

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

HOME BANCSHARES INC

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SIC: **6022** State commercial banks

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CONWAY AR 72032
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United States
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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) **January 17, 2013**

Home BancShares, Inc.

(Exact name of registrant as specified in its charter)

Arkansas
(State or other jurisdiction
of incorporation)

000-51904
(Commission File Number)

71-0682831
(IRS Employer Identification No.)

719 Harkrider, Suite 100, Conway, Arkansas **72032**
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: **(501) 328-4770**

Not Applicable

(Former name or former address, if changed since last report)

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 (see General Instruction A.2. below):

- 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))

Item 2.02. Results of Operations and Financial Condition.

The Registrant hereby furnishes its January 17, 2013 press release announcing fourth quarter 2012 earnings, which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

See Item 2.02. Results of Operations and Financial Condition.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release: Home BancShares, Inc. Announces Record Net Income of \$63.0 Million for 2012.

SIGNATURE

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

Home BancShares, Inc.

(Registrant)

January 17, 2013

(Date)

/s/ BRIAN DAVIS

Brian Davis
Chief Accounting Officer

Home BancShares, Inc. Announces Record Net Income of \$63.0 Million for 2012

CONWAY, Ark., Jan. 17, 2013 (GLOBE NEWSWIRE) -- Home BancShares, Inc. (Nasdaq:HOMB), parent company of Centennial Bank, today announced record net income for the year ended December 31, 2012 of \$63.0 million compared to \$54.7 million for the year ended 2011. Diluted earnings per share for the year ended 2012 were \$2.23 per share compared to \$1.85 per share for 2011, an increase of \$0.38 per share or 20.5%. For the fourth quarter of 2012, the Company recorded record quarterly net income of \$16.9 million, or \$0.60 diluted earnings per common share, compared to \$14.2 million of net income, or \$0.50 diluted earnings per common share for the same quarter in 2011, an increase of \$0.10 per share or 20.0%.

Because acquisitions are growth and capital management strategies, earnings excluding amortization of intangibles after-tax are useful in evaluating the Company. Diluted earnings per common share excluding intangible amortization for the fourth quarter of 2012 was \$0.62 compared to \$0.51 diluted earnings per common share excluding intangible amortization for the same period in 2011.

"The record net income reported for 2012 is an exceptional achievement for our Company," said John Allison, Chairman. "The hard work this year to expand earnings was successful. Not only did we reach annual record earnings during 2012, but we also achieved record earnings each quarter consecutively during the year. Throughout the year, we continued to keep our traditionally strong capital levels considerably above the regulators' capital requirements. It is possible, therefore, to remain in a position to benefit from opportunistic deals as they are presented."

Randy Sims, Chief Executive Officer, added, "This quarter the Company increased its earnings above our previously recorded record earnings by \$844,000 or 5.2%. During the fourth quarter of 2012, we improved our net interest margin 13 basis points when compared to the fourth quarter of 2011. The achievements reached during 2012 are no doubt impressive and encouraging for the year ahead."

Operating Highlights

Net interest income for the fourth quarter of 2012 increased 16.9% to \$41.3 million from \$35.3 million during the fourth quarter of 2011. For the fourth quarter of 2012, the effective yield on non-covered loans and covered loans was 6.03% and 7.83%, respectively. Net interest margin, on a fully taxable equivalent basis, was 4.86% for the quarter just ended compared to 4.73% in the fourth quarter of 2011, an increase of 13 basis points. The Company's ability to improve pricing on interest bearing deposits and hold the changes of interest rates on loans to a minimum allowed the Company to improve net interest margin.

The Company reported \$16.2 million of non-interest income for the fourth quarter of 2012, compared to \$12.2 million for the fourth quarter of 2011. The most important components of the fourth quarter non-interest income were \$5.2 million from gain on acquisition, \$4.1 million from service charges on deposits accounts, \$3.1 million from other service charges and fees, \$1.5 million from mortgage lending income, \$635,000 in dividends, \$368,000 from insurance commissions, \$229,000 of accretion on the FDIC indemnification asset and \$121,000 gain on sale of OREO. The \$635,000 in dividends includes a non-recurring dividend of approximately \$463,000 from our investment in a private equity and venture capital firm which invests in small and lower middle market companies located in Arkansas and across the Midwest and Southeast United States.

Non-interest expense for the fourth quarter of 2012 was \$29.6 million compared to \$23.3 million for the fourth quarter of 2011. Excluding merger expenses, non-interest expense only increased 5.5% when compared to 17.7% in asset growth. For the fourth quarter of 2012, our core efficiency ratio was 44.40% or improved by 436 basis points from the same period of the previous year.

Financial Condition

Total non-covered loans were \$2.33 billion at December 31, 2012 compared to \$1.76 billion at December 31, 2011. Total covered loans were \$384.9 million at December 31, 2012 compared to \$481.7 million at December 31, 2011. Total deposits were \$3.48 billion at December 31, 2012 compared to \$2.86 billion at December 31, 2011. Total assets were \$4.24 billion at December 31, 2012 compared to \$3.60 billion at December 31, 2011.

Non-performing non-covered loans were \$27.3 million as of December 31, 2012, of which \$15.2 million were located in Florida. Non-performing non-covered loans as a percent of total non-covered loans were 1.17% as of December 31, 2012 compared to 1.56% as of December 31, 2011. Non-performing non-covered assets were \$47.8 million as of December 31, 2012, of which \$23.2 million were located in Florida. Non-performing non-covered assets as a percent of total non-covered assets were 1.30% as of December 31, 2012 compared to the 1.53% reported for December 31, 2011.

The Company's allowance for loan losses for non-covered loans was \$45.2 million at December 31, 2012, or 1.94% of total non-covered loans, compared to \$52.1 million, or 2.96% of total non-covered loans, at December 31, 2011. As of December 31, 2012 and December 31, 2011, the allowance for loan losses for non-covered loans plus discount for credit losses on non-covered loans acquired to total non-covered loans plus discount for credit losses on non-covered loans acquired was 5.26% and 3.10%, respectively. As of December 31, 2012 and December 31, 2011, the Company's allowance for loan losses for non-covered loans was 166% and 190% of its total non-performing non-covered loans, respectively.

Stockholders' equity was \$515.5 million at December 31, 2012 compared to \$474.1 million at December 31, 2011, an increase of \$41.4 million. Book value per common share was \$18.34 at December 31, 2012 compared to \$16.77 at December 31, 2011.

Stock Repurchase Program

During the fourth quarter of 2012, the Company repurchased a total of 203,404 shares with a weighted average stock price of \$34.33. For 2012, the Company repurchased a total of 455,448 shares with a weighted average stock price of \$29.72. The Company believes the stock repurchased at these prices is a good investment. The 2012 earnings were used to fund these repurchases.

Branches

Presently, the Company is evaluating opportunities but has no firm commitments for additional de novo branch locations. During December, the Company closed two branches acquired in the Vision acquisition—one in Florida and one in Alabama. These branch closures were completed to eliminate repetitive branches and maximize profitability from the Vision transaction. During the first part of January 2013, one branch in south Arkansas was closed. It is anticipated three to four branches will close in the Tallahassee, FL area early in the second quarter of 2013. The Company currently has 46 branches in Arkansas, 54 branches in Florida and 7 branches in Alabama.

Conference Call

Management will conduct a conference call to review this information at 1:00 p.m. CT (2:00 ET) on Thursday, January 17, 2013. Interested parties can listen to this call by calling 1-877-317-6789 and asking for the Home BancShares conference call. A replay of the call will be available by calling 1-877-344-7529, Passcode: 10022263, which will be available until January 25, 2013 at 8:00 a.m. CT (9:00 ET). Internet access to the call will be available live or in recorded version on the Company's website at www.homebancshares.com under "Investor Relations" for 12 months.

General

This release contains forward-looking statements regarding the Company's plans, expectations, goals and outlook for the future. Statements in this press release that are not historical facts should be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements of this type speak only as of the date of this news release. By nature, forward-looking statements involve inherent risk and uncertainties. Various factors, including, but not limited to, economic conditions, credit quality, interest rates, loan demand, the ability to successfully integrate new acquisitions and changes in the assumptions used in making the forward-looking statements, could cause actual results to differ materially from those contemplated by the forward-looking statements. Additional information on factors that might affect Home BancShares, Inc.'s financial results are included in its Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission.

Home BancShares, Inc. is a bank holding company, headquartered in Conway, Arkansas. Our wholly-owned subsidiary, Centennial Bank, provides a broad range of commercial and retail banking plus related financial

services to businesses, real estate developers, investors, individuals and municipalities. Centennial Bank has locations in central Arkansas, north central Arkansas, southern Arkansas, the Florida Keys, southwestern Florida, central Florida, the Florida Panhandle and south Alabama. The Company's common stock is traded through the NASDAQ Global Select Market under the symbol "HOMB."

Home BancShares, Inc.
Consolidated End of Period Balance Sheets
(Unaudited)

| <u>(In thousands)</u> | <u>Dec. 31,</u> <u>2012</u> | <u>Sep. 30,</u> <u>2012</u> | <u>Jun. 30,</u> <u>2012</u> | <u>Mar. 31,</u> <u>2012</u> | <u>Dec. 31,</u> <u>2011</u> |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <u>ASSETS</u> | | | | | |
| Cash and due from banks | \$ 101,972 | \$ 86,381 | \$ 71,078 | \$ 76,837 | \$ 57,337 |
| Interest-bearing deposits with other banks | 129,883 | 69,248 | 287,452 | 269,401 | 126,967 |
| Cash and cash equivalents | 231,855 | 155,629 | 358,530 | 346,238 | 184,304 |
| Federal funds sold | 17,148 | 1,775 | 575 | 1,375 | 1,100 |
| Investment securities - available for sale | 726,223 | 755,197 | 712,820 | 759,959 | 671,221 |
| Loans receivable not covered by loss share | 2,331,199 | 2,076,248 | 2,035,487 | 2,046,108 | 1,760,086 |
| Loans receivable covered by FDIC loss share | 384,884 | 407,416 | 432,422 | 455,435 | 481,739 |
| Allowance for loan losses | (50,632) | (54,440) | (56,511) | (51,014) | (52,129) |
| Loans receivable, net | 2,665,451 | 2,429,224 | 2,411,398 | 2,450,529 | 2,189,696 |
| Bank premises and equipment, net | 113,883 | 105,131 | 100,694 | 100,674 | 88,465 |
| Foreclosed assets held for sale not covered by loss share | 20,393 | 14,942 | 14,481 | 14,634 | 16,660 |
| Foreclosed assets held for sale covered by FDIC loss share | 31,526 | 31,799 | 35,008 | 39,744 | 35,178 |
| FDIC indemnification asset | 139,646 | 153,758 | 162,439 | 181,884 | 193,856 |
| Cash value of life insurance | 59,219 | 53,366 | 53,167 | 52,955 | 52,700 |
| Accrued interest receivable | 16,305 | 14,872 | 14,834 | 15,845 | 15,551 |
| Deferred tax asset, net | 46,998 | 33,680 | 31,115 | 34,680 | 22,850 |
| Goodwill | 85,681 | 77,090 | 77,090 | 77,090 | 59,663 |
| Core deposit and other intangibles | 12,061 | 9,792 | 10,486 | 11,180 | 8,620 |
| Other assets | 75,741 | 51,654 | 73,768 | 61,165 | 64,253 |
| Total assets | <u>\$ 4,242,130</u> | <u>\$ 3,887,909</u> | <u>\$ 4,056,405</u> | <u>\$ 4,147,952</u> | <u>\$ 3,604,117</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Deposits:

| | | | | | |
|---|------------|------------|------------|------------|------------|
| Demand and non-interest-bearing | \$ 666,414 | \$ 596,746 | \$ 597,374 | \$ 583,951 | \$ 464,581 |
| Savings and interest-bearing transaction accounts | 1,784,047 | 1,527,829 | 1,521,869 | 1,514,812 | 1,189,098 |
| Time deposits | 1,032,991 | 1,007,894 | 1,174,286 | 1,281,636 | 1,204,352 |
| Total deposits | 3,483,452 | 3,132,469 | 3,293,529 | 3,380,399 | 2,858,031 |
| Federal funds purchased | -- | -- | -- | -- | -- |
| Securities sold under agreements to repurchase | 66,278 | 61,499 | 66,620 | 72,531 | 62,319 |

| | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| FHLB borrowed funds | 130,388 | 130,506 | 140,523 | 142,753 | 142,777 |
| Accrued interest payable and other liabilities | 17,672 | 24,590 | 15,967 | 27,403 | 22,593 |
| Subordinated debentures | 28,867 | 28,867 | 44,331 | 44,331 | 44,331 |
| Total liabilities | <u>3,726,657</u> | <u>3,377,931</u> | <u>3,560,970</u> | <u>3,667,417</u> | <u>3,130,051</u> |
| Stockholders' equity | | | | | |
| Common stock | 281 | 282 | 281 | 281 | 283 |
| Capital surplus | 416,354 | 420,595 | 420,538 | 421,006 | 425,649 |
| Retained earnings | 86,837 | 77,190 | 64,478 | 51,800 | 40,130 |
| Accumulated other comprehensive income | 12,001 | 11,911 | 10,138 | 7,448 | 8,004 |
| Total stockholders' equity | <u>515,473</u> | <u>509,978</u> | <u>495,435</u> | <u>480,535</u> | <u>474,066</u> |
| Total liabilities and stockholders' equity | <u>\$ 4,242,130</u> | <u>\$ 3,887,909</u> | <u>\$ 4,056,405</u> | <u>\$ 4,147,952</u> | <u>\$ 3,604,117</u> |

Home BancShares, Inc.
Consolidated Statements of Income
(Unaudited)

| (In thousands) | Quarter Ended | | | | Year Ended | |
|--|---------------|---------------|---------------|---------------|---------------|----------------|
| | Dec. 31, | Sep. 30, | Jun. 30, | Mar. 31, | Dec. 31, | Dec. 31, |
| | 2012 | 2012 | 2012 | 2012 | 2011 | 2012 |
| Interest income | | | | | | |
| Loans | \$ 41,203 | \$ 39,285 | \$ 40,365 | \$ 38,506 | \$ 38,110 | \$ 159,359 |
| Investment securities | | | | | | |
| Taxable | 2,708 | 2,598 | 3,060 | 2,860 | 2,451 | 11,226 |
| Tax-exempt | 1,544 | 1,541 | 1,534 | 1,535 | 1,562 | 6,154 |
| Deposits - other banks | 52 | 115 | 127 | 85 | 87 | 379 |
| Federal funds sold | 9 | 3 | 3 | 2 | 2 | 17 |
| Total interest income | <u>45,516</u> | <u>43,542</u> | <u>45,089</u> | <u>42,988</u> | <u>42,212</u> | <u>177,135</u> |
| Interest expense | | | | | | |
| Interest on deposits | 2,877 | 3,288 | 4,164 | 4,660 | 5,084 | 14,989 |
| Federal funds purchased | 1 | -- | -- | -- | -- | 1 |
| FHLB borrowed funds | 1,030 | 1,040 | 1,134 | 1,160 | 1,172 | 4,364 |
| Securities sold under agreements to repurchase | 79 | 107 | 111 | 110 | 99 | 407 |
| Subordinated debentures | 247 | 482 | 521 | 524 | 540 | 1,774 |
| Total interest expense | <u>4,234</u> | <u>4,917</u> | <u>5,930</u> | <u>6,454</u> | <u>6,895</u> | <u>21,535</u> |
| Net interest income | <u>41,282</u> | <u>38,625</u> | <u>39,159</u> | <u>36,534</u> | <u>35,317</u> | <u>155,600</u> |
| Provision for loan losses | 1,250 | 167 | 1,333 | -- | 2,250 | 3,500 |

| | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Net interest income after provision for loan losses | <u>40,032</u> | <u>38,458</u> | <u>37,826</u> | <u>36,534</u> | <u>33,067</u> | <u>152,850</u> | <u>137,755</u> |
| Non-interest income | | | | | | | |
| Service charges on deposit accounts | 4,062 | 3,834 | 3,668 | 3,505 | 3,659 | 15,069 | 14,087 |
| Other service charges and fees | 3,062 | 3,119 | 3,223 | 3,024 | 2,554 | 12,428 | 9,929 |
| Mortgage lending income | 1,461 | 1,550 | 1,277 | 904 | 904 | 5,192 | 2,993 |
| Insurance commissions | 368 | 512 | 438 | 551 | 351 | 1,869 | 1,856 |
| Income from title services | 133 | 112 | 129 | 88 | 121 | 462 | 448 |
| Increase in cash value of life insurance | 202 | 200 | 214 | 257 | 279 | 873 | 1,128 |
| Dividends from FHLB, FRB, bankers' bank & other | 635 | 182 | 175 | 175 | 174 | 1,167 | 680 |
| Gain on acquisitions | 5,205 | -- | -- | -- | -- | 5,205 | -- |
| Gain on sale of SBA loans | -- | 206 | 198 | -- | -- | 404 | 259 |
| Gain (loss) on sale of premises & equip, net | (30) | (5) | 359 | -- | (6) | 324 | 73 |
| Gain (loss) on OREO, net | 121 | (222) | 159 | (107) | 394 | (49) | (638) |
| Gain (loss) on securities, net | (1) | -- | (9) | 19 | 2,243 | 9 | 2,248 |
| FDIC indemnification accretion | 229 | 373 | 449 | 670 | 903 | 1,721 | 5,517 |
| Other income | <u>740</u> | <u>765</u> | <u>773</u> | <u>1,017</u> | <u>606</u> | <u>3,295</u> | <u>2,729</u> |
| Total non-interest income | <u>16,187</u> | <u>10,626</u> | <u>11,053</u> | <u>10,103</u> | <u>12,182</u> | <u>47,969</u> | <u>41,309</u> |
| Non-interest expense | | | | | | | |
| Salaries and employee benefits | 12,348 | 11,652 | 11,903 | 11,386 | 10,376 | 47,289 | 42,825 |
| Occupancy and equipment | 3,712 | 3,805 | 3,552 | 3,431 | 3,274 | 14,500 | 14,197 |
| Data processing expense | 1,331 | 1,137 | 1,371 | 1,091 | 994 | 4,930 | 4,601 |
| Other operating expenses | <u>12,186</u> | <u>7,387</u> | <u>7,598</u> | <u>8,478</u> | <u>8,625</u> | <u>35,649</u> | <u>33,099</u> |
| Total non-interest expense | <u>29,577</u> | <u>23,981</u> | <u>24,424</u> | <u>24,386</u> | <u>23,269</u> | <u>102,368</u> | <u>94,722</u> |
| Income before income taxes | 26,642 | 25,103 | 24,455 | 22,251 | 21,980 | 98,451 | 84,342 |
| Income tax expense | <u>9,703</u> | <u>9,008</u> | <u>8,965</u> | <u>7,753</u> | <u>7,813</u> | <u>35,429</u> | <u>29,601</u> |
| Net income | 16,939 | 16,095 | 15,490 | 14,498 | 14,167 | 63,022 | 54,741 |
| Preferred stock dividends & accretion of discount on preferred stock | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>1,828</u> |
| Net income available to common shareholders | <u>\$ 16,939</u> | <u>\$ 16,095</u> | <u>\$ 15,490</u> | <u>\$ 14,498</u> | <u>\$ 14,167</u> | <u>\$ 63,022</u> | <u>\$ 52,913</u> |

Home BancShares, Inc.
Selected Financial Information
(Unaudited)

| (Dollars and shares in thousands, except per share data) | Quarter Ended | | | | Year Ended | |
|---|---------------|------|------|------|------------|------|
| | Dec. | Sep. | Jun. | Mar. | Dec. | Dec. |
| | 31, | 30, | 30, | 31, | 31, | 31, |
| | 2012 | 2012 | 2012 | 2012 | 2011 | 2011 |

PER SHARE DATA

| | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|
| Diluted earnings per common share | \$ 0.60 | \$ 0.57 | \$ 0.55 | \$ 0.51 | \$ 0.50 | \$ 2.23 | \$ 1.85 |
| Diluted earnings per common share excluding intangible amortization | 0.62 | 0.58 | 0.57 | 0.52 | 0.51 | 2.29 | 1.91 |
| Basic earnings per common share | 0.60 | 0.58 | 0.55 | 0.51 | 0.50 | 2.24 | 1.86 |
| Dividends per share - common | 0.260 | 0.120 | 0.100 | 0.100 | 0.080 | 0.580 | 0.268 |
| Book value per common share | 18.34 | 18.10 | 17.64 | 17.11 | 16.77 | 18.34 | 16.77 |
| Tangible book value per common share | 14.86 | 15.01 | 14.53 | 13.96 | 14.35 | 14.86 | 14.35 |

STOCK INFORMATION

| | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|
| Average common shares outstanding | 28,073 | 28,150 | 28,095 | 28,230 | 28,274 | 28,137 | 28,416 |
| Average diluted shares outstanding | 28,244 | 28,341 | 28,283 | 28,411 | 28,459 | 28,315 | 28,612 |
| End of period common shares outstanding | 28,107 | 28,181 | 28,079 | 28,091 | 28,276 | 28,107 | 28,276 |

ANNUALIZED PERFORMANCE METRICS

| | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|
| Return on average assets | 1.67% | 1.61% | 1.53% | 1.52% | 1.56% | 1.58% | 1.50% |
| Return on average assets excluding intangible amortization | 1.75% | 1.69% | 1.61% | 1.60% | 1.64% | 1.66% | 1.57% |
| Return on average assets excluding intangible amortization, provision for loan losses, merger expenses, bargain purchase gain and income taxes (Core ROA) | 2.88% | 2.69% | 2.67% | 2.64% | 2.81% | 2.72% | 2.53% |
| Return on average common equity | 13.19% | 12.78% | 12.80% | 12.21% | 12.06% | 12.75% | 11.77% |
| Return on average tangible common equity excluding intangible amortization | 16.46% | 15.88% | 16.05% | 15.03% | 14.57% | 15.87% | 14.39% |
| Efficiency ratio | 49.21% | 46.24% | 46.22% | 49.75% | 46.40% | 47.88% | 49.13% |
| Core efficiency ratio | 44.40% | 45.63% | 46.87% | 46.12% | 48.76% | 45.73% | 49.65% |
| Net interest margin - FTE | 4.86% | 4.65% | 4.65% | 4.65% | 4.73% | 4.70% | 4.69% |
| Fully taxable equivalent adjustment | \$ 1,122 | \$ 1,112 | \$ 1,126 | \$ 1,115 | \$ 1,130 | \$ 4,475 | \$ 4,467 |
| Total revenue | 61,703 | 54,168 | 56,142 | 53,091 | 54,394 | 225,104 | 213,115 |

EARNINGS EXCLUDING INTANGIBLE AMORTIZATION

| | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| GAAP net income available to common shareholders | \$ 16,939 | \$ 16,095 | \$ 15,490 | \$ 14,498 | \$ 14,167 | \$ 63,022 | \$ 52,913 |
| Intangible amortization after-tax | 452 | 421 | 422 | 383 | 428 | 1,678 | 1,718 |
| Earnings excluding intangible amortization | <u>\$ 17,391</u> | <u>\$ 16,516</u> | <u>\$ 15,912</u> | <u>\$ 14,881</u> | <u>\$ 14,595</u> | <u>\$ 64,700</u> | <u>\$ 54,631</u> |
| GAAP diluted earnings per share | \$ 0.60 | \$ 0.57 | \$ 0.55 | \$ 0.51 | \$ 0.50 | \$ 2.23 | \$ 1.85 |
| Intangible amortization after-tax | 0.02 | 0.01 | 0.02 | 0.01 | 0.01 | 0.06 | 0.06 |
| Diluted earnings per share excluding intangible amortization | <u>\$ 0.62</u> | <u>\$ 0.58</u> | <u>\$ 0.57</u> | <u>\$ 0.52</u> | <u>\$ 0.51</u> | <u>\$ 2.29</u> | <u>\$ 1.91</u> |

OTHER OPERATING EXPENSES

| | | | | | | | |
|-------------|--------|--------|--------|--------|----------|----------|----------|
| Advertising | \$ 549 | \$ 534 | \$ 904 | \$ 460 | \$ 1,224 | \$ 2,447 | \$ 4,270 |
|-------------|--------|--------|--------|--------|----------|----------|----------|

| | | | | | | | |
|---------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| Merger and acquisition expenses | 5,169 | 296 | -- | 1,692 | 134 | 7,157 | 145 |
| Amortization of intangibles | 743 | 694 | 694 | 630 | 705 | 2,761 | 2,827 |
| Electronic banking expense | 845 | 809 | 728 | 793 | 695 | 3,175 | 2,733 |
| Directors' fees | 196 | 206 | 193 | 212 | 217 | 807 | 811 |
| Due from bank service charges | 124 | 137 | 159 | 116 | 118 | 536 | 496 |
| FDIC and state assessment | 571 | 588 | 516 | 638 | 1,070 | 2,313 | 4,283 |
| Insurance | 501 | 448 | 424 | 401 | 447 | 1,774 | 1,673 |
| Legal and accounting | 225 | 231 | 287 | 322 | 327 | 1,065 | 1,603 |
| Other professional fees | 392 | 411 | 354 | 498 | 450 | 1,655 | 1,954 |
| Operating supplies | 299 | 280 | 291 | 264 | 297 | 1,134 | 1,168 |
| Postage | 216 | 219 | 240 | 221 | 212 | 896 | 942 |
| Telephone | 282 | 270 | 276 | 246 | 221 | 1,074 | 977 |
| Other expense | <u>2,074</u> | <u>2,264</u> | <u>2,532</u> | <u>1,985</u> | <u>2,508</u> | <u>8,855</u> | <u>9,217</u> |
| Total other operating expenses | <u>\$ 12,186</u> | <u>\$ 7,387</u> | <u>\$ 7,598</u> | <u>\$ 8,478</u> | <u>\$ 8,625</u> | <u>\$ 35,649</u> | <u>\$ 33,099</u> |

Home BancShares, Inc.
Selected Financial Information
(Unaudited)

| <u>(Dollars in thousands)</u> | <u>Dec.</u> <u>31,</u> <u>2012</u> | <u>Sep.</u> <u>30,</u> <u>2012</u> | <u>Jun.</u> <u>30,</u> <u>2012</u> | <u>Mar.</u> <u>31,</u> <u>2012</u> | <u>Dec.</u> <u>31,</u> <u>2011</u> |
|-------------------------------|--|--|--|--|--|
|-------------------------------|--|--|--|--|--|

BALANCE SHEET RATIOS

| | | | | | |
|---|--------|--------|--------|--------|--------|
| Total loans to total deposits | 77.97% | 79.29% | 74.93% | 74.00% | 78.44% |
| Common equity to assets | 12.2% | 13.1% | 12.2% | 11.6% | 13.2% |
| Tangible common equity to tangible assets | 10.1% | 11.1% | 10.3% | 9.7% | 11.5% |

ALLOWANCE FOR LOAN LOSSES

Non-Covered

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Balance, beginning of period | \$ 47,292 | \$ 49,846 | \$ 51,014 | \$ 52,129 | \$ 54,508 |
| Loans charged off | 3,739 | 3,984 | 1,601 | 1,469 | 5,143 |
| Recoveries of loans previously charged off | <u>367</u> | <u>1,430</u> | <u>433</u> | <u>354</u> | <u>514</u> |
| Net loans charged off | 3,372 | 2,554 | 1,168 | 1,115 | 4,629 |
| Provision for loan losses | <u>1,250</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>2,250</u> |
| Balance, end of period | <u>\$ 45,170</u> | <u>\$ 47,292</u> | <u>\$ 49,846</u> | <u>\$ 51,014</u> | <u>\$ 52,129</u> |

| | | | | | |
|---|--------|--------|--------|--------|-------|
| Discount for credit losses on non-covered loans acquired | 81,717 | 14,712 | 16,112 | 17,154 | 2,513 |
| Net charge-offs on loans not covered by loss share to average non-covered loans | 0.61% | 0.50% | 0.23% | 0.23% | 1.02% |
| Allowance for loan losses for non-covered loans to total non-covered loans | 1.94% | 2.28% | 2.45% | 2.49% | 2.96% |

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Allowance for loan losses for non-covered loans plus discount for credit losses on non-covered loans acquired to total non-covered loans plus discount for credit losses on non-covered loans acquired | 5.26% | 2.97% | 3.21% | 3.30% | 3.10% |
|--|-------|-------|-------|-------|-------|

Covered

| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Balance, beginning of period | \$ 7,148 | \$ 6,665 | \$ -- | \$ -- | \$ -- |
| Loans charged off | 1,688 | 354 | -- | -- | -- |
| Recoveries of loans previously charged off | <u>2</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net loans charged off | 1,686 | 354 | -- | -- | -- |
| Provision for loan losses before benefit attributable to FDIC loss share agreements | -- | 837 | 6,665 | -- | -- |
| Benefit attributable to FDIC loss share agreements | <u>--</u> | <u>(670)</u> | <u>(5,332)</u> | <u>--</u> | <u>--</u> |
| Net provision for loan losses | -- | 167 | 1,333 | -- | -- |
| Increase in FDIC indemnification asset | <u>--</u> | <u>670</u> | <u>5,332</u> | <u>--</u> | <u>--</u> |
| Balance, end of period | <u>\$ 5,462</u> | <u>\$ 7,148</u> | <u>\$ 6,665</u> | <u>\$ --</u> | <u>\$ --</u> |
| | | | | | |
| Total Allowance for Loan Losses | <u>\$ 50,632</u> | <u>\$ 54,440</u> | <u>\$ 56,511</u> | <u>\$ 51,014</u> | <u>\$ 52,129</u> |

**NON-PERFORMING ASSETS
NOT COVERED BY LOSS SHARE**

| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Non-performing non-covered loans | | | | | |
| Non-accrual non-covered loans | \$ 21,336 | \$ 20,183 | \$ 24,810 | \$ 27,425 | \$ 26,496 |
| Non-covered loans past due 90 days or more | <u>5,937</u> | <u>2,424</u> | <u>1,326</u> | <u>289</u> | <u>993</u> |
| Total non-performing non-covered loans | <u>27,273</u> | <u>22,607</u> | <u>26,136</u> | <u>27,714</u> | <u>27,489</u> |
| Other non-performing non-covered assets | | | | | |
| Non-covered foreclosed assets held for sale, net | 20,393 | 14,942 | 14,481 | 14,634 | 16,660 |
| Other non-performing non-covered assets | <u>164</u> | <u>1</u> | <u>79</u> | <u>71</u> | <u>8</u> |
| Total other non-performing non-covered assets | <u>20,557</u> | <u>14,943</u> | <u>14,560</u> | <u>14,705</u> | <u>16,668</u> |
| Total non-performing non-covered assets | <u>\$ 47,830</u> | <u>\$ 37,550</u> | <u>\$ 40,696</u> | <u>\$ 42,419</u> | <u>\$ 44,157</u> |
| | | | | | |
| Allowance for loan losses for non-covered loans to non-performing non-covered loans | 165.62% | 209.19% | 190.72% | 184.07% | 189.64% |
| Non-performing non-covered loans to total non-covered loans | 1.17% | 1.09% | 1.28% | 1.35% | 1.56% |
| Non-performing non-covered assets to total non-covered assets | 1.30% | 1.14% | 1.19% | 1.22% | 1.53% |

**Home BancShares, Inc.
Loan Information
(Unaudited)**

| | | | | | |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Dec. 31, | Sep. 30, | Jun. 30, | Mar. 31, | Dec. 31, |
| (Dollars in thousands) | 2012 | 2012 | 2012 | 2012 | 2011 |

LOANS NOT COVERED BY LOSS SHARE

| | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Real estate | | | | | |
| Commercial real estate loans | | | | | |
| Non-farm/non-residential | \$ 1,019,039 | \$ 887,895 | \$ 856,334 | \$ 780,520 | \$ 698,986 |
| Construction/land development | 254,800 | 282,269 | 269,371 | 413,093 | 361,846 |
| Agricultural | 32,513 | 28,403 | 28,570 | 28,120 | 28,535 |
| Residential real estate loans | | | | | |
| Residential 1-4 family | 549,269 | 473,412 | 481,018 | 471,439 | 349,543 |
| Multifamily residential | 129,742 | 105,369 | 106,206 | 65,226 | 56,909 |
| Total real estate | 1,985,363 | 1,777,348 | 1,741,499 | 1,758,398 | 1,495,819 |
| Consumer | 37,462 | 35,433 | 37,146 | 38,254 | 37,923 |
| Commercial and industrial | 256,908 | 200,160 | 197,278 | 196,165 | 176,276 |
| Agricultural | 19,825 | 36,239 | 31,741 | 21,275 | 21,784 |
| Other | 31,641 | 27,068 | 27,823 | 32,016 | 28,284 |
| Loans receivable not covered by loss share | <u>\$ 2,331,199</u> | <u>\$ 2,076,248</u> | <u>\$ 2,035,487</u> | <u>\$ 2,046,108</u> | <u>\$ 1,760,086</u> |

LOANS COVERED BY LOSS SHARE

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Real estate | | | | | |
| Commercial real estate loans | | | | | |
| Non-farm/non-residential | \$ 164,723 | \$ 175,195 | \$ 187,802 | \$ 179,360 | \$ 189,380 |
| Construction/land development | 66,713 | 71,958 | 74,989 | 99,996 | 103,535 |
| Agricultural | 2,282 | 2,289 | 2,737 | 3,092 | 3,155 |
| Residential real estate loans | | | | | |
| Residential 1-4 family | 125,625 | 130,425 | 136,498 | 139,819 | 148,692 |
| Multifamily residential | 9,567 | 10,062 | 10,216 | 9,077 | 8,933 |
| Total real estate | 368,910 | 389,929 | 412,242 | 431,344 | 453,695 |
| Consumer | 39 | 70 | 71 | 549 | 334 |
| Commercial and industrial | 14,668 | 16,878 | 19,541 | 22,843 | 26,884 |
| Agricultural | -- | -- | -- | -- | -- |
| Other | 1,267 | 539 | 568 | 699 | 826 |
| Loans receivable covered by loss share | <u>\$ 384,884</u> | <u>\$ 407,416</u> | <u>\$ 432,422</u> | <u>\$ 455,435</u> | <u>\$ 481,739</u> |

Home BancShares, Inc.
Consolidated Net Interest Margin
(Unaudited)

| | | | | | | |
|-------------------------------|---------------------------|----------------|---------------|---------------------------|----------------|---------------|
| | Three Months Ended | | | | | |
| | December 31, 2012 | | | September 30, 2012 | | |
| | Average | Income/ | Yield/ | Average | Income/ | Yield/ |
| (Dollars in thousands) | Balance | Expense | Rate | Balance | Expense | Rate |

ASSETS

Earning assets

| | | | | | | |
|---|---------------------|---------------|-------|---------------------|---------------|-------|
| Interest-bearing balances due from banks | \$ 97,308 | \$ 51 | 0.21% | \$ 192,192 | \$ 115 | 0.24% |
| Federal funds sold | 15,061 | 9 | 0.24% | 3,749 | 3 | 0.32% |
| Investment securities - taxable | 581,840 | 2,708 | 1.85% | 573,083 | 2,598 | 1.80% |
| Investment securities - non-taxable - FTE | 165,957 | 2,518 | 6.04% | 160,252 | 2,512 | 6.24% |
| Loans receivable - FTE | <u>2,608,090</u> | <u>41,351</u> | 6.31% | <u>2,468,151</u> | <u>39,426</u> | 6.35% |
| Total interest-earning assets | <u>3,468,256</u> | <u>46,637</u> | 5.35% | <u>3,397,427</u> | <u>44,654</u> | 5.23% |
| Non-earning assets | <u>571,264</u> | | | <u>578,519</u> | | |
| Total assets | <u>\$ 4,039,520</u> | | | <u>\$ 3,975,946</u> | | |

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities

Interest-bearing liabilities

| | | | | | | |
|---|---------------------|------------------|-------|---------------------|------------------|-------|
| Savings and interest-bearing transaction accounts | \$ 1,632,053 | \$ 784 | 0.19% | \$ 1,523,346 | \$ 774 | 0.20% |
| Time deposits | <u>1,028,938</u> | <u>2,093</u> | 0.81% | <u>1,095,268</u> | <u>2,514</u> | 0.91% |
| Total interest-bearing deposits | 2,660,991 | 2,877 | 0.43% | 2,618,614 | 3,288 | 0.50% |
| Federal funds purchased | 392 | -- | 0.00% | 15 | -- | 0.00% |
| Securities sold under agreement to repurchase | 62,913 | 79 | 0.50% | 64,779 | 107 | 0.66% |
| FHLB borrowed funds | 130,427 | 1,030 | 3.14% | 131,599 | 1,040 | 3.14% |
| Subordinated debentures | <u>28,867</u> | <u>247</u> | 3.40% | <u>41,978</u> | <u>482</u> | 4.57% |
| Total interest-bearing liabilities | <u>2,883,590</u> | <u>4,233</u> | 0.58% | <u>2,856,985</u> | <u>4,917</u> | 0.68% |
| Non-interest bearing liabilities | | | | | | |
| Non-interest bearing deposits | 620,806 | | | 597,287 | | |
| Other liabilities | <u>24,089</u> | | | <u>20,695</u> | | |
| Total liabilities | <u>3,528,485</u> | | | <u>3,474,967</u> | | |
| Shareholders' equity | <u>511,035</u> | | | <u>500,979</u> | | |
| Total liabilities and shareholders' equity | <u>\$ 4,039,520</u> | | | <u>\$ 3,975,946</u> | | |
| Net interest spread | | | 4.77% | | | 4.55% |
| Net interest income and margin - FTE | | <u>\$ 42,404</u> | 4.86% | | <u>\$ 39,737</u> | 4.65% |

Home BancShares, Inc.
Consolidated Net Interest Margin
(Unaudited)

| (Dollars in thousands) | Year Ended | | | | | |
|------------------------|--------------------|--------------------|----------------|--------------------|--------------------|----------------|
| | December 31, 2012 | | | December 31, 2011 | | |
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |

ASSETS

Earning assets

| | | | | | | |
|--|------------|--------|-------|------------|--------|-------|
| Interest-bearing balances due from banks | \$ 165,862 | \$ 379 | 0.23% | \$ 178,476 | \$ 418 | 0.23% |
|--|------------|--------|-------|------------|--------|-------|

| | | | | | | |
|---|---------------------|----------------|-------|---------------------|----------------|-------|
| Federal funds sold | 7,175 | 17 | 0.24% | 5,735 | 11 | 0.19% |
| Investment securities - taxable | 580,826 | 11,226 | 1.93% | 400,152 | 9,244 | 2.31% |
| Investment securities - non-taxable - FTE | 158,231 | 10,023 | 6.33% | 150,776 | 10,017 | 6.64% |
| Loans receivable - FTE | <u>2,490,901</u> | <u>159,965</u> | 6.42% | <u>2,369,216</u> | <u>156,583</u> | 6.61% |
| Total interest-earning assets | 3,402,995 | <u>181,610</u> | 5.34% | 3,104,355 | <u>176,273</u> | 5.68% |
| Non-earning assets | <u>575,728</u> | | | <u>553,901</u> | | |
| Total assets | <u>\$ 3,978,723</u> | | | <u>\$ 3,658,256</u> | | |

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities

Interest-bearing liabilities

| | | | | | | |
|---|------------------|---------------|-------|------------------|---------------|-------|
| Savings and interest-bearing transaction accounts | \$ 1,501,093 | \$ 3,572 | 0.24% | \$ 1,132,798 | \$ 5,084 | 0.45% |
| Time deposits | <u>1,148,072</u> | <u>11,417</u> | 0.99% | <u>1,318,868</u> | <u>17,884</u> | 1.36% |
| Total interest-bearing deposits | 2,649,165 | 14,989 | 0.57% | 2,451,666 | 22,968 | 0.94% |
| Federal funds purchased | 273 | 1 | 0.37% | 12 | -- | 0.00% |
| Securities sold under agreement to repurchase | 67,040 | 407 | 0.61% | 66,851 | 4,940 | 7.39% |
| FHLB borrowed funds | 136,312 | 4,364 | 3.20% | 150,146 | 483 | 0.32% |
| Subordinated debentures | <u>39,852</u> | <u>1,774</u> | 4.45% | <u>44,331</u> | <u>2,160</u> | 4.87% |
| Total interest-bearing liabilities | 2,892,642 | <u>21,535</u> | 0.74% | 2,713,006 | <u>30,551</u> | 1.13% |

Non-interest bearing liabilities

| | | | | | | |
|-------------------------------|---------------|--|--|---------------|--|--|
| Non-interest bearing deposits | 569,017 | | | 443,781 | | |
| Other liabilities | <u>22,946</u> | | | <u>26,870</u> | | |
| Total liabilities | 3,484,605 | | | 3,183,657 | | |

| | | | | | | |
|--|---------------------|--|--|---------------------|--|--|
| Shareholders' equity | <u>494,118</u> | | | <u>474,599</u> | | |
| Total liabilities and shareholders' equity | <u>\$ 3,978,723</u> | | | <u>\$ 3,658,256</u> | | |

| | | | | | | |
|--------------------------------------|--|-------------------|-------|--|-------------------|-------|
| Net interest spread | | | 4.60% | | | 4.55% |
| Net interest income and margin - FTE | | <u>\$ 160,075</u> | 4.70% | | <u>\$ 145,722</u> | 4.69% |

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