

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

Deal Value: Approximately \$45.8 Million

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 113th bank or thrift transaction nationwide since January 1, 2015, representing \$35.4 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Since January 1, 2013, Sandler O'Neill has advised on 21 bank or thrift transactions in the Southwest region for an aggregate transaction value of \$2.3 billion, more than any other investment bank during that time period.¹

BATON ROUGE, La., March 8, 2017 (GLOBE NEWSWIRE) -- 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 Citizens Bancshares, Inc. ("Citizens") and its wholly-owned subsidiary, Citizens Bank, Ville Platte, Louisiana. According to the terms of the Agreement, Investar will pay to shareholders of Citizens a total amount of \$45.8 million in cash.

Investar's acquisition of Citizens would expand Investar's branch footprint in the Louisiana market—further bolstering its core deposit base and positioning Investar to continue to build on its existing record of growth and client service under the leadership of its current management team. For Citizens, the transactions would offer the benefits of additional financial strength and the expanded resources of a larger banking enterprise. Although Citizens' three existing locations will transition to the Investar name, the experienced Citizens branch staff is expected to remain intact, continuing to provide exemplary and personal service to Citizens' growing customer base.

Investar estimates annual pre-tax expense reductions associated with the transaction will exceed 30% of Citizen Bank's annual non-interest expenses. The expense savings are estimated to be fully achieved beginning in 2018, and the transaction is expected to be over 20% accretive to 2018 EPS in the first full year of combined operations.

"I am excited to add Citizens' customers and branches into the Investar brand," said John D'Angelo, President and Chief Executive Officer of Investar. "The acquisition fits well with our strategy of expanding Investar's footprint in the Louisiana market. We see tremendous value in the acquisition of this 40-year-old franchise that includes a loyal customer base and which brings an attractive cost of funds. As a community bank, we are focused on customer service, and we look forward to providing enhanced products and services to the customers, employees and communities that we serve."

Carl Fontenot, President and Chief Executive Officer of Citizens Bank stated, "We are proud of the hard work invested over many years to build and maintain this community bank. Our commitment to quality has not changed as we join with Investar. We are excited to be part of a community bank that can offer our customers a wider range of products and that embraces our tireless commitment to the community. Citizens Bank's customers should see a seamless transition and have the ability to work with the same local leadership following the proposed acquisition."

Financial Highlights

(Dollars in thousands)

	ISTR	Citizens ²
Total Assets	\$1,158,960	\$245,464
Total Net Loans	\$886,375	\$126,849
Total Deposits	\$907,787	\$208,670
Total Equity	\$112,757	\$35,609
TCE / TA	9.48%	14.51%

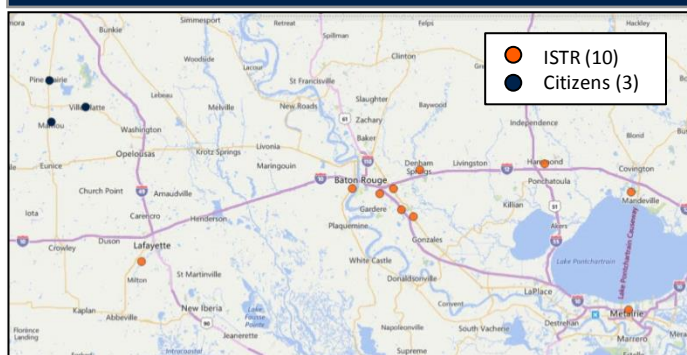
1) Excludes terminated transactions and self-advisory roles

2) Bank level financial data used

Note: Financial data as of December 31, 2016

Source: SNL Financial

Pro Forma Branch Map



Sandler O'Neill Contacts:

Derek Szot
Managing Director
(212) 466-7717

John Pyne
Director
(212) 466-7802

Justin Kessler
Vice President
(212) 466-8051

Stephen Schroder
Analyst
(212) 466-7948