
- Strategic Acquisitions

(1) As of September 30, 2017

# DEPOSIT COMPOSITION AND GROWTH

## Total Deposits<sup>1</sup>



(1) Based on the deposit balances for each of the five years ended December 31, 2016

# FINANCIAL HIGHLIGHTS



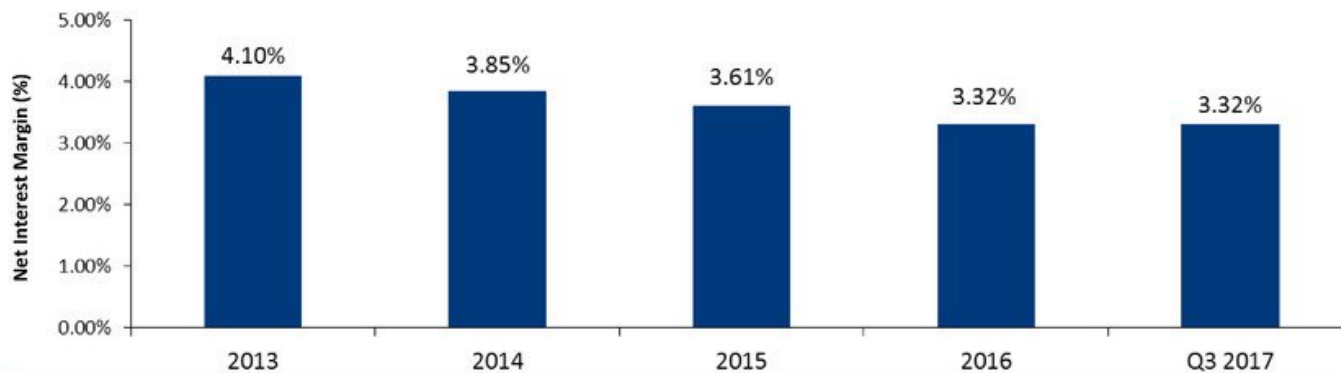
Amounts in thousands, except share data	Nine Months Ended		Year Ended December 31,	
	September 30,	2016	2015	2014
	2017			
<b>Financial Highlights</b>				
Total Assets	\$1,476,423	\$1,158,960	\$1,031,555	\$879,354
Gross Loans <sup>(1)</sup>	\$1,110,521	\$893,846	\$825,950	\$726,186
Total Deposits	\$1,101,362	\$907,787	\$737,406	\$628,118
Total Stockholders' Equity	\$152,876	\$112,757	\$109,350	\$103,384
Shares Outstanding	8,704,562	7,101,851	7,264,282	7,262,085
<b>Capital Ratios</b>				
Tangible Equity / Tangible Assets	9.54%	9.48%	10.32%	11.43%
Tier 1 Leverage Ratio	10.13%	10.10%	11.39%	12.61%
Total Capital Ratio	14.32%	12.47%	12.72%	14.41%
<b>Asset Quality Ratios</b>				
NPAs / Total Assets	0.41%	0.52%	0.30%	0.69%
NPLs / Loans	0.20%	0.22%	0.32%	0.54%
Loan Loss Reserves / Total Loans	0.77%	0.79%	0.82%	0.74%
Loan Loss Reserves / NPLs	541.6%	356.2%	254.2%	138.6%
NCOs / Avg Loans	0.06%	0.14%	0.05%	0.07%
<b>Performance Ratios</b>				
Net Income	\$5,918	\$7,880	\$7,073	\$5,397
ROAE	5.65%	6.99%	6.60%	6.80%
ROAA	0.62%	0.71%	0.77%	0.73%
Net Interest Margin	3.32%	3.32%	3.61%	3.85%
Efficiency Ratio <sup>(2)</sup>	69.84%	66.25%	68.72%	74.90%
<b>Per Share Data</b>				
Tangible Book Value per Share	\$16.04	\$15.42	\$14.62	\$13.79
Diluted Earnings per Share	\$0.24	\$1.10	\$0.97	\$0.93

(1) Gross loans includes loans held for sale (HFS)

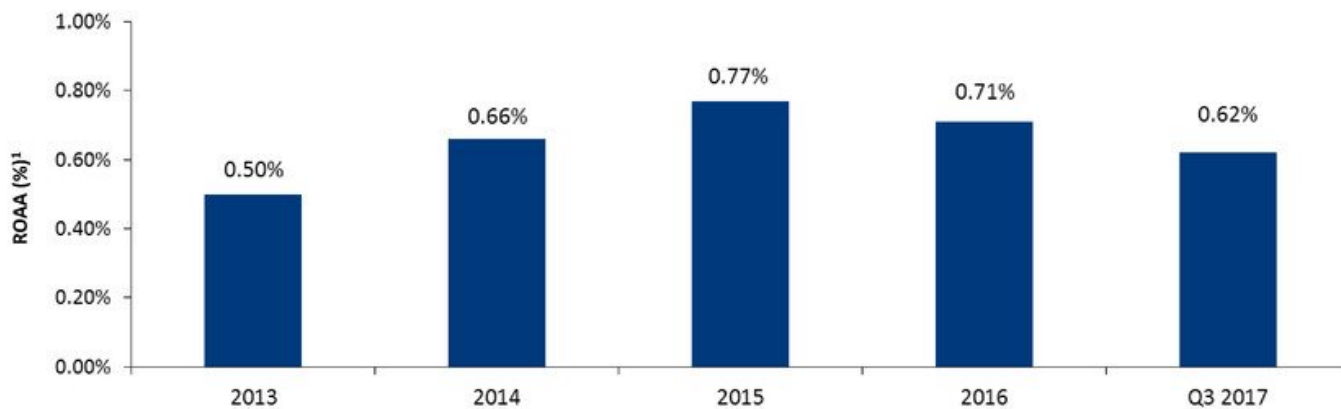
(2) Efficiency ratio represents noninterest expense divided by the sum of net interest income (before provision for loan losses) and noninterest income.

# PERFORMANCE METRICS

## Net Interest Margin



## Return on Average Assets

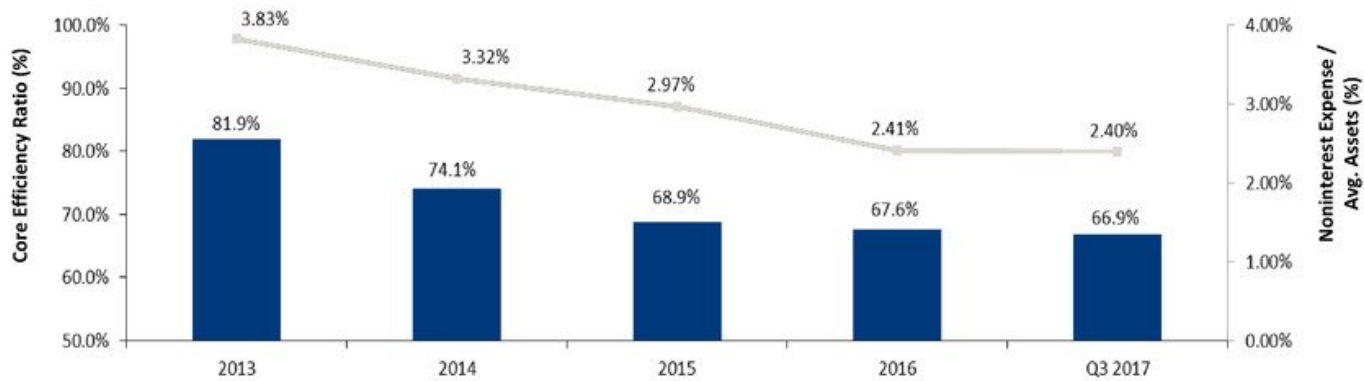


(1) Return on average assets was adjusted for the bargain purchase gain recognized in 2013, and the net effect of the Company's investment in a tax credit entity recognized in 2014.

# PERFORMANCE METRICS



## Expense Ratios



	December 31,				September 30,
	2013	2014	2015	2016	2017
<b>Employees</b>	167	179	165	152	227
<b>Locations</b>	10	11	11	10	15



# PROFITABILITY



## Net Income and Diluted Earnings Per Share



Core Earnings Per Share				
Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
\$0.27	\$0.26	\$0.27	\$0.22	\$0.29





# INVESTMENT OPPORTUNITY

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## 1 Management

- Legacy team with proven industry expertise tied to the Southern Louisiana region
- Continue to add experienced bankers in new and existing markets

## 2 Market

- Southern Louisiana focus with complementary new market expansion

## 3 Growth

- Leverage existing infrastructure in core markets
- Limited de novo branching
- Opportunistic, disciplined acquisition strategy
- Focus on relationship banking

## 4 Asset Quality

- Loan portfolio diversity
- Disciplined credit philosophy – legacy delinquencies less than 1%

## 5 Profitability

- Expected to increase as investment in infrastructure has already been made



## APPENDIX

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## NON-GAAP FINANCIAL MEASURES



Tangible book value per share and the ratio of tangible equity to tangible assets are not financial measures recognized under GAAP and, therefore, are considered non-GAAP financial measures. Our management, banking regulators, many financial analysts and other investors use these non-GAAP financial measures to compare the capital adequacy of banking organizations with significant amounts of preferred equity and/or goodwill or other intangible assets, which typically stem from the use of the purchase accounting method of accounting for mergers and acquisitions. Tangible equity, tangible assets, tangible book value per share or related measures should not be considered in isolation or as a substitute for total stockholders' equity, total assets, book value per share or any other measure calculated in accordance with GAAP. Moreover, the manner in which we calculate tangible equity, tangible assets, tangible book value per share and any other related measures may differ from that of other companies reporting measures with similar names. The following table reconciles, as of the dates set forth below, stockholders' equity (on a GAAP basis) to tangible equity and total assets (on a GAAP basis) to tangible assets and calculates our tangible book value per share.

<i>Dollar values in thousands except per share amounts</i>	December 31,				September 30,
	2013	2014	2015	2016	2017
<b>Total Stockholders' Equity - GAAP</b>	\$ 55,483	\$ 103,384	\$ 109,350	\$ 112,757	\$ 152,876
<b>Adjustments</b>					
Goodwill	2,684	2,684	2,684	2,684	11,357
Other Intangibles	573	532	491	550	1,914
<b>Tangible Equity</b>	<u>\$ 52,226</u>	<u>\$ 100,168</u>	<u>\$ 106,175</u>	<u>\$ 109,523</u>	<u>\$ 139,605</u>
<b>Total Assets - GAAP</b>	\$ 634,946	\$ 879,354	\$ 1,031,555	\$ 1,158,960	\$ 1,476,423
<b>Adjustments</b>					
Goodwill	2,684	2,684	2,684	2,684	11,357
Other Intangibles	573	532	491	550	1,914
<b>Tangible Assets</b>	<u>\$ 631,689</u>	<u>\$ 876,138</u>	<u>\$ 1,028,380</u>	<u>\$ 1,155,726</u>	<u>\$ 1,463,152</u>
<b>Total Shares Outstanding</b>					
Book Value Per Share	\$ 14.06	\$ 14.24	\$ 15.05	\$ 15.88	\$ 17.56
Effect of Adjustment	(0.82)	(0.45)	(0.43)	(0.46)	(1.52)
<b>Tangible Book Value Per Share</b>	<u>\$ 13.24</u>	<u>\$ 13.79</u>	<u>\$ 14.62</u>	<u>\$ 15.42</u>	<u>\$ 16.04</u>
<b>Total Equity to Total Assets</b>	8.74%	11.76%	10.60%	9.73%	10.35%
Effect of Adjustment	(0.47)	(0.33)	(0.28)	(0.25)	(0.81)
<b>Tangible Equity to Tangible Assets</b>	8.27%	11.43%	10.32%	9.48%	9.54%

# NON-GAAP FINANCIAL MEASURES



		12/31/2013	12/31/2014	12/31/2015	12/31/2016	9/30/2017
<i>Dollar values in thousands except per share amounts</i>						
Net interest income	(x)	\$ 19,012	\$ 26,694	\$ 31,458	\$ 34,739	\$ 29,700
Provision for loan losses		1,026	1,628	1,865	2,079	1,145
Adjusted net interest income after provision for loan losses		<u>17,986</u>	<u>25,066</u>	<u>29,593</u>	<u>32,660</u>	<u>28,555</u>
Noninterest income	(v)	5,354	5,860	8,344	5,468	2,853
Gain on sale of investment securities		(449)	(340)	(489)	(443)	(242)
Bargain purchase gain		(906)	-	-	-	-
Gain on sale of fixed assets		-	(3)	(15)	(1,266)	(184)
Gain (loss) on sale of other real estate owned		(97)	(230)	105	(13)	(32)
Core noninterest income	(y)	<u>3,902</u>	<u>5,287</u>	<u>7,945</u>	<u>3,746</u>	<u>2,395</u>
Noninterest expense	(w)	19,024	24,384	27,353	26,639	22,734
Severance		-	-	(226)	(26)	(81)
Acquisition expense		(250)	-	-	-	(1,049)
Impairment on investment in tax credit entity		-	(690)	(54)	-	-
Writedown of repossessed equipment		-	-	-	-	(143)
Customer reimbursements		-	-	-	(584)	-
Core noninterest expense	(z)	<u>18,774</u>	<u>23,694</u>	<u>27,127</u>	<u>26,029</u>	<u>21,461</u>
Core earnings before income tax expense		3,114	6,659	10,411	10,377	9,489
Core income tax expense		813	2,184	3,456	3,258	3,018
Core earnings		<u>\$ 2,301</u>	<u>\$ 4,475</u>	<u>\$ 6,955</u>	<u>\$ 7,119</u>	<u>\$ 6,471</u>
Core Efficiency ratio	(z)/(x+y)	81.93%	74.09%	68.85%	67.63%	66.87%
Efficiency ratio	(w)/(x+v)	78.08%	74.90%	68.72%	66.25%	69.84%

# NON-GAAP FINANCIAL MEASURES

<i>Dollar values in thousands except per share amounts</i>	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Net interest income	8,753	8,781	8,860	9,302	11,538
Provision for loan losses	450	375	350	375	420
Net interest income after provision for loan losses	<u>8,303</u>	<u>8,406</u>	<u>8,510</u>	<u>8,927</u>	<u>11,118</u>
Noninterest income	1,029	896	885	801	1,167
Gain on sale of investment securities, net	(204)	(15)	(106)	(109)	(27)
Gain (loss) on sale of other real estate owned, net	-	(2)	(5)	10	(37)
Gain on sale of fixed assets, net	-	(14)	(23)	(1)	(160)
Core noninterest income	<u>825</u>	<u>865</u>	<u>751</u>	<u>701</u>	<u>943</u>
Core earnings before noninterest expense	9,128	9,271	9,261	9,628	12,061
Noninterest expense	6,548	6,603	6,684	6,928	9,122
Severance	-	-	(82)	-	-
Acquisition expense	-	-	(145)	(80)	(824)
Core noninterest expense	<u>6,548</u>	<u>6,603</u>	<u>6,457</u>	<u>6,848</u>	<u>8,298</u>
Core earnings before income tax expense	2,580	2,668	2,804	2,780	3,763
Core income tax expense	692	851	917	871	1,228
Core earnings before income tax expense	<u>1,888</u>	<u>1,817</u>	<u>1,887</u>	<u>1,909</u>	<u>2,535</u>
Core basic earnings per share	0.27	0.26	0.28	0.22	0.29
Diluted earnings per share (GAAP)	0.29	0.26	0.26	0.22	0.24
Gain on sale of investment securities, net	(0.02)	-	(0.01)	(0.01)	-
Gain (loss) on sale of other real estate owned, net	-	-	-	-	-
Gain on sale of fixed assets, net	-	-	-	-	(0.01)
Severance	-	-	0.01	-	-
Acquisition expense	-	-	0.01	0.01	0.06
Core diluted earnings per share	<u>0.27</u>	<u>0.26</u>	<u>0.27</u>	<u>0.22</u>	<u>0.29</u>

# INCOME STATEMENT



(dollars in thousands, except share data)

	Year Ended December 31,				Nine Months Ended	
	2013	2014	2015	2016	Q3 2017	Q3 2016
<b>INTEREST INCOME</b>						
Interest and fees on loans	\$ 21,686	\$ 29,979	\$ 35,076	\$ 39,380	\$ 33,456	\$ 29,277
Interest on investment securities	756	1,339	2,189	3,565	3,627	2,667
Other interest income	30	50	75	207	296	146
<b>TOTAL INTEREST INCOME</b>	<b>22,472</b>	<b>31,368</b>	<b>37,340</b>	<b>43,152</b>	<b>37,379</b>	<b>32,090</b>
<b>INTEREST EXPENSE</b>						
Interest on deposits	3,204	4,273	5,250	7,182	5,817	5,212
Interest on borrowings	256	402	632	1,231	1,862	920
<b>TOTAL INTEREST EXPENSE</b>	<b>3,460</b>	<b>4,675</b>	<b>5,882</b>	<b>8,413</b>	<b>7,679</b>	<b>6,132</b>
<b>NET INTEREST INCOME</b>	<b>19,012</b>	<b>26,694</b>	<b>31,458</b>	<b>34,739</b>	<b>29,700</b>	<b>25,958</b>
<b>PROVISION FOR LOAN LOSSES</b>	<b>1,026</b>	<b>1,628</b>	<b>1,865</b>	<b>2,079</b>	<b>1,145</b>	<b>1,704</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>17,986</b>	<b>25,066</b>	<b>29,593</b>	<b>32,660</b>	<b>28,555</b>	<b>24,254</b>
<b>NON-INTEREST INCOME</b>						
Service charges on deposit accounts	214	305	380	343	474	264
Gain on sale of investment securities, net	449	340	489	443	242	428
Gain on sale of assets, net	346	3,682	4,278	1,684	184	1,252
Bargain purchase gain	906	-	-	-	-	-
Servicing fees and fee income on serviced loans	2,843	885	2,543	2,087	1,153	1,638
Other operating income	596	648	654	911	800	990
<b>TOTAL NON-INTEREST INCOME</b>	<b>5,354</b>	<b>5,860</b>	<b>8,344</b>	<b>5,468</b>	<b>2,853</b>	<b>4,572</b>
<b>INCOME BEFORE NON-INTEREST EXPENSE</b>	<b>23,340</b>	<b>30,926</b>	<b>37,937</b>	<b>38,128</b>	<b>31,408</b>	<b>28,826</b>
<b>NON-INTEREST EXPENSE</b>						
Salaries and employee benefits	11,772	14,565	16,398	15,609	13,195	11,708
Impairment on investment in tax credit entity	-	690	54	11	-	-
Operating expenses	7,252	9,129	10,901	11,019	9,539	8,328
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>19,024</b>	<b>24,384</b>	<b>27,353</b>	<b>26,639</b>	<b>22,734</b>	<b>20,036</b>
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	<b>4,316</b>	<b>6,542</b>	<b>10,584</b>	<b>11,489</b>	<b>8,674</b>	<b>8,790</b>
<b>INCOME TAX EXPENSE</b>	<b>1,148</b>	<b>1,145</b>	<b>3,511</b>	<b>3,609</b>	<b>2,756</b>	<b>2,758</b>
<b>NET INCOME</b>	<b>\$ 3,168</b>	<b>\$ 5,397</b>	<b>\$ 7,073</b>	<b>\$ 7,880</b>	<b>\$ 5,918</b>	<b>\$ 6,032</b>
Basic earnings per share	\$ 0.86	\$ 0.98	\$ 0.98	\$ 1.11	\$ 0.72	\$ 0.85
Diluted earnings per share	\$ 0.81	\$ 0.93	\$ 0.97	\$ 1.10	\$ 0.71	\$ 0.84

