

Investar Holding Corporation (NASDAQ: ISTR; Baton Rouge, LA) has agreed to acquire BOJ Bancshares, Inc. (Private; Jackson, LA)

Deal Value: Approximately \$22.1 Million

This is Investar's second whole bank transaction announced in 2017, which will help to expand its branch footprint in its Southern Louisiana markets and further bolster its core deposit base.

Sandler O'Neill served as financial advisor and provided a fairness opinion to Investar Holding Corporation in this transaction. This transaction represents Sandler O'Neill's 137th bank or thrift transaction nationwide since January 1, 2015, representing \$44.4 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

BATON ROUGE, La., August 7, 2017 -- Investar Holding Corporation ("Investar") (Nasdaq:ISTR), the holding company for Investar Bank, today announced that it has entered into a definitive agreement (the "Agreement") to acquire BOJ Bancshares, Inc. ("BOJ") and its wholly owned subsidiary, The Highlands Bank ("Highlands Bank") in Jackson, Louisiana. The transaction, which has been unanimously approved by each company's board of directors, is expected to close in the fourth quarter of 2017 and is subject to customary closing conditions, including obtaining approval by BOJ's shareholders and bank regulatory authorities.

The Agreement provides for consideration to be paid to the shareholders of BOJ in the form of cash and shares of Investar common stock. Shareholders of BOJ will be entitled to receive an aggregate amount of cash consideration equal to \$3.95 million, subject to certain adjustments. The transaction is valued at approximately \$22.1 million based upon the closing price of Investar's common stock of \$22.65 on August 4, 2017. Shareholders of BOJ will also be entitled to receive an aggregate of 799,559 shares of Investar common stock, subject to adjustment based upon fluctuations in Investar's average closing price for the ten consecutive trading days prior to the closing date. It is expected that shareholders of BOJ will own approximately 9% of the combined company following the acquisition.

At June 30, 2017, BOJ had approximately \$150 million in assets, \$104 million in net loans, and \$124 million in deposits and \$17 million in stockholders' equity. Highlands Bank offers a full range of banking products and services to the residents of East Feliciana, West Feliciana, and East Baton Rouge Parishes through its five branch locations.

"Investar is extremely excited to expand in the Baton Rouge market through the acquisition of Highlands Bank," said John D'Angelo, President and Chief Executive Officer of Investar. "The acquisition of Highlands Bank fits our strategy of expansion through extensions of our existing markets. We believe this limits integration risk and allows us to continue to build our brand in our existing and surrounding markets. Mike Creed, the current President and Chief Executive Officer of Highlands Bank, is a seasoned banker who will add significant strength to our existing management team by maintaining a vital and influential role for the combined organization. We are excited to leverage his banking knowledge and experience to assist us with M&A, technology development, and growing our existing Baton Rouge presence. Both we and Highlands Bank are customer service focused community banks and look forward to welcoming the customers and employees of the Highlands Bank to the Investar family."

Mike Creed, President and Chief Executive Officer of Highlands Bank stated, "Our employees and board have worked tirelessly to build a strong community bank. We feel that Investar has the same service standards and commitment to the community as Highlands Bank. I am pleased that we will be providing Investar with additional locations in new areas of its existing Baton Rouge market and the ability to serve more customers."

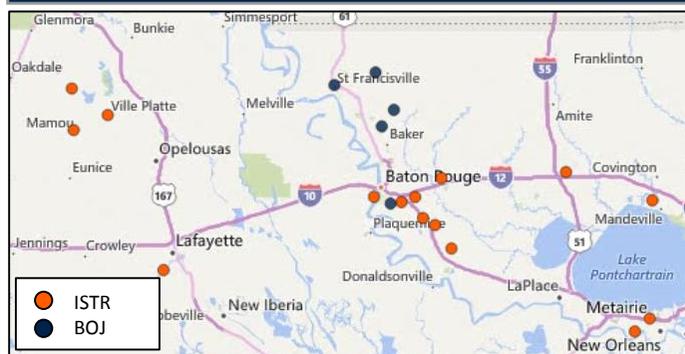
Financial Highlights

(Dollars in thousands)

	ISTR	BOJ
Total Assets	\$1,225,526	\$150,227
Total Net Loans	\$925,640	\$104,342
Total Deposits	\$894,825	\$123,949
Total Equity	\$150,796	\$16,723
TCE / TA	12.07%	11.13%

¹⁾ Source: SNL Financial. Excludes terminated transactions and self-advisory roles
Note: Financial data as of June 30, 2017

Pro Forma Branch Map



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