HOME BANCSHARES INC
Form DEFM14A
September 27, 2013
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Home BancShares, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Home BancShares, Inc., which we refer to as HBI, and Liberty Bancshares, Inc., which we refer to as LBI, have entered into that certain Agreement and Plan of Merger dated June 25, 2013 (which we refer to sometimes as the Merger Agreement), which provides for the combination of the two companies. Under the Merger Agreement, a wholly owned subsidiary of HBI will merge with and into LBI, with LBI remaining as the surviving entity and thereby becoming a wholly owned subsidiary of HBI (which transaction we refer to as the merger). Liberty Bank of Arkansas, a wholly owned subsidiary of LBI which we refer to as Liberty Bank, will, as soon as reasonably practicable following the merger and as part of a single integrated transaction, merge with and into Centennial Bank, a subsidiary of HBI (we refer to the two mergers together as the mergers).

Before we complete the merger, the shareholders of LBI must approve the Merger Agreement. A special meeting of LBI shareholders will be held on October 23, 2013 for that purpose. HBI shareholders must approve the issuance of the shares of HBI common stock in connection with the merger pursuant to the requirements of The NASDAQ Stock Market. A special meeting of HBI shareholders will be held on October 23, 2013 for that purpose.

Under the terms of the Merger Agreement, the aggregate merger consideration payable by HBI will consist of (i) $30,000,000 in cash (subject to adjustment in certain circumstances) and (ii) shares of HBI common stock with a total value of $250,000,000. On a per-share basis and based on 1,174,966 outstanding shares of LBI common stock (the number outstanding on the day the merger was announced), each share of LBI common stock will be exchanged in the merger for consideration valued at approximately $238.30, consisting of a combination of (i) cash in the amount of approximately $25.53 and (ii) shares of HBI common stock with a total value of approximately $212.77. The number of shares of HBI common stock issuable for each share of LBI common stock will not be determined until the effective time of the merger, and will be based on the volume-weighted average closing price of HBI common stock on The NASDAQ Global Select Market reporting system for the 20 trading days immediately prior to the date the merger closes, as set forth in more detail in the Merger Agreement and described in this joint proxy statement/prospectus. We expect the mergers, taken together, to be a tax-free transaction for LBI shareholders, to the extent they receive HBI common stock for their shares of LBI common stock.

The market price of HBI common stock will fluctuate before the merger. You should obtain a current stock price quotation for HBI common stock. HBI common stock is traded on The NASDAQ Global Select Market under the symbol HOMB.

If the 20-day average closing price of the HBI common stock as of the closing date of the merger is equal to or greater than $28.525 (subject to adjustment in the event of a stock dividend, reclassification, recapitalization, split-up, combination, exchange of shares or similar transaction), the number of shares of HBI common stock to be issued to LBI shareholders in connection with the merger will be 8,764,242 shares. In addition, if the 20-day average closing price of the HBI common stock as of the closing date of the merger is less than $17.115 (subject to adjustment in the event of a stock dividend, reclassification, recapitalization, split-up, combination, exchange of shares or similar transaction), then either party has the option to terminate the Merger Agreement.

LBI s board of directors has unanimously determined that the combination of LBI and HBI is in the best interests of LBI shareholders based upon its analysis, investigation and deliberation, and LBI s board of directors unanimously recommends that the LBI shareholders vote **FOR** the approval of the Merger Agreement and **FOR** the approval of the other LBI proposal described in this joint proxy statement/prospectus.

The HBI board of directors has also unanimously determined that the combination of HBI and LBI is in the best interests of HBI shareholders based upon its analysis, investigation and deliberation, and the HBI board of directors unanimously recommends that the HBI shareholders vote **FOR** the issuance of shares of HBI common stock in connection with the merger and **FOR** the approval of the other HBI proposal described in this joint proxy statement/prospectus.

You should read this entire joint proxy statement/prospectus, including the appendices and the documents incorporated by reference into the document, carefully because it contains important information about the merger and the related transactions. **In particular, you should read carefully the information under the section entitled Risk Factors beginning on page 14.**

The shares of HBI common stock to be issued to LBI shareholders in the merger are not deposits or savings accounts or other obligations of any bank or savings association, and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in this joint proxy statement/prospectus or the HBI common stock to be issued in the merger, or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated September 27, 2013, and is first being mailed to the shareholders of HBI and LBI on or about September 30, 2013.

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HOME BANCSHARES, INC.

719 Harkrider Street, Suite 100

Conway, Arkansas 72032

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 23, 2013

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Home BancShares, Inc. (HBI) will be held at HBI s principal executive offices located at 719 Harkrider Street, Suite 100, Conway, Arkansas, at 10:00 a.m. Central Time, on October 23, 2013, for the following purposes:

1. To approve the issuance of shares of HBI common stock in the merger of a to-be-formed wholly owned subsidiary of HBI with and into Liberty Bancshares, Inc., an Arkansas corporation (LBI), which will result in LBI becoming a wholly owned subsidiary of HBI.

2. To approve one or more adjournments of the HBI special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the issuance of HBI common stock in the merger.

HBI will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement of such meeting.

The approval by HBI s shareholders of the share issuance proposal is required for the completion of the merger described in the attached joint proxy statement/prospectus.

All shareholders are invited to attend the special meeting. Only those shareholders of record at the close of business on September 26, 2013, will be entitled to notice of the special meeting and to vote at the special meeting.

Please refer to the attached joint proxy statement/prospectus with respect to the business to be transacted at the special meeting of HBI shareholders.

Your vote is very important. To ensure your representation at the HBI special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the HBI special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the HBI special meeting.

The HBI board of directors unanimously recommends that you vote **FOR** each of the HBI proposals.

By Order of the Board of Directors

C. Randall Sims

Chief Executive Officer

September 27, 2013

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LIBERTY BANCSHARES, INC.

2901 East Highland Drive

Jonesboro, Arkansas 72401

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 23, 2013

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Liberty Bancshares, Inc. (LBI) will be held at LBI s principal executive offices located at 2901 East Highland Drive, Jonesboro, Arkansas, at 4:00 p.m. Central Time, on October 23, 2013, for the following purposes:

1. To approve the Agreement and Plan of Merger (the Merger Agreement) dated as of June 25, 2013, by and among Home BancShares, Inc., Centennial Bank, LBI, Liberty Bank of Arkansas and Acquisition Sub (the Merger Proposal).

2. To approve one or more adjournments of the LBI special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Merger Proposal (the LBI Adjournment Proposal).

LBI will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement of such meeting.

The Merger Proposal is described in more detail in the attached joint proxy statement/prospectus, which you should read carefully in its entirety before you vote. A copy of the Merger Agreement is attached as Appendix A to the joint proxy statement/prospectus.

LBI s board of directors has set September 26, 2013, as the record date for the LBI special meeting. All holders of record of LBI common stock at the close of business on the record date will be notified of the special meeting. Only holders of record of LBI common stock at the close of business on September 26, 2013, will be entitled to vote at the LBI special meeting and any adjournments or postponements thereof. Any shareholder entitled to attend and vote at the LBI special meeting is entitled to appoint a proxy to attend and vote on such shareholder s behalf. Such proxy need not be a holder of LBI common stock.

Your vote is very important. To ensure your representation at the LBI special meeting, please complete and return the enclosed proxy card. Please vote promptly whether or not you expect to attend the LBI special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the LBI special meeting.

LBI s board of directors has unanimously adopted and approved the Merger Agreement and the transactions contemplated thereby and recommends that you vote **FOR** the Merger Proposal and **FOR** the LBI Adjournment Proposal.

By Order of the Board of Directors

Wallace W. Fowler

Chairman and Chief Executive Officer

September 27, 2013

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WHERE YOU CAN FIND MORE

INFORMATION

HBI files annual, quarterly and special reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the SEC). You may read and copy any materials that HBI files with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, HBI files reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at *www.sec.gov* containing this information. You will also be able to obtain these documents, free of charge, from HBI by accessing HBI s website at *www.homebancshares.com* under the heading Investor Relations. Copies can also be obtained, free of charge, by directing a written request to Home BancShares, Inc., Attention: Corporate Secretary, 719 Harkrider Street, Suite 100, Conway, Arkansas 72032.

HBI has filed a registration statement on Form S-4 to register with the SEC up to 14,607,069 shares of HBI common stock (the number of shares has been calculated based on an average closing price of HBI common stock of $17.115 which is the lowest stock price listed on the chart on page 8). This joint proxy statement/prospectus is a part of that registration statement. As permitted by SEC rules, this joint proxy statement/prospectus does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits at the addresses set forth below. Statements contained in this joint proxy statement/prospectus as to the contents of any contract or other documents referred to in this joint proxy statement/prospectus are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This joint proxy statement/prospectus incorporates important business and financial information about HBI and LBI that is not included in or delivered with this joint proxy statement/prospectus, including incorporating by reference documents that HBI has previously filed with the SEC. These documents contain important information about the HBI and its financial condition. See Documents Incorporated by Reference on page 138. These documents are available without charge to you upon written or oral request to HBI s principal executive offices. The address and telephone number of such principal executive office is listed below:

Home BancShares, Inc.

719 Harkrider Street, Suite 100

Conway, Arkansas 72032

Attention: Corporate Secretary

(501) 328-4770

To obtain timely delivery of these documents, you must request the information no later than October 9, 2013, in order to receive them before HBI s special meeting of shareholders and no later than October 9, 2013, in order to receive them before LBI s special meeting of shareholders.

HBI common stock is traded on The NASDAQ Global Select Market under the symbol HOMB.

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QUESTIONS AND ANSWERS

The following questions and answers briefly address some commonly asked questions about the merger and the shareholder special meetings. They may not include all the information that is important to the shareholders of HBI and LBI. Shareholders of HBI and shareholders of LBI should each read this entire joint proxy statement/prospectus carefully, including the appendices and other documents referred to in this joint proxy statement/prospectus.

Q: Why am I receiving these materials?

A: HBI is sending these materials to its shareholders to help them decide how to vote their shares of HBI common stock with respect to the issuance of HBI common stock in the merger and the other matters to be considered at the HBI special meeting described below. Because HBI may issue shares of common stock in the merger in an amount in excess of 20% of HBI s total outstanding shares, shareholder approval of the issuance of such shares is required under applicable NASDAQ Listing Rules.

LBI is sending these materials to its shareholders to help them decide how to vote their shares of LBI common stock with respect to the proposed merger and the other matters to be considered at the LBI special meeting described below.

The merger cannot be completed unless LBI shareholders approve the Merger Agreement and HBI shareholders approve the issuance of HBI common stock in the merger. LBI is holding a special meeting of shareholders to vote on the Merger Agreement as described in LBI Special Meeting of Shareholders. HBI is holding a special meeting of shareholders to vote on the issuance of HBI common stock in the merger as described in HBI Special Meeting of Shareholders. Information about these special meetings and the merger is contained in this joint proxy statement/prospectus.

This joint proxy statement/prospectus constitutes a proxy statement and a prospectus of HBI and a proxy statement of LBI. It is a joint proxy statement because the boards of directors of both companies are soliciting proxies from their respective shareholders. It is a prospectus because HBI will issue shares of its common stock in exchange for shares of LBI common stock in the merger.

Q: What will LBI shareholders receive in the merger?

A: Under the terms of the Merger Agreement, LBI shareholders will receive their pro rata share of the total consideration, which consists of (i) $30,000,000 in cash (subject to adjustment in certain circumstances), and (ii) shares of HBI common stock that, valued at the volume-weighted average closing price of HBI common stock on The NASDAQ Global Select Market reporting system for the 20 trading days immediately prior to the date the merger closes, will have a total value of $250,000,000, but in no case will less than 8,764,242 shares of HBI common stock be issued.

Q: What will an LBI shareholder receive for each share of LBI common stock?

A: Based on 1,174,966 outstanding shares of LBI common stock (the number outstanding on the day the Merger Agreement was signed), each share of LBI common stock will be exchanged in the merger for consideration valued at approximately $238.30, consisting of a combination of (i) cash in the amount of approximately $25.53 and (ii) shares of HBI common stock with a total value of approximately $212.77. The number of shares of HBI common stock issuable for each share of LBI common stock will not be determined until the effective time of the merger, and will be based on the volume-weighted average closing price of HBI common stock on The NASDAQ Global Select Market reporting system for the 20 trading days immediately prior to the date the merger closes, as set forth in more detail in the Merger Agreement and described in this joint proxy statement/prospectus. See The Merger Terms of the Merger beginning on page 41 for a more detailed discussion of the per-share merger consideration.

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Q: How are outstanding LBI stock options addressed in the Merger Agreement?

A: At or prior to the closing of the merger, each outstanding and unexercised LBI stock option will be terminated by LBI and shall entitle the holder to a cash payment at the effective time of the merger equal to the difference between the option exercise price and the equivalent dollar value of the merger consideration.

Q: When do HBI and LBI expect to complete the merger?

A: HBI and LBI expect to complete the merger after all conditions to the merger in the Merger Agreement are satisfied or waived, including after shareholder approvals are received at the respective shareholder special meetings of HBI and LBI and all required regulatory approvals are received. HBI and LBI currently expect to complete the merger late in the third quarter or in the fourth quarter of 2013. It is possible, however, that as a result of factors outside of either company s control, the merger may be completed at a later time, or may not be completed at all.

Q: How will the merger consideration received by LBI shareholders affect HBI shareholders?

A: As a result of HBI s issuance of new shares to LBI shareholders in combination with the cash being paid by HBI, current HBI shareholders will experience dilution in terms of percentage of ownership. Following the closing of the merger, current HBI shareholders will own approximately 83.7% of the outstanding common stock of HBI, and current LBI shareholders will own approximately 16.3% of the outstanding common stock of HBI. These percentages are based upon an average of HBI common stock price of $22.82 and will increase or decrease based on the HBI common stock price as described in more detail in the chart on page 8.

Q: What am I being asked to vote on?

A: HBI shareholders are being asked to vote on the following proposals:

1. *Issuance of Common Stock in the Merger*. To approve the issuance of HBI common stock in the merger contemplated by the Merger Agreement (referred to as the Share Issuance Proposal); and

2. *Adjournment of Special Meeting*. To approve one or more adjournments of the HBI special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the Share Issuance Proposal (referred to as the HBI Adjournment Proposal).

LBI shareholders are being asked to vote on the following proposals:

1. *Approval of the Merger Agreement*. To approve the Merger Agreement (referred to as the Merger Proposal); and

2. *Adjournment of Special Meeting*. To approve one or more adjournments of the LBI special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the Merger Proposal (referred to as the LBI Adjournment Proposal).

Q: How do the boards of directors of HBI and LBI recommend that I vote?

A: The HBI board of directors unanimously recommends that HBI shareholders vote **FOR** the HBI proposals described in this joint proxy statement/prospectus.

LBI s board of directors unanimously recommends that LBI shareholders vote **FOR** the LBI proposals described in this joint proxy statement/prospectus.

For a discussion of interests in LBI s directors and executive officers in the merger that may be different from, or in addition to, the interests of LBI shareholders generally, see The Merger Interests of LBI Directors and Executive Officers in the Merger, beginning on page 59.

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Q: What do I need to do now?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, HBI shareholders should vote by telephone or on the Internet, or complete, sign and date the enclosed proxy card and return it in the enclosed envelope as soon as possible so that their shares will be represented at HBI s special meeting.

After carefully reading and considering the information contained in this joint proxy statement/prospectus, LBI shareholders should complete, sign and date the enclosed proxy card and return it in the enclosed envelope as soon as possible so that their shares will be represented at LBI s special meeting.

Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

Q: How do I cast my vote?

A: If you are a shareholder of record of HBI as of the record date for the HBI special meeting, you may cast your vote by:

- accessing the internet website specified on your proxy card (*www.envisionreports.com/HOMB*);
- calling the toll-free number specified on your proxy card (1-800-652-VOTE (8683)); or
- signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided.

You may also cast your vote in person at HBI s special meeting.

If you are a shareholder of record of LBI as of the record date for the LBI special meeting, you may vote by signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided. You may also cast your vote in person at LBI s special meeting.

If your shares are held in street name through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Holders in street name who wish to vote in person at the applicable shareholders special meeting will need to obtain a proxy form from the institution that holds their shares.

Q: When and where are the HBI special meeting and the LBI special meeting?

A: The special meeting of HBI shareholders will be held at HBI s principal executive offices located at 719 Harkrider Street, Suite 100, Conway, Arkansas, at 10:00 a.m. Central Time, on October 23, 2013. All shareholders of HBI as of the HBI record date, or their duly appointed proxies, may attend the HBI special meeting.

The special meeting of LBI shareholders will be held at LBI s principal executive offices located at 2901 East Highland Drive, Jonesboro, Arkansas, at 4:00 p.m. Central Time, on October 23, 2013. All shareholders of LBI as of the LBI record date, or their duly appointed proxies, may attend the LBI special meeting.

Q: If my HBI or LBI shares are held in street name by a broker or other nominee, will my broker or nominee vote my shares for me?

A: If your shares are held in street name in a stock brokerage account or by a bank or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank or broker. Please note that you may not vote shares held in street name by returning a proxy card directly to HBI or LBI or by voting in person at your special meeting unless you provide a legal proxy, which you must obtain from your bank or broker.

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Brokers or other nominees who hold shares in street name for a beneficial owner typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers or other nominees are not allowed to exercise their voting discretion on matters that are determined to be non-routine without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker or other nominee that are represented at the applicable shareholders special meeting but with respect to which the broker or other nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker or other nominee does not have discretionary voting power on such proposal.

If you are an HBI shareholder and you do not instruct your broker or other nominee on how to vote your shares, your broker or other nominee may not vote your shares on the Share Issuance Proposal or the HBI Adjournment Proposal, which broker non-votes will have no effect on these proposals.

If you are an LBI shareholder and you do not instruct your broker or other nominee on how to vote your shares, your broker or other nominee may not vote your shares on the Merger Proposal or the LBI Adjournment Proposal, which broker non-votes will have the same effect as a vote AGAINST the Merger Proposal and no effect on the LBI Adjournment Proposal.

Q: What vote is required to approve each proposal to be considered at the HBI special meeting?

A: Approval of the HBI proposals requires the affirmative vote of at least a majority of the shares of HBI voting on each proposal, provided that a quorum is present at the HBI special meeting. Abstentions and broker non-votes are not considered votes cast, but are included in determining whether there is a quorum present.

Q: What vote is required to approve each proposal to be considered at the LBI special meeting?

A: Approval of the LBI Merger Proposal requires the affirmative vote of a majority of all of the outstanding shares of LBI and approval of the LBI Adjournment Proposal requires the affirmative vote of at least a majority of the shares of LBI voting on such proposal, provided that a quorum is present at the LBI special meeting. Abstentions and broker non-votes are not considered votes cast, but are included in determining whether there is a quorum present.

Q: What if I abstain from voting or do not vote?

A: For the purposes of the HBI special meeting, an abstention occurs when an HBI shareholder attends the HBI special meeting, either in person or by proxy, but abstains from voting. An abstention will have no effect on the outcome of the Share Issuance Proposal or the HBI Adjournment Proposal.

For the purposes of the LBI special meeting, an abstention, which occurs when an LBI shareholder attends the LBI special meeting, either in person or by proxy, but abstains from voting, will have the same effect as a vote AGAINST the Merger Proposal and will have no effect on the outcome of the LBI Adjournment Proposal.

Q: What if I hold stock of both HBI and LBI?

A: If you hold shares of both HBI and LBI, you will receive two separate packages of proxy materials. A vote as an LBI shareholder for the Merger Proposal or the other proposal to be considered at the LBI special meeting will not constitute a vote as an HBI shareholder for the Share Issuance Proposal or the other proposal to be considered at the HBI special meeting, and vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from HBI or LBI, or submit separate proxies as both an HBI shareholder and an LBI shareholder.

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Q: May I change my vote or revoke my proxy after I have delivered my proxy or voting instruction card?

A: Yes. You may change your vote at any time before your proxy is voted at the applicable special meeting.

- by sending a notice of revocation to the corporate secretary of HBI or LBI, as applicable;
- by sending a completed proxy card bearing a later date than your original proxy card; or
- by attending the applicable special meeting and voting in person if you so request and if your shares are registered in your name rather than in the name of a broker, bank or other nominee; however, your attendance alone will not revoke any proxy.

If you choose either of the first two methods, you must take the described action (and, in the case of the second method, your proxy card must be received) no later than the five (5) days prior to the applicable special meeting.

If your shares are held in an account at a broker or other nominee, you should contact your broker or other nominee to change your vote.

Q: What happens if I sell my shares after the applicable record date but before the applicable special meeting?

A: The applicable record date for the HBI special meeting or the LBI special meeting, as the case may be, is earlier than both the date of such meetings and the date that the merger is expected to be completed. If you transfer your HBI common stock or LBI common stock after the applicable record date but before the date of the applicable special meeting, you will retain your right to vote at the applicable special meeting (provided that such shares remain outstanding on the date of the applicable special meeting), but if you are an LBI shareholder you will not have the right to receive any merger consideration for the transferred shares. You will only be entitled to receive the merger consideration for shares that you own at the effective time of the merger.

Q: What do I do if I receive more than one joint proxy statement/prospectus or set of voting instructions?

A: If you hold shares directly as a record holder and also in street name or otherwise through a nominee, you may receive more than one joint proxy statement/prospectus and/or set of voting instructions relating to the applicable special meeting. These should each be voted or returned separately to ensure that all of your shares are voted.

Q: What are the federal income tax consequences of the merger?

A: The obligation of HBI and LBI to complete the merger is conditioned upon the receipt of a legal opinion to the effect that the mergers, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code). In addition, in connection with the filing of the registration statement of which this joint proxy statement/prospectus is a part, Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., has delivered an opinion to HBI and LBI, respectively, to the same effect.

On the basis of the opinion delivered in connection herewith, you may recognize gain, but you will not recognize loss, upon the exchange of your shares of LBI common stock for shares of HBI common stock and cash. If the sum of the fair market value of the HBI common stock and the amount of cash you receive in exchange for your shares of LBI common stock exceeds the cost basis of your shares of LBI common stock, you will recognize taxable gain equal to the lesser of the amount of such excess or the amount of cash you receive in the exchange. Generally, any gain recognized upon the exchange will be capital gain, and any

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such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of LBI common stock. Depending on certain facts specific to you, any gain could instead be characterized as dividend income.

For a more detailed discussion of the material United States federal income tax consequences of the transaction, see Material United States Federal Income Tax Consequences of the Merger beginning on page 74.

The consequences of the merger to any particular shareholder will depend on that shareholder s particular facts and circumstances. Accordingly, you are urged to consult your tax advisor to determine your tax consequences from the merger.

Q: Do I have appraisal or dissenter s rights?

A: The LBI shareholders are entitled to dissenter s rights under Ark. Code Ann. § 4-27-1301 *et seq*. If you wish to assert dissenter s rights, you must deliver to LBI before the vote is taken written notice of your intent to demand payment for your shares if the proposed action is effectuated and you must not vote in favor of the proposed action. The procedure for dissenting is described in more detail in The Merger section under the heading Dissenting Shares.

The HBI shareholders are not entitled to any dissenter s rights.

Q: Should I send in my stock certificates now?

A: **No.** Please **do not send** your stock certificates with your proxy card. If you are a holder of LBI common stock, you will receive written instructions from Computershare Trust Company, N.A., after the merger is completed on how to exchange your stock certificates for HBI common stock.

HBI shareholders will not be required to exchange or take any other action regarding their stock certificates in connection with the merger. HBI shareholders holding stock certificates should keep their stock certificates both now and after the merger is completed.

Q: Whom should I contact if I have any questions about the proxy materials or the special meetings?

A: If you have any questions about the merger or any of the proposals to be considered at the HBI special meeting or the LBI special meeting, need assistance in submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact HBI or LBI, as applicable.

HBI shareholders contact:

Home BancShares, Inc.
P.O. Box 966
Conway, Arkansas 72032
Attn: Investor Relations Officer
Telephone: (501) 328-4770

LBI shareholders contact:

Liberty Bancshares, Inc.
2901 East Highland Drive
Jonesboro, Arkansas 72401
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SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to carefully read the entire document and the other documents to which we refer you in order to fully understand the merger and the related transactions. See Where You Can Find More Information included elsewhere in this joint proxy statement/prospectus. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.

The Companies (pages 89 and 94)

HBI

HBI is a Conway, Arkansas headquartered bank holding company registered under the federal Bank Holding Company Act of 1956. HBI is primarily engaged in providing a broad range of commercial and retail banking and related financial services to businesses, real estate developers and investors, individuals and municipalities through its wholly owned community bank subsidiary, Centennial Bank. Centennial Bank has locations in central Arkansas, north central Arkansas, southern Arkansas, the Florida Keys, central Florida, southwestern Florida, the Florida Panhandle and the Alabama Gulf Coast.

Although HBI has a diversified loan portfolio, at December 31, 2012 and 2011, commercial real estate loans represented 56.7% and 61.8% of gross loans and 298.8% and 292.2% of total stockholders equity, respectively. HBI s total assets, total deposits, total revenue and net income for each of the past three years are as follows:

	As of or for the Years Ended December 31,		
	2012	2011	2010
		(In thousands)	
Total assets	$ 4,242,130	$ 3,604,117	$ 3,762,646
Total deposits	3,483,452	2,858,031	2,961,798
Total revenue (interest income plus non-interest income)	225,104	213,115	216,171
Net income available to all stockholders	63,022	54,741	17,591

HBI s common stock is traded on The NASDAQ Global Select Market under the symbol HOMB.

HBI s principal executive office is located at 719 Harkrider, Suite 100, Conway, Arkansas 72032, and its telephone number is (501) 328-4770. HBI s internet address is *www.homebancshares.com*. Additional information about HBI is included under Certain Information Concerning HBI and Where You Can Find More Information included elsewhere in this joint proxy statement/prospectus.

LBI

LBI is a bank holding company headquartered in Jonesboro, Arkansas. LBI s principal business activities are conducted through its full-service, commercial bank subsidiary, Liberty Bank of Arkansas, an Arkansas state-chartered bank with deposits insured by the FDIC. On June 30, 2013, Liberty Bank had facilities in 24 cities and towns in Arkansas, operating a total of 46 full-service branches. On March 31, 2013, LBI had total assets of approximately $2.9 billion, total net loans of approximately $1.8 billion, total deposits of approximately $2.2 billion, preferred shareholders equity of $52.5 million, and approximately $263.4 million in total common shareholders equity.

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LBI s total assets, total deposits, total revenue and net income for each of the past three years are as follows:

	As of or for the Years Ended December 31,		
	2012	2011	2010
		(In thousands)	
Total assets	$ 2,831,155	$ 2,811,230	$ 2,542,245
Total deposits	2,177,674	2,158,634	1,912,839
Total revenue (interest income plus non-interest income)	135,265	133,328	136,419
Net income available to all stockholders	20,891	16,019	12,719

LBI s common stock is not listed on an exchange or quoted on any automated services, and there is no established trading market for shares of LBI common stock.

LBI s principal office is located at 2901 East Highland Drive, Jonesboro, Arkansas 72401, and its telephone number at that location is (870) 934-9000. LBI s internet address is *www.mylibertybank.com*. Additional information about LBI is included under Certain Information Concerning LBI included elsewhere in this joint proxy statement/prospectus.

Acquisition Sub

A corporation (Acquisition Sub) will be formed prior to the closing of the merger, and will be a wholly owned subsidiary of HBI. Acquisition Sub will not conduct any activities other than those incidental to its formation and the matters contemplated by that Agreement and Plan of Merger dated June 25, 2013 (the Merger Agreement).

The Merger (page 41)

The Merger Agreement provides that, subject to its terms and conditions and in accordance with Arkansas law, Acquisition Sub will merge with and into LBI, with LBI being the surviving corporation in the merger and thereby becoming a wholly owned subsidiary of HBI. This transaction is referred to in this joint proxy statement/prospectus as the merger. As soon as reasonably practicable following the merger and as part of a single integrated transaction, Liberty Bank of Arkansas will be merged with and into Centennial Bank, which is HBI s wholly owned community bank subsidiary, with Centennial Bank being the surviving corporation in that second-step merger.

Under the terms of the Merger Agreement, each LBI shareholder will receive a pro rata share of the total merger consideration, which consists of (i) $30,000,000 in cash and (ii) shares of HBI common stock with a total value of $250,000,000, based on the volume-weighted average closing price of HBI common stock for the 20 trading days immediately before the merger closes (the HBI Average Closing Price). Based on 1,174,966 outstanding shares of LBI common stock, which was the number outstanding on the day the Merger Agreement was signed, LBI shareholders will receive in exchange for each share of LBI common stock consideration valued at approximately $238.30, consisting of a combination of (i) cash in the amount of approximately $25.53 and (ii) shares of HBI common stock (the Per-Share Stock Consideration) valued at approximately $212.77.

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The number of shares of HBI common stock comprising the Per-Share Stock Consideration will vary based on the HBI Average Closing Price. The following table illustrates, for a range of potentially applicable HBI Average Closing Prices, the number of shares of HBI common stock that would be exchanged for each share of LBI common stock, assuming that 1,174,966 shares of LBI common stock are outstanding immediately before the merger:

If the applicable HBI Average Closing Price is:	Per-Share Stock Consideration* Each share of LBI common stock will exchange for shares of HBI common stock equal to:
$17.115**	12.4319
$18.00	11.8207
$19.00	11.1985
$20.00	10.6386
$21.00	10.1320
$22.00	9.6715
$22.82**	9.3239
$23.00	9.2510
$24.00	8.8655
$25.00	8.5109
$26.00	8.1835
$27.00	7.8804
$28.00	7.5990
$28.525**	7.4591

* The computations in this table assume that 1,174,966 shares of LBI common stock will be outstanding immediately before the merger. The Per-Share Stock Consideration will be based on the actual HBI Average Closing Price, which will be computed at the time of the merger; the HBI Average Closing Prices shown on this table are for illustration only. Cash will be paid in lieu of issuing fractional shares of HBI common stock.

** On June 25, 2013, the date the Merger Agreement was signed, the closing price of a share of HBI common stock was $22.82. The Merger Agreement, as amended, provides that if the HBI Average Closing Price is more than 25% below (*i.e.*, less than $17.115) the closing price on June 25, 2013, either HBI or LBI may terminate the Merger Agreement. The Merger Agreement, as amended, further provides that if the HBI Average Closing Price is more than 25% above (*i.e.*, greater than $28.525) the closing price on June 25, 2013, HBI will issue 8,764,242 ($250,000,000 divided by $28.525) shares instead of calculating the number of shares that otherwise would have been issuable.

HBI and LBI expect the mergers contemplated by the Merger Agreement, taken together, to be a tax-free transaction for LBI shareholders, to the extent they receive HBI common stock for their shares of LBI common stock. See Material United States Federal Income Tax Consequences of the Merger.

Based on the assumption that 10,955,302 shares of HBI common stock will be issued to LBI shareholders based on a $22.82 average closing price, LBI shareholders would own approximately 16.30% of HBI s common stock after the merger is completed, ignoring any shares of HBI common stock they may already own.

Recommendation of the HBI Board of Directors (page 52)

HBI s board of directors recommends that holders of HBI common stock vote **FOR** the Share Issuance Proposal and **FOR** the HBI Adjournment Proposal.

For further discussion of HBI s reasons for the merger and the recommendations of HBI s board of directors, see The Merger Background of the Merger and The Merger HBI s Reasons for the Merger and Recommendation of HBI s Board of Directors.

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Recommendation of LBI s Board of Directors (page 45)

LBI s board of directors recommends that holders of LBI common stock vote **FOR** the Merger Proposal, and **FOR** the LBI Adjournment Proposal.

For further discussion of LBI s reasons for the merger and the recommendations of LBI s board of directors, see The Merger Background of the Merger and The Merger LBI s Reasons for the Merger and Recommendation of LBI s Board of Directors.

Opinion of HBI s Financial Advisor (page 53)

On June 21, 2013, Raymond James & Associates, Inc. (Raymond James), HBI s financial advisor in connection with the merger, provided the HBI board of directors with a preliminary overview of its analyses performed as of the date of the meeting and advised the board that its analyses were as of such date and based upon and subject to various qualifications and assumptions described in the meeting. At this meeting the board did not request and Raymond James did not provide an opinion. Raymond James delivered its opinion to the board on June 25, 2013 that, as of such date and subject to and based on the qualifications and assumptions set forth in its written opinion, the aggregate consideration to be paid by HBI pursuant to the Merger Agreement was fair to HBI from a financial point of view.

The full text of Raymond James opinion, dated June 25, 2013, is attached as **Appendix B** to this joint proxy statement/prospectus. You should read the opinion in its entirety for a discussion of, among other things, the assumptions made, procedures followed, matters considered and any limitations on the review undertaken by Raymond James in rendering its opinion.

Raymond James opinion is addressed to HBI s board of directors and the opinion is not a recommendation as to how any HBI shareholder should vote with respect to the Share Issuance Proposal or any other matter or as to any action that a shareholder should take with respect to the merger.

The opinion addresses only the fairness of the aggregate consideration to be paid by HBI from a financial point of view and does not address the merits of the underlying decision by HBI to enter into the Merger Agreement, the merits of the merger as compared to other alternatives potentially available to HBI or the relative effects of any alternative transaction in which HBI might engage. Raymond James has been paid a customary investment banking fee for its services in connection with delivery of its opinion, and will be reimbursed by HBI for certain of its expenses.

Opinion of LBI s Financial Advisor (page 46)

On June 24, 2013, Sheshunoff & Co. Investment Banking (Sheshunoff), LBI s financial advisor in connection with the merger, delivered a written opinion that, as of such date and based upon and subject to the qualifications and assumptions set forth in its written opinion, the per-share consideration to be paid by HBI pursuant to the Merger Agreement was fair to the holders of LBI common stock from a financial point of view.

The full text of Sheshunoff s opinion, dated June 24, 2013, is attached as **Appendix C** to this joint proxy statement/prospectus. You should read the opinion in its entirety for a discussion of, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sheshunoff in rendering its opinion.

Sheshunoff s opinion was directed to LBI s board of directors and is directed only to the fairness of the per-share consideration to the holders of LBI s common stock from a financial point of view. It does not address the

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underlying business decision of LBI to engage in the merger or any other aspect of the merger and is not a recommendation to any holder of LBI common stock as to how such holder of LBI common stock should vote at the special meeting with respect to the merger or any other matter. Pursuant to an engagement letter between LBI and Sheshunoff, Sheshunoff will receive a fee for its services in connection with delivery of its opinion, and will be reimbursed by LBI for certain of its expenses.

Interests of LBI Directors and Executive Officers in the Merger (page 59)

Certain of LBI s directors and executive officers have interests in the merger as individuals in addition to, or different from, their interests as shareholders of LBI, including, but not limited to, (i) potential payments under their employee change in control severance agreements and (ii) continuation of indemnification after the merger.

The merger will constitute a change in control under severance agreements that LBI has entered into with, among others, its executive officers Mark Fowler, John Freeman, Lloyd McCracken, Jr., Ed Way, Roy Reaves, and Richard Darouse. Those severance agreements provide that, for a period of two years following a change in control, an involuntary termination or constructive discharge of a covered employee will trigger a severance payment to the employee and entitle the employee to remain covered at HBI s expense for medical insurance for a specified period.

HBI has agreed to indemnify present and former directors and officers of LBI and its subsidiaries against certain costs, damages or liabilities incurred in connection with claims, investigations and other actions arising out of or pertaining to matters existing or occurring at or prior to the effective time of the merger, and to continue, at HBI s expense, to provide them with director s and officer s liability insurance coverage for a period of six years following the merger.

Upon completion of the merger, the HBI board of directors intends to appoint Wallace W. Fowler and Mark P. Fowler to the HBI board of directors.

Dissenters Rights (page 43)

The LBI shareholders are entitled to dissenters rights under Ark. Code Ann. §4-27-1301 *et seq*. Those rights, if properly exercised, will allow a shareholder who does not wish to accept the consideration provided for by the Merger Agreement instead to obtain payment of the fair value of the shareholder s shares of LBI common stock. If you wish to assert dissenters rights, you must deliver to LBI before the vote is taken written notice of your intent to demand payment for your shares if the proposed action is effectuated and you must not vote in favor of the proposed action. The procedure for dissenting is described in more detail in The Merger section under the heading Dissenting Shares.

The HBI shareholders are not entitled to any dissenters rights.

Regulatory Matters (page 43)

Each of HBI and LBI has agreed to use its reasonable best efforts to obtain all regulatory approvals required to complete the merger and the other transactions contemplated by the Merger Agreement. These approvals include approval from the Federal Reserve Board, FDIC, United States Department of the Treasury and Arkansas State Bank Department, among others. HBI and LBI have filed, or are in the process of filing, applications and notifications to obtain these regulatory approvals. There can be no assurances that such approvals will be received on a timely basis, or as to the ability of HBI and LBI to obtain the approvals on satisfactory terms or the absence of litigation challenging such approvals. See The Merger Regulatory Approvals Required for the Merger.

Conditions to Completion of the Merger (page 71)

Currently, HBI and LBI expect to complete the merger late in the third quarter or early in the fourth quarter of 2013. As more fully described in this joint proxy statement/prospectus and in the Merger Agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. We cannot provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party.

Termination of the Merger Agreement (page 72)

The Merger Agreement can be terminated at any time prior to completion of the merger by mutual consent, or by either party in the following circumstances:

- a governmental entity that must grant a required regulatory approval has denied approval and such denial has become final and non-appealable, or an injunction or legal prohibition against the transaction becomes final and non-appealable;
- the merger has not been consummated by March 1, 2014, or under certain circumstances, July 1, 2014 (unless the failure of the closing to occur by such date is due to the failure of the party seeking to terminate the Merger Agreement to perform or observe its covenants and agreements);
- the other party breaches any of its covenants or agreements or representations or warranties under the Merger Agreement in a manner that would cause the closing conditions not to be satisfied and which is not cured within 30 days following written notice to the party committing the breach, or the breach, by its nature, cannot be cured within such time (provided that the terminating party is not then in material breach of any representation, warranty, covenant, or other agreement contained in the Merger Agreement);
- either HBI s shareholders or LBI s shareholders fail to approve the Share Issuance Proposal or the Merger Proposal, respectively, provided that the failure to obtain such shareholder approval was not caused by the terminating party s material breach of any of its obligations under the Merger Agreement; or
- in the event that the 20-day average closing price of HBI increases or decreases by more than 25% from the date of execution of the Merger Agreement until the closing date; provided that if LBI elects to terminate pursuant to this provision, following HBI s receipt of the termination notice, HBI may elect to adjust the merger consideration by increasing the cash to be paid.

Additionally, the Merger Agreement may be terminated by (i) LBI in order to enter into a definitive agreement providing for a Superior Proposal (as defined in the Merger Agreement), upon payment to HBI of a termination fee $11,200,000, or (ii) HBI, if holders of 5% or more of the outstanding shares of LBI common stock provide notice of dissent and do not vote in favor of the merger.

Expenses and Termination Fees (page 72)

Except for the registration fee and other fees paid to the SEC in connection with the merger, which will be paid by HBI, and any termination fees, all fees and expenses incurred in connection with the merger (including the costs and expense of printing and mailing this joint proxy statement/prospectus) will be paid by the party incurring such fees or expenses.

LBI is required to pay HBI a termination fee of $11,200,000 if the Merger Agreement is terminated by LBI in order to enter into a definitive agreement providing for a Superior Proposal.

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Matters to Be Considered at the Special Meetings (pages 86 and 90)

HBI

HBI shareholders will be asked to vote on the following proposals:

- to approve the issuance of shares of HBI common stock in connection with the merger (the Share Issuance Proposal); and

- to approve one or more adjournments of the HBI special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the Share Issuance Proposal (the HBI Adjournment Proposal).

Approval by the affirmative vote of the shares of HBI common stock voting on the Share Issuance Proposal is required for the completion of the merger. The directors and executive officers and their affiliates hold approximately 20.2 percent of the outstanding shares entitled to vote. The HBI board of directors recommends that HBI shareholders vote **FOR** the proposals set forth above. For further discussion of the HBI special meeting, see HBI Special Meeting of Shareholders.

LBI

LBI shareholders will be asked to vote on the following proposals:

- to approve the Merger Agreement (the Merger Proposal); and

- to approve one or more adjournments of the LBI special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Merger Proposal (the LBI Adjournment Proposal).

Approval by the affirmative vote of the shares of LBI common stock outstanding of the Merger Proposal is required for the completion of the merger. The directors and executive officers and their affiliates hold approximately 40.8 percent of the outstanding shares entitled to vote. LBI s board of directors recommends that LBI shareholders vote **FOR** the proposals set forth above. For further discussion of the LBI special meeting, see LBI Special Meeting of Shareholders.

Rights of LBI Shareholders Will Change as a Result of the Merger (page 79).

The rights of LBI and HBI shareholders are governed by Arkansas law and by each company s respective articles of incorporation and bylaws. Upon the completion of the merger, LBI shareholders will no longer have any direct interest in LBI. Those LBI shareholders receiving shares of HBI common stock as merger consideration will only participate in the combined company s future earnings and potential growth through their ownership of HBI common stock. All of the other incidents of direct stock ownership in LBI will be extinguished upon completion of the merger. The rights of former LBI shareholders that become HBI shareholders will be governed by Arkansas law and HBI s articles of incorporation and bylaws. Therefore, LBI shareholders that receive HBI common stock in the merger will have different rights once they become HBI shareholders. See Comparison of Rights of Holders of HBI and LBI Common Stock.

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including HBI s Annual Report on Form 10-K for the fiscal year ended December 31, 2012, and the matters addressed under the caption Cautionary Note Regarding Forward-Looking Statements, LBI shareholders should consider the matters described below carefully in determining whether to vote to approve the Merger Agreement and the transactions contemplated by the Merger Agreement, and HBI shareholders should consider the matters described below carefully in determining whether to vote to approve the issuance of shares of HBI common stock in the merger.

Risk Factors Relating to the Merger

Because the market price of HBI common stock may fluctuate, you cannot be sure of the value of each share of HBI common stock that you will receive.

Upon completion of the merger, each share of LBI common stock (other than certain shares owned by LBI) will be converted into the right to receive merger consideration consisting of shares of HBI common stock and cash, pursuant to the terms of the Merger Agreement. The value of each share of HBI common stock to be received by LBI shareholders will be based on the volume-weighted average price of HBI common stock during the 20 trading day period before the effective time of the merger. This average price may vary from the closing price of HBI common stock on the date we announced the merger, on the date that this joint proxy statement/prospectus was mailed to HBI shareholders and LBI shareholders, on the dates of the special meetings of the HBI and LBI shareholders, and on the date the merger is completed. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations, among other things. Many of these factors are beyond the control of HBI and LBI. LBI shareholders should obtain current market quotations for shares of HBI common stock before voting their shares at the LBI special meeting.

We may fail to realize all of the anticipated benefits of the merger.

The success of the merger will depend, in part, on our ability to successfully combine the HBI and LBI organizations. If we are not able to achieve this objective, the anticipated benefits of the merger may not be realized fully or at all or may take longer than expected to be realized.

HBI and LBI have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process or other factors could result in the loss or departure of key employees, the disruption of the ongoing business of LBI or inconsistencies in standards, controls, procedures and policies. It is also possible that clients, customers, depositors and counterparties of LBI could choose to discontinue their relationships with the combined company post-merger because they prefer doing business with LBI or for any other reason, which would adversely affect the future performance of the combined company. These transition matters could have an adverse effect on each of HBI and LBI during the pre-merger period and for an undetermined time after the completion of the merger.

The results of operations of HBI after the merger may be affected by factors different from those currently affecting the results of operations of HBI and LBI.

The businesses of HBI and LBI differ in certain respects and, accordingly, the results of operations of the combined company and the market price of the combined company s common stock may be affected by factors different from those currently affecting the independent results of operations of HBI and LBI. For a discussion of the business of HBI and certain factors to be considered in connection with HBI s business, see Information Concerning Home BancShares and the documents incorporated by reference in this joint proxy statement/prospectus and referred to under Where You Can Find More Information. For a discussion of the business of LBI and certain factors to be considered in connection with LBI s business, see Information Concerning LBI.

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The Merger Agreement limits LBI s ability to pursue an alternative transaction and requires LBI to pay a termination fee under certain circumstances relating to alternative acquisition proposals.

The Merger Agreement prohibits LBI from soliciting, initiating, encouraging or knowingly facilitating certain alternative acquisition proposals with any third party, subject to exceptions set forth in the Merger Agreement. The Merger Agreement also provides for the payment by LBI to HBI of a termination fee of $11,200,000 in the event that the Merger Agreement is terminated followed by an acquisition of LBI by a third party. These provisions may discourage a potential competing acquiror that might have an interest in acquiring LBI from considering or proposing such an acquisition. See The Merger Agreement Termination; Termination Fee included elsewhere in this joint proxy statement/prospectus.

The fairness opinions that HBI and LBI have obtained, have not been, and are not expected to be, updated to reflect any changes in circumstances that may have occurred since the signing of the Merger Agreement.

The fairness opinions issued to HBI and LBI, regarding the fairness, from a financial point of view, of the consideration to be paid in connection with the merger, speak only as of their respective dates. Changes in the operations and prospects of HBI or LBI, general market and economic conditions and other factors which may be beyond the control of HBI and LBI, and on which the fairness opinions were based, may have altered the value of HBI or LBI or the market prices of shares of HBI or LBI as of the date of this joint proxy statement/prospectus, or may alter such values and market prices by the time the merger is completed. The financial advisors do not have any obligation to update, revise or reaffirm their respective opinions to reflect subsequent developments, and have not done so. Because LBI and HBI do not currently anticipate asking their respective financial advisors to update their opinions, the opinions will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed. LBI s board of directors recommendation that LBI shareholders vote **FOR** approval of the Merger Agreement and HBI s board of directors recommendation that HBI shareholders vote **FOR** approval of the stock issuance, however, is made as of the date of this joint proxy statement/prospectus. For a description of the opinions that HBI and LBI received from their respective financial advisors, see Opinion of HBI s Financial Advisor and Opinion of LBI s Financial Advisor included elsewhere in this joint proxy statement/prospectus.

The merger is subject to the receipt of consents and approvals from governmental entities that may impose conditions that could have an adverse effect on the combined company following the merger.

Before the merger may be completed, various approvals and consents must be obtained from the Federal Reserve Board, the Arkansas State Bank Department, the FDIC, the United States Department of Treasury and various other securities, antitrust, and other regulatory authorities. These governmental entities may impose conditions on the granting of such approvals and consents. Although HBI and LBI do not currently expect that any such material conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs or limiting the revenues of the combined company following the merger, any of which might have an adverse effect on the combined company following the merger. In addition, each of HBI and LBI has agreed to use their commercially reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable law to consummate the mergers. Such actions may entail costs and may adversely affect HBI, LBI, or the combined company following the merger.

The merger is subject to certain closing conditions that, if not satisfied or waived, will result in the merger not being completed, which may cause the price of HBI common stock to decline.

The merger is subject to customary conditions to closing, including the receipt of required regulatory approvals and approvals of the HBI and LBI shareholders. If any condition to the merger is not satisfied or waived, to the extent permitted by law, the merger will not be completed. In addition, HBI and LBI may terminate the Merger Agreement under certain circumstances even if the Merger Agreement is approved by LBI shareholders and the issuance of HBI common stock in connection with the merger is approved by HBI shareholders. If HBI and LBI do not complete the merger, the trading price of HBI common stock may decline to the extent that the current price reflects a market assumption that the merger will be completed. In addition, neither company would realize any of the expected benefits of having completed the merger. If the merger is not completed and LBI s board of directors seeks another merger or business combination, LBI shareholders cannot be certain that LBI will be able to find a party willing to offer equivalent or more attractive consideration than the consideration HBI has agreed to provide in the merger. If the merger is not completed, additional risks could materialize, which could materially and adversely affect the business, financial condition and results of HBI or LBI. For more information on closing conditions to the Merger Agreement, see The Merger Agreement Conditions to the Merger included elsewhere in this joint proxy statement/prospectus.

The combined company expects to incur substantial expenses related to the merger.

The combined company expects to incur substantial expenses in connection with completing the merger and combining the business, operations, networks, systems, technologies, policies and procedures of the two companies. Although HBI and LBI have assumed that a certain level of transaction and combination expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their combination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Due to these factors, the transaction and combination expenses associated with the merger could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the combination of the businesses following the completion of the merger. As a result of these expenses, both HBI and LBI expect to take charges against their earnings before and after the completion of the merger. The charges taken in connection with the merger are expected to be significant, although the aggregate amount and timing of such charges are uncertain at present.

The unaudited pro forma combined consolidated financial information included in this joint proxy statement/prospectus is preliminary and the actual financial condition and results of operations after the merger may differ materially.

The unaudited pro forma combined consolidated financial information in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what HBI s actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma combined consolidated financial information reflects adjustments, which are based upon preliminary estimates, to record the LBI identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this joint proxy statement/prospectus is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of LBI as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy statement/prospectus. For more information, see Unaudited Pro Forma Combined Consolidated Financial Information beginning on page 32.

Shares of HBI common stock to be received by LBI shareholders as a result of the merger will have rights different from the shares of LBI common stock.

Upon completion of the merger, the rights of former LBI shareholders who receive HBI common stock in the merger and thereby become HBI shareholders will be governed by the articles of incorporation and bylaws of HBI. The rights associated with LBI common stock are different from the rights associated with HBI common stock. See Comparison of Rights of Holders of HBI and LBI Common Stock beginning on page 79 for a discussion of the different rights associated with HBI common stock.

Certain LBI directors and officers may have interests in the merger different from the interests of LBI shareholders.

In considering the recommendations of the board of directors of LBI, LBI shareholders should be aware that certain directors and executive officers of LBI have interests in the merger that may differ from, or may be in

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addition to, the interests of LBI shareholders generally. The board of directors of LBI was aware of these interests and considered them, among other matters, when it adopted the Merger Agreement and in making its recommendations that the LBI shareholders approve the Merger Proposal. These interests include:

- Two of the directors of LBI will be recommended to serve on HBI s board of directors following the merger;

- Certain of LBI s directors and executive officers are party to change in control agreements that provide severance and other benefits following a change in control of LBI in connection with a qualifying termination of employment, the executive officers with change in control agreements with LBI would be entitled to receive certain severance payments and benefits; and

- LBI directors and officers are entitled to continued indemnification and insurance coverage under the Merger Agreement.

For a more complete description of the interests of LBI directors and executive officers in the merger, see The Merger Interests of LBI s Directors and Executive Officers in the Merger.

Risk Factors Relating to HBI and HBI s Business.

HBI s decisions regarding credit risk could be inaccurate and its allowance for loan losses may be inadequate, which would materially and adversely affect HBI.

HBI s management makes various assumptions and judgments about the collectability of its loan portfolio, including the creditworthiness of its borrowers and the value of the real estate and other assets serving as collateral for the repayment of our secured loans. HBI endeavors to maintain an allowance for loan losses that it considers adequate to absorb future losses that may occur in its loan portfolio. In determining the size of the allowance, HBI analyzes its loan portfolio based on its historical loss experience, volume and classification of loans, volume and trends in delinquencies and non-accruals, national and local economic conditions, and other pertinent information. The economic conditions particularly in its Florida market have improved during 2012 but not to pre-recession levels. These conditions may continue or could even worsen. During 2012, the allowance for loan losses for non-covered loans decreased by 13.3%. As of December 31, 2012, HBI s allowance for loan losses for non-covered loans was approximately $45.2 million, or 1.94% of its total loans receivable not covered by loss share.

If HBI s assumptions are incorrect, its current allowance may be insufficient to absorb future loan losses, and increased loan loss reserves may be needed to respond to different economic conditions or adverse developments in its loan portfolio. When there is an economic downturn it is more difficult for HBI to estimate the losses that it will experience in its loan portfolio. In addition, federal and state regulators periodically review its allowance for loan losses and may require HBI to increase its allowance for loan losses or recognize further loan charge-offs based on judgments different than those of its management. Any increase in its allowance for loan losses or loan charge-offs could have a negative effect on our operating results.

HBI s high concentration of real estate loans exposes it to increased lending risk.

As of December 31, 2012, the primary composition of HBI s total loan portfolio was as follows:

- commercial real estate loans (excludes construction/land development) of $1.2 billion, or 44.9% of total loans;

- construction/land development loans of $321.5 million, or 11.8% of total loans;

- commercial and industrial loans of $271.6 million, or 10.0% of total loans;

residential real estate loans of $814.2 million, or 30.0% of total loans; and

consumer loans of $37.5 million, or 1.4% of total loans.

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Commercial real estate, construction/land development, agricultural and commercial and industrial loans, which comprised 66.7% of HBI s total loan portfolio as of December 31, 2012, exposes it to a greater risk of loss than HBI s residential real estate and consumer loans, which comprised 31.4% of its total loan portfolio as of December 31, 2012. Commercial real estate and land development loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to residential loans. Consequently, an adverse development with respect to one commercial loan or one credit relationship exposes HBI to a significantly greater risk of loss compared to an adverse development with respect to one residential mortgage loan.

Approximately 89.7% of HBI s loans as of December 31, 2012, are to borrowers in Alabama, Arkansas and Florida, the three states in which HBI has its primary market areas. An adverse development with respect to the market conditions of these specific market areas could expose HBI to a greater risk of loss than a portfolio that is spread among a larger geography base.

HBI s concentration in commercial real estate loans exposes it to greater risk associated with those types of loans. The repayment of loans secured by commercial real estate is typically dependent upon the successful operation of the related real estate or commercial project. If the cash flows from the project are reduced, a borrower s ability to repay the loan may be impaired. This cash flow shortage may result in the failure to make loan payments. In such cases, HBI may be compelled to modify the terms of the loan, or in the most extreme cases, it may have to foreclose. In addition, the nature of these loans is such that they are generally less predictable and more difficult to evaluate and monitor. As a result, repayment of these loans may, to a greater extent than residential loans, be subject to adverse conditions in the real estate market or economy.

HBI has 86.7% of its loans as real estate loans primarily in Alabama, Arkansas and Florida, and this poses a concentration risk, especially if the Florida area does not continue to improve or once again deteriorates resulting in depressed sales prices and low sales, combined with increased delinquencies and foreclosures on residential and commercial real estate loans.

Depressed local economic and housing markets have led to loan losses and reduced earnings in the past and could lead to additional loan losses and reduced earnings.

Over the past five years, the Florida markets have experienced a dramatic reduction in housing and real estate values, coupled with significantly higher unemployment. These conditions have contributed to increased non-performing loans and reduced asset quality during this time period. As of December 31, 2012, HBI s non-covered non-performing loans totaled approximately $27.3 million, or 1.17% of total non-covered loans. Non-performing assets were approximately $47.8 million as of this same date, or 1.30% of total non-covered assets. In addition, HBI had approximately $23.4 million in accruing non-covered loans that were between 30 and 89 days delinquent as of December 31, 2012. While market conditions in the Florida markets have begun to improve, if these markets do not continue to improve or once again deteriorate, they may lead to additional valuation adjustments on HBI s loan portfolios and real estate owned as it continues to reassess the market value of its loan portfolio, the losses associated with the loans in default and the net realizable value of real estate owned.

HBI s non-performing assets adversely affect its net income in various ways. Until economic and market conditions substantially improve, HBI could incur additional losses relating to increased non-performing loans. HBI does not record interest income on non-accrual loans or other real estate owned, thereby adversely affecting its income, and its loan administration costs. When HBI takes collateral in foreclosures and similar proceedings, it is required to mark the related loan to the then-fair market value of the collateral, less estimated selling expenses, which may result in a loss. These loans and other real estate owned also increase its risk profile and the capital HBI s regulators believe is appropriate in light of such risks. In addition, the resolution of non-performing assets requires significant commitments of time from management and HBI s directors, which can be detrimental to the performance of their other responsibilities. These effects, individually or in the aggregate, could have an adverse effect on HBI s financial condition and results of operations.

While HBI believes its allowance for loan losses is adequate as of December 31, 2012, as additional facts become known about relevant internal and external factors that affect loan collectability and HBI s assumptions, it may result in HBI making additions to the provision for loan losses during 2013. Any failure by management to closely monitor the status of the market and make the necessary changes could have a negative effect on HBI s operating results.

Additionally, HBI s success significantly depends upon the growth in population, income levels, deposits and housing starts in its markets. Generally, trends in these factors have not been positive in the few years prior to 2012 in the Florida markets. If the communities in which HBI operates do not grow or if prevailing economic conditions locally or nationally continue to remain challenging, HBI s business may be adversely affected. HBI s specific market areas have experienced decreased growth or negative growth, which has affected the ability of its customers to repay their loans to HBI and has generally affected HBI s financial condition and results of operations. HBI is less able than a larger institution to spread the risks of unfavorable local economic conditions across a large number of diversified economies. Moreover, HBI cannot give any assurance it will benefit from any market growth or favorable economic conditions in its primary market areas if they do occur.

If the value of real estate in the Florida markets were to stop improving or once again deteriorate, a significant portion of HBI s loans in the Florida market that were not acquired from the FDIC could become under-collateralized, which could have a material adverse effect on HBI.

As of December 31, 2012, non-covered loans in the Florida market totaled $715.8 million, or 30.7% of HBI s non-covered loans receivable. Of the Florida loans for which HBI does not have loss sharing, approximately 90.4% were secured by real estate. In the prior years, the difficult local economic conditions have adversely affected the values of HBI s real estate collateral in Florida and it could do so again if the markets were to stop improving or once again deteriorate in the future. The real estate collateral in each case provides an alternate source of repayment on HBI s loans in the event of default by the borrower but may deteriorate in value during the time credit is extended. If HBI is required to liquidate the collateral securing a loan to satisfy the debt during a period of reduced real estate values, HBI s earnings and capital could be adversely affected.

Because HBI has a concentration of exposure to a number of individual borrowers, a significant loss on any of those loans could materially and adversely affect HBI.

HBI has a concentration of exposure to a number of individual borrowers. Under applicable law, Centennial Bank is generally permitted to make loans to one borrowing relationship up to 20% of its Tier 1 capital plus the allowance for loan losses. As of December 31, 2012, the legal lending limit of Centennial Bank for secured loans was approximately $87.6 million. Currently, HBI s board of directors has established an in-house lending limit of $20.0 million to any one borrowing relationship without obtaining the approval of both HBI s Chairman and HBI s director Richard H. Ashley. As of December 31, 2012, HBI has a total of $379.4 million committed to the aggregate group of borrowers whose total debt exceeds the established in-house lending limit of $20.0 million.

A portion of HBI s loans are to customers who have been adversely affected by the home building industry.

Customers who are builders and developers face greater difficulty in selling their homes in markets where the decrease in housing and real estate values are more pronounced. Consequently, HBI has faced delinquencies and non-performing assets as these customers have been forced to default on their loans. If the housing markets were to stop improving or once again deteriorate additional downgrades, provisions for loan losses and charge-offs relating to HBI s loan portfolios may occur.

HBI s cost of funds may increase as a result of general economic conditions, interest rates and competitive pressures.

HBI s cost of funds may increase as a result of general economic conditions, interest rates and competitive pressures. HBI has traditionally obtained funds principally through local deposits, and HBI has a base of lower cost transaction deposits. Generally, HBI believes local deposits are a more stable source of funds than other borrowings because interest rates paid for local deposits are typically lower than interest rates charged for

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borrowings from other institutional lenders. In addition, local deposits reflect a mix of transaction and time deposits, whereas brokered deposits typically are less stable time deposits, which may need to be replaced with higher cost funds. HBI s costs of funds and its profitability and liquidity are likely to be adversely affected, if and to the extent HBI has to rely upon higher cost borrowings from other institutional lenders or brokers to fund loan demand or liquidity needs, and changes in HBI s deposit mix and growth could adversely affect its profitability and the ability to expand its loan portfolio.

The loss of key officers may materially and adversely affect HBI.

HBI s success depends significantly on the Chairman, John W. Allison, and HBI s executive officers, especially C. Randall Sims, Randy E. Mayor, Brian S. Davis and Kevin D. Hester and on its regional bank presidents Tracy M. French, Robert F. Birch and Russell Davis Carter, III. Centennial Bank, in particular, relies heavily on its management team s relationships in its local communities to generate business. Because HBI does not have employment agreements or non-compete agreements with its employees, its executive officers and regional bank presidents are free to resign at any time and accept an employment offer from another company, including a competitor. The loss of services from a member of HBI s current management team may materially and adversely affect its business, financial condition, results of operations and future prospects.

Recent legislation imposes certain executive compensation and corporate governance requirements, which could adversely affect HBI and its business, including its ability to recruit and retain qualified employees.

On January 25, 2011, the SEC adopted a final rule implementing certain executive compensation and corporate governance provisions of the Dodd-Frank Act. These provisions make applicable to all public companies certain executive compensation requirements similar to those imposed on participants in the TARP Capital Purchase Program. The new SEC rule requires public companies to provide their shareholders with non-binding advisory votes (i) at least once every three years on the compensation paid to their named executive officers, and (ii) at least once every six years on whether they should have a say on pay vote every one, two or three years. A separate, non-binding advisory shareholder vote will be required regarding golden parachute compensation arrangements for named executive officers when a shareholder vote takes place on mergers, acquisitions, dispositions or other transactions that would trigger the parachute payments. Also, the SEC is required to ensure that national listing exchanges, such as the New York Stock Exchange and the NASDAQ, prohibit the listing of any companies that fail to adopt clawback policies pursuant to which incentive-based compensation paid to executives will be subject to clawback based on financial results which were subsequently restated within three years of such payment. The amount of the clawback is the amount in excess of what would have been paid under the restated results. As a public company, we are subject to the requirements of these new SEC rules, whereas some of HBI s competitors are not publicly traded and therefore not subject to such rules.

These provisions and any future rules issued by the Treasury or the SEC could adversely affect HBI s ability to attract and retain management capable and motivated sufficiently to manage and operate its business through difficult economic and market conditions. If HBI is unable to attract and retain qualified employees to manage and operate its business, HBI may not be able to successfully execute its business strategy.

HBI s growth and expansion strategy may not be successful and its market value and profitability may suffer.

Growth through the acquisition of banks, particularly FDIC-assisted transactions, and *de novo* branching represent important components of its business strategy. Any future acquisitions that HBI might make will be accompanied by the risks commonly encountered in acquisitions. These risks include, among other things:

- credit risk associated with the acquired bank s loans and investments;
- difficulty of integrating operations and personnel; and
- potential disruption of our ongoing business.

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HBI expects that competition for suitable acquisition candidates may be significant. We may compete with other banks or financial service companies with similar acquisition strategies, many of which are larger and have greater financial and other resources. We cannot assure you that we will be able to successfully identify and acquire suitable acquisition targets on acceptable terms and conditions.

In the current economic environment, we may continue to have opportunities to acquire the assets and liabilities of failed banks in FDIC-assisted transactions. These acquisitions involve risks similar to acquiring existing banks even though the FDIC might provide assistance to mitigate certain risks such as sharing in exposure to loan losses and providing indemnification against certain liabilities of the failed institution. However, because these acquisitions are structured in a manner that would not allow us the time normally associated with preparing for integration of an acquired institution, we may face additional risks in FDIC-assisted transactions. These risks include, among other things, the loss of customers, strain on management resources related to collection and management of problem loans and problems related to integration of personnel and operating systems.

In addition to the acquisition of existing financial institutions, as opportunities arise, we plan to have some *de novo* branching. *De novo* branching and any acquisition carry with it numerous risks, including the following:

- the inability to obtain all required regulatory approvals;
- significant costs and anticipated operating losses associated with establishing a *de novo* branch or a new bank;
- the inability to secure the services of qualified senior management;
- the local market may not accept the services of a new bank owned and managed by a bank holding company headquartered outside of the market area of the new bank;
- economic downturns in the new market;
- the inability to obtain attractive locations within a new market at a reasonable cost; and
- the additional strain on management resources and internal systems and controls.

HBI cannot assure that it will be successful in overcoming these risks or any other problems encountered in connection with acquisitions (including FDIC-assisted transactions) and *de novo* branching. HBI s inability to overcome these risks could have an adverse effect on its ability to achieve its business strategy and maintain its market value and profitability.

HBI s loss-sharing agreements with the FDIC limit its ability to enter into certain change of control transactions, including the sale of significant amounts of its common stock by HBI or its shareholders, without the consent of the FDIC.

The loss-sharing agreements that HBI entered into with the FDIC in connection with its recent FDIC-assisted acquisitions require the consent of the FDIC in connection with certain change of control transactions, including the sale by HBI or by any individual shareholder, or group of shareholders acting in concert, of shares of its common stock totaling more than 9% of its outstanding common stock. This requirement could restrict or delay HBI s ability to raise additional capital to fund acquisition or growth opportunities or for other purposes, or to pursue a merger or consolidation transaction that management may believe is in the best interest of its shareholders. This could also restrict or delay the ability of HBI s shareholders to sell a substantial amount of its shares. In addition, if such a transaction were to occur without the FDIC s consent, HBI could lose the benefit of the loss-share coverage provided by these agreements for certain covered assets. HBI will obtain FDIC consent prior to the issuance of shares in connection with the merger.

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There may be undiscovered risks or losses associated with HBI s bank acquisitions which would have a negative impact upon its future income.

HBI s growth strategy includes strategic acquisitions of banks. HBI has acquired 14 banks since it started its first subsidiary bank in 1999, including one in 2003, three in 2005, one in 2008, six in 2010, and three in 2012, and will continue to consider strategic acquisitions, with a primary focus on Arkansas and Florida. In most cases, other than in connection with FDIC-assisted transactions and its acquisition of Vision Bank in 2012, HBI s acquisition of a bank includes the acquisition of all of the target bank s assets and liabilities, including its loan portfolio. There may be instances when HBI, under its normal operating procedures, may find after the acquisition that there may be additional losses or undisclosed liabilities with respect to the assets and liabilities of the target bank, and, with respect to its loan portfolio, that the ability of a borrower to repay a loan may have become impaired, the quality of the value of the collateral securing a loan may fall below HBI s standards, or the allowance for loan losses may not be adequate. One or more of these factors might cause HBI to have additional losses or liabilities, additional loan charge-offs, or increases in allowances for loan losses, which would have a negative impact upon HBI s financial condition and results of operations.

Changes in national and local economic conditions could lead to higher loan charge-offs in connection with HBI s acquisitions, all of which may not be supported by the loss sharing agreements with the FDIC.

In connection with its FDIC-assisted acquisitions, HBI acquired a significant portfolio of loans. Although HBI marked down the loan portfolios it has acquired, there is no assurance that the non-impaired loans that HBI acquired will not become impaired or that the impaired loans will not suffer further deterioration in value resulting in additional charge-offs to this loan portfolio. Fluctuations in national, regional and local economic conditions, including those related to local residential and commercial real estate and construction markets, may increase the level of charge-offs that HBI makes to its loan portfolio, and, consequently, reduce its net income. Such fluctuations may also increase the level of charge-offs on the loan portfolios that it has acquired in the acquisitions and correspondingly reduce its net income. These fluctuations are not predictable, cannot be controlled and may have a material adverse impact on HBI s operations and financial condition even if other favorable events occur.

Although in connection with its 2010 FDIC-assisted acquisitions HBI entered into loss sharing agreements with the FDIC, which provide that a significant portion of losses related to specified loan portfolios that it acquired will be indemnified by the FDIC, HBI is not protected from all losses resulting from charge-offs with respect to those specified loan portfolios. Additionally, the loss sharing agreements have limited terms; therefore, any charge-off of related losses that HBI experiences after the term of the loss sharing agreements will not be reimbursed by the FDIC and will negatively impact HBI s net income.

HBI s recent acquisitions have increased its commercial real estate loan portfolio, which have a greater credit risk than residential mortgage loans.

With its recent acquisitions, HBI s commercial loan and construction loan portfolios have become a larger portion of its total loan portfolio than it was prior to the acquisitions. This type of lending is generally considered to have more complex credit risks than traditional single-family residential lending, because the principal is concentrated in a limited number of loans with repayment dependent on the successful operation of the related real estate or construction project. Consequently, these loans are more sensitive to the current adverse conditions in the real estate market and the general economy. These loans are generally less predictable and more difficult to evaluate and monitor and collateral may be more difficult to dispose of in a market decline.

HBI s acquisitions have caused it to modify its disclosure controls and procedures, which may not result in the material information that it is required to disclose in its SEC reports being recorded, processed, summarized, and reported adequately.

HBI s management is responsible for establishing and maintaining effective disclosure controls and procedures that are designed to cause the material information that it is required to disclose in reports that its files or submits under the Securities Exchange Act of 1934, as amended (the Exchange Act) to be recorded, processed, summarized, and reported to the extent applicable within the time periods required by the SEC s rules and forms. As a result of its acquisitions, HBI may be implementing changes to processes, information technology systems and other components of internal control over financial reporting as part of its integration activities. Notwithstanding any changes to its disclosure controls and procedures resulting from its evaluation of the same after the acquisition, its control systems, no matter how well designed and operated, may not result in the material information that HBI is required to disclose in its SEC reports being recorded, processed, summarized, and reported adequately. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within HBI has been detected.

HBI s failure to fully comply with the loss-sharing provisions relating to its FDIC acquisitions could jeopardize the loss-share coverage afforded to certain individual or pools of assets, rendering HBI financially responsible for the full amount of any losses related to such assets.

In connection with its FDIC acquisitions since 2010, HBI entered into loss-sharing agreements with the FDIC whereby the FDIC agreed to cover 70% or 80% of the losses on certain single family residential mortgage loans and certain commercial loans (together, covered assets), and 30%, 80% or 95% of the losses on such covered assets in excess of thresholds stated in the loss-sharing agreements. HBI s management of and application of the terms and conditions of the loss-sharing provisions of the Purchase and Assumption Agreements related to the covered assets is monitored by the FDIC through periodic reports that it must submit to the FDIC and on-site compliance visitations by the FDIC. If HBI fails to fully comply with its obligations under the loss-sharing provisions of the Purchase and Assumption Agreements relating to the acquisitions, HBI could lose the benefit of the loss-share coverage as it applies to certain individual or pools of covered assets. Without such loss-share coverage, HBI would be solely financially responsible for the losses sustained by such individual or pools of assets, which also would impair the related indemnification asset. HBI will obtain the consent of the FDIC so that the issuance of shares in the merger will not violate these loss-sharing provisions.

Competition from other financial institutions may adversely affect HBI s profitability.

The banking business is highly competitive. HBI experiences strong competition, not only from commercial banks, savings and loan associations and credit unions, but also from mortgage banking firms, consumer finance companies, securities brokerage firms, insurance companies, money market funds and other financial services providers operating in or near its market areas. HBI competes with these institutions both in attracting deposits and in making loans.

Many of HBI s competitors are much larger national and regional financial institutions. HBI may face a competitive disadvantage against them as a result of its smaller size and resources and its lack of geographic diversification. Many of HBI s competitors are not subject to the same degree of regulation that HBI is as an FDIC-insured institution, which gives them greater operating flexibility and reduces their expenses relative to HBI s.

HBI also competes against community banks that have strong local ties. These smaller institutions are likely to cater to the same small and mid-sized businesses that HBI targets and to use a relationship-based approach similar to HBI s. In addition, HBI s competitors may seek to gain market share by pricing below the current market rates for loans and paying higher rates for deposits. Competitive pressures can adversely affect HBI s results of operations and future prospects.

HBI may incur environmental liabilities with respect to properties to which it takes title.

A significant portion of HBI s loan portfolio is secured by real property. In the course of its business, HBI may own or foreclose and take title to real estate and could become subject to environmental liabilities with respect to these properties. HBI may become responsible to a governmental agency or third parties for property damage, personal injury, investigation and clean-up costs incurred by those parties in connection with environmental contamination, or may be required to investigate or clean-up hazardous or toxic substances, or chemical releases at a property. The costs associated with environmental investigation or remediation activities could be substantial. If HBI were to become subject to significant environmental liabilities, it could have a material adverse effect on HBI s results of operations and financial condition.

HBI continually encounters technological change, and it may have fewer resources than many of its competitors to continue to invest in technological improvements.

The financial services industry is undergoing rapid technological changes, with frequent introductions of new technology-driven products and services. In addition to better serving customers, effective use of technology increases efficiency and enables financial institutions to reduce costs. HBI s future success will depend, in part, upon its ability to address the needs of its customers by using technology to provide products and services that will satisfy customer demands for convenience, as well as to create additional efficiencies in its operations. Many of HBI s competitors have substantially greater resources to invest in technological improvements. HBI may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to its clients, which may adversely affect its results of operations and future prospects.

As a service to its customers, Centennial Bank currently offers Internet banking. Use of this service involves the transmission of confidential information over public networks. HBI cannot be sure that advances in computer capabilities, new discoveries in the field of cryptography or other developments will not result in a compromise or breach in the commercially available encryption and authentication technology that it uses to protect its customers transaction data. If HBI were to experience such a breach or compromise, it could suffer losses and its operations could be adversely affected.

HBI s recent results do not indicate its future results and may not provide guidance to assess the risk of an investment in our common stock.

HBI is unlikely to sustain its historical rate of growth, and may not even be able to expand its business at all. Further, HBI s recent growth may distort some of its historical financial ratios and statistics. Various factors, such as economic conditions, regulatory and legislative considerations and competition, may also impede or prohibit HBI s ability to expand its market presence. If HBI is not able to successfully grow its business, HBI s financial condition and results of operations could be adversely affected.

HBI may not be able to raise the additional capital it needs to grow and, as a result, its ability to expand its operations could be materially impaired.

Federal and state regulatory authorities require HBI and its bank subsidiary to maintain adequate levels of capital to support its operations. While HBI believes that its existing capital (which well exceeds the federal and state capital requirements) will be sufficient to support its current operations, anticipated expansion and potential acquisitions, factors such as faster than anticipated growth, reduced earnings levels, operating losses, changes in economic conditions, revisions in regulatory requirements, or additional acquisition opportunities may lead HBI to seek additional capital.

HBI s ability to raise additional capital, if needed, will depend on its financial performance and on conditions in the capital markets at that time, which are outside its control. If HBI needs additional capital but cannot raise it on terms acceptable to it, HBI s ability to expand its operations could be materially impaired.

HBI s directors and executive officers own a significant portion of its common stock and can exert significant influence over business and corporate affairs.

HBI s directors and executive officers, as a group, beneficially owned 21.0% of its common stock as of December 31, 2012. Consequently, if they vote their shares in concert, they can significantly influence the

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outcome of all matters submitted to HBI s shareholders for approval, including the election of directors. The interests of its officers and directors may conflict with the interests of other holders of HBI s common stock, and they may take actions affecting HBI with which you disagree.

Hurricanes or other adverse weather events could negatively affect HBI s local economies or disrupt its operations, which would have an adverse effect on it.

Like other coastal areas, HBI s markets in Alabama and Florida are susceptible to hurricanes and tropical storms. Such weather events can disrupt HBI s operations, result in damage to its properties and negatively affect the local economies in which it operates. HBI cannot predict whether or to what extent damage that may be caused by future hurricanes or other weather events will affect its operations or the economies in its market areas, but such weather events could result in a decline in loan originations, a decline in the value or destruction of properties securing its loans and an increase in the delinquencies, foreclosures and loan losses. HBI s business or results of operations may be adversely affected by these and other negative effects of hurricanes or other significant weather events.

Risk Factors Related to Owning HBI s Stock

The holders of HBI s subordinated debentures have rights that are senior to those of HBI s shareholders. If HBI defers payments of interest on its outstanding subordinated debentures or if certain defaults relating to those debentures occur, HBI will be prohibited from declaring or paying dividends or distributions on, and from making liquidation payments with respect to, its common stock.

As of December 31, 2012, HBI has $28.9 million of subordinated debentures issued in connection with trust preferred securities. Payments of the principal and interest on the trust preferred securities are unconditionally guaranteed by HBI. The subordinated debentures are senior to HBI s shares of common stock. As a result, HBI must make payments on the subordinated debentures (and the related trust preferred securities) before any dividends can be paid on its common stock and, in the event of bankruptcy, dissolution or liquidation, the holders of the debentures must be satisfied before any distributions can be made to the holders of HBI s common stock. HBI has the right to defer distributions on the subordinated debentures (and the related trust preferred securities) for up to five years, during which time no dividends may be paid to holders of its capital stock. If HBI elects to defer or if HBI defaults with respect to its obligations to make payments on these subordinated debentures, this would likely have a material adverse effect on the market value of its common stock. Moreover, without notice to or consent from the holders of its common stock, HBI may issue additional series of subordinated debt securities in the future with terms similar to those of its existing subordinated debt securities or enter into other financing agreements that limit its ability to purchase or to pay dividends or distributions on its capital stock, including its common stock.

HBI may be unable to, or choose not to, pay dividends on its common stock.

Although HBI has paid a quarterly dividend on its common stock since the second quarter of 2003 and expects to continue this practice, HBI cannot assure you of its ability to continue. HBI s ability to pay dividends depends on the following factors, among others:

- HBI may not have sufficient earnings since its primary source of income, the payment of dividends to it by Centennial Bank, is subject to federal and state laws that limit the ability of that bank to pay dividends.

- Federal Reserve Board policy requires bank holding companies to pay cash dividends on common stock only out of net income available over the past year and only if prospective earnings retention is consistent with the organization s expected future needs and financial condition.

- Before dividends may be paid on HBI s common stock in any year, payments must be made on its subordinated debentures.

- HBI s board of directors may determine that, even though funds are available for dividend payments, retaining the funds for internal uses, such as expansion of its operations, is a better strategy.

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If HBI fails to pay dividends, capital appreciation, if any, of its common stock may be the sole opportunity for gains on an investment in its common stock. In addition, in the event Centennial Bank becomes unable to pay dividends to it, HBI may not be able to service its debt, pay its other obligations or pay dividends on its common stock. Accordingly, HBI s inability to receive dividends from its bank subsidiary could also have a material adverse effect on its business, financial condition and results of operations and the value of your investment in HBI s common stock.

HBI s stock trading volume may not provide adequate liquidity for investors.

Although shares of HBI s common stock is listed for trade on The NASDAQ Global Select Market, the average daily trading volume in the common stock is less than that of other larger financial services companies. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of a sufficient number of willing buyers and sellers of the common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which HBI has no control. Given the daily average trading volume of HBI s common stock, significant sales of the common stock in a brief period of time, or the expectation of these sales, could cause a decline in the price of its common stock.

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SELECTED CONSOLIDATED FINANCIAL DATA OF HBI

Set forth below are highlights from HBI s consolidated financial data as of and for the three and six months ended June 30, 2013 and 2012 and for the years ended December 31, 2008 through December 31, 2012. The results of operations for the three and six months ended June 30, 2013 and June 30, 2012 are not necessarily indicative of the results of operations for full year or any other interim period. HBI management prepared the unaudited information on the same basis as it prepared HBI s audited consolidation financial statements. In the opinion of HBI management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with HBI s consolidated financial statements and related notes included in HBI s Annual Report on Form10-K for the year ended December 31, 2012 and its Quarterly Report on Form 10-Q for the three and six months ended June 30, 2013, each of which is incorporated by reference in this document and from which this information is derived. See Where You Can Find More Information on page i.

Selected Consolidated Financial Data

	As of or for the Three Months Ended June 30,		As of or for the Six Months Ended June 30,		As of or for the Years Ended December 31,				
	2013	2012	2013	2012	2012	2011	2010	2009	2008
	(Unaudited)								
	(Dollars and shares in thousands, except per share data(a))								
Income statement data:									
Total interest income	$ 48,085	$ 45,089	$ 96,233	$ 88,077	$ 177,135	$ 171,806	$ 151,122	$ 132,253	$ 145,718
Total interest expense	3,244	5,930	7,043	12,384	21,535	30,551	34,708	39,943	59,666
Net interest income	44,841	39,159	89,190	75,693	155,600	141,255	116,414	92,310	86,052
Provision for loan losses	850	1,333	850	1,333	2,750	3,500	72,850	11,150	27,016
Net interest income after provision for loan losses	43,991	37,826	88,340	74,360	152,850	137,755	43,564	81,160	59,036
Non-interest income	9,805	11,053	18,830	21,156	47,969	41,309	65,049	30,659	22,615
Gain on sale of equity investment									6,102
Non-interest expense	25,855	24,424	51,718	48,810	102,368	94,722	85,001	72,883	75,717
Income before income taxes	27,941	24,455	55,452	46,706	98,451	84,342	23,612	38,936	12,036
Income tax expense	10,282	8,965	20,245	16,718	35,429	29,601	6,021	12,130	1,920
Net income	17,659	15,490	35,207	29,988	63,022	54,741	17,591	26,806	10,116
Preferred stock dividends and accretion of discount on preferred stock						1,828	2,680	2,576	
Net income available to common stockholders	$ 17,659	$ 15,490	$ 35,207	$ 29,988	$ 63,022	$ 52,913	$ 14,911	$ 24,230	$ 10,116
Common share and per common share data (a):									
Basic earnings per common share	$ 0.32	$ 0.28	$ 0.63	$ 0.53	$ 1.12	$ 0.93	$ 0.26	$ 0.51	$ 0.23
Diluted earnings per common share	0.31	0.27	0.62	0.53	1.11	0.92	0.26	0.51	0.23
Diluted earnings per common share excluding intangible amortization (1)	0.32	0.28	0.64	0.54	1.14	0.95	0.29	0.53	0.25
Book value per common share	9.49	8.82	9.49	8.82	9.17	8.39	7.51	7.36	6.48
Tangible book value per common share (2) (5)	7.78	7.26	7.78	7.26	7.43	7.18	6.26	6.33	5.18

Dividends common	0.0750	0.0500	0.1400	0.1000	0.2900	0.1340	0.1083	0.1091	0.1009
Average common shares outstanding	56,234	56,190	56,228	56,325	56,274	56,832	56,722	47,254	43,596
Average diluted shares outstanding	56,577	56,566	56,555	56,691	56,630	57,224	57,200	47,768	44,688

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Selected Consolidated Financial Data Continued

	As of or for the Three Months Ended June 30, 2013	2012	As of or for the Six Months Ended June 30, 2013	2012	As of or for the Years Ended December 31, 2012	2011	2010	2009	2008
		(Unaudited)							
	(Dollars and shares in thousands, except per share data(a))								
Performance ratios:									
Return on average assets	1.71%	1.53%	1.70%	1.53%	1.58%	1.50%	0.55%	1.03%	0.39%
Return on average assets excluding intangible amortization (6)	1.80	1.61	1.79	1.60	1.66	1.57	0.61	1.10	0.44
Return on average common equity	13.27	12.80	13.47	12.51	12.75	11.77	3.41	7.45	3.51
Return on average tangible common equity excluding intangible amortization (2) (7)	16.65	16.05	16.97	15.54	15.87	14.39	4.40	9.49	4.88
Net interest margin (9)	5.18	4.65	5.16	4.65	4.70	4.69	4.27	4.09	3.82
Efficiency ratio (3)	44.98	46.22	45.50	47.92	47.88	49.13	44.41	55.98	62.68
Asset quality:									
Non-performing non-covered assets to total non-covered assets	1.26%	1.19%	1.26%	1.19%	1.30%	1.53%	2.08%	2.12%	1.42%
Non-performing non-covered loans to total non-covered loans	1.25	1.28	1.25	1.28	1.17	1.56	2.62	2.05	1.53
Allowance for loan losses for non-covered loans to non-performing non-covered loans	138.16	190.72	138.16	190.72	165.62	189.64	107.77	107.57	135.08
Allowance for loans losses for non-covered loans to total non-covered loans	1.73	2.45	1.73	2.45	1.94	2.96	2.83	2.20	2.06
Net charge-offs on loans not covered by loss share to average non-covered loans	0.44	0.23	0.47	0.23	0.40	0.26	3.19	0.43	1.01
Balance sheet data:									
Total assets	$ 4,091,337	$ 4,056,405	$ 4,091,337	$ 4,056,405	$ 4,242,130	$ 3,604,117	$ 3,762,646	$ 2,684,865	$ 2,580,093
Investment securities available-for-sale	736,406	712,820	736,406	712,820	726,223	671,221	469,864	322,115	355,244
Loans receivable not covered by loss share	2,339,242	2,035,487	2,339,242	2,035,487	2,331,199	1,760,086	1,892,374	1,950,285	1,956,232
Loans receivable covered by FDIC loss share	329,802	432,422	329,802	432,422	384,884	481,739	575,776		
Allowance for loan losses	41,450	56,511	41,450	56,511	50,632	52,129	53,348	42,968	40,385
Intangible assets	96,138	87,576	96,138	87,576	97,742	68,283	71,110	57,737	56,585
Non-interest-bearing deposits	733,374	597,374	733,374	597,374	666,414	464,581	392,622	302,228	249,349
Total deposits	3,325,235	3,293,529	3,325,235	3,293,529	3,483,452	2,858,031	2,961,798	1,835,423	1,847,908
Subordinated debentures (trust preferred securities)	3,093	44,331	3,093	44,331	28,867	44,331	44,331	47,484	47,575
Stockholders equity	533,510	495,435	533,510	495,435	515,473	474,066	476,925	464,973	283,044

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Selected Consolidated Financial Data Continued

	As of or for the Three Months Ended June 30,		As of or for the Six Months Ended June 30,		As of or for the Years Ended December 31,				
	2013	2012	2013	2012	2012	2011	2010	2009	2008
	(Unaudited)								
	(Dollars and shares in thousands, except per share data(a))								
Capital ratios:									
Common equity to assets	13.04%	12.21%	13.04%	12.21%	12.15%	13.15%	11.4%	15.48%	10.97%
Tangible common equity to tangible assets (2) (8)	10.95	10.28	10.95	10.28	10.08	11.48	9.65	13.63	8.97
Tier 1 leverage ratio (4)	10.78	11.08	10.78	11.08	10.95	12.48	12.15	17.42	10.87
Tier 1 risk-based capital ratio	14.04	15.78	14.04	15.78	13.94	17.04	16.69	20.76	12.70
Total risk-based capital ratio	15.29	17.04	15.29	17.04	15.20	18.30	17.95	22.02	13.95
Dividend payout common	23.88	18.14	22.36	18.81	26.15	13.90	35.01	19.11	43.53

(a) All per share amounts have been restated to reflect the effect of the 2-for-1 stock split during June 2013.

(1) Diluted earnings per share excluding intangible amortization reflect diluted earnings per share plus per share intangible amortization expense, net of the corresponding tax effect. See the incorporated by reference Form 10-Q for June 30, 2013 and Form 10-K for December 31, 2012 in the Management s Discussion and Analysis of Financial Condition and Results of Operations Table 17 and Table 23, respectively, for the non-GAAP tabular reconciliation.

(2) Tangible calculations eliminate the effect of goodwill and acquisition-related intangible assets and the corresponding amortization expense on a tax-effected basis.

(3) The efficiency ratio is calculated by dividing non-interest expense less amortization of core deposit intangibles by the sum of net interest income on a tax equivalent basis and non-interest income.

(4) Leverage ratio is Tier 1 capital to quarterly average total assets less intangible assets and gross unrealized gains/losses on available-for-sale investment securities.

(5) See the incorporated by reference Form 10-Q for June 30, 2013 and Form 10-K for December 31, 2012 in the Management s Discussion and Analysis of Financial Condition and Results of Operations Table 18 and Table 24, respectively, for the non-GAAP tabular reconciliation.

(6) See the incorporated by reference Form 10-Q for June 30, 2013 and Form 10-K for December 31, 2012 in the Management s Discussion and Analysis of Financial Condition and Results of Operations Table 19 and Table 25, respectively, for the non-GAAP tabular reconciliation.

(7) See the incorporated by reference Form 10-Q for June 30, 2013 and Form 10-K for December 31, 2012 in the Management s Discussion and Analysis of Financial Condition and Results of Operations Table 20 and Table 26, respectively, for the non-GAAP tabular reconciliation.

(8) See the incorporated by reference Form 10-Q for June 30, 2013 and Form 10-K for December 31, 2012 in the Management s Discussion and Analysis of Financial Condition and Results of Operations Table 21 and Table 27, respectively, for the non-GAAP tabular reconciliation.

(9) Fully taxable equivalent (assuming an income tax rate of 39.225%).

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SELECTED CONSOLIDATED FINANCIAL DATA OF LBI

Set forth below are highlights from LBI s consolidated financial data as of and for the three and six months ended June 30, 2013 and 2012 and for the years ended December 31, 2008 through December 31, 2012. The results of operations for the three and six months ended June 30, 2013 and June 30, 2012, are not necessarily indicative of the results of operations for the full year or any other interim period. LBI management prepared the unaudited information on the same basis as it prepared LBI s audited consolidated financial statements. In the opinion of LBI management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with LBI s audited consolidated financial statements for the year ended December 31, 2012 and LBI s unaudited consolidated financial statements for the three and six months ended June 30, 2013, which are included herein in this document and from which this information has been derived. See Where You Can Find More Information on page i.

Selected Consolidated Financial Data

	As of or for the Three Months Ended June 30,		As of or for the Six Months Ended June 30,		As of or for the Years Ended December 31,				
	2013	2012	2013	2012	2012	2011	2010	2009	2008
	(Unaudited)								
	(Dollars and shares in thousands, except as to per share data)								
Total interest income	$ 26,657	$ 28,248	$ 52,421	$ 56,831	$ 112,397	$ 111,908	$ 116,667	$ 123,277	$ 141,238
Total interest expense	3,734	5,289	7,640	11,184	20,654	25,569	32,340	52,167	75,596
Net interest income	22,923	22,959	44,781	45,647	91,743	86,339	84,327	71,110	65,642
Provision for loan losses	3,000	3,750	6,000	7,500	15,000	18,000	22,000	25,500	19,000
Net interest income after provision for loan losses	19,923	19,209	38,781	38,147	76,743	68,339	62,327	45,610	46,642
Non-interest income	6,389	6,515	13,276	11,050	22,868	21,420	19,752	33,685	27,335
Non-interest expense	17,601	16,975	34,674	33,651	67,705	65,847	63,763	65,264	62,293
Income before income taxes	8,711	8,749	17,383	15,546	31,906	23,912	18,316	14,031	11,684
Provision for income taxes	3,063	3,060	6,102	5,322	11,015	7,893	5,597	4,109	3,676
Net income	5,648	5,689	11,281	10,224	20,891	16,019	12,719	9,922	8,008
Preferred stock dividends	656	656	1,251	1,312	2,625	5,129	3,661	3,191	0
Net income available for common shareholders	$ 4,992	$ 5,033	$ 10,030	$ 8,912	$ 18,266	$ 10,890	$ 9,058	$ 6,731	$ 8,008
Per Share Data:									
Net income, basic	$ 4.25	$ 4.29	$ 8.55	$ 7.60	$ 15.58	$ 9.32	$ 7.78	$ 5.78	$ 6.88
Net income, diluted	4.24	4.27	8.54	7.58	15.52	9.19	7.58	5.62	6.70
Dividends declared				2.00	6.25	2.00			
Book value	224.18	217.01	224.18	217.01	220.23	212.66	204.78	195.87	191.75
Tangible book value	147.36	139.33	147.36	139.33	142.89	134.32	125.22	115.59	110.76
Financial Condition Data (as of end of the period):									
Assets	$ 2,856,520	$ 2,794,050	$ 2,856,520	$ 2,794,050	$ 2,831,155	$ 2,811,230	$ 2,542,245	$ 2,550,440	$ 2,617,677
Loans, net	1,863,431	1,812,971	1,863,431	1,812,971	1,809,573	1,748,616	1,577,377	1,668,238	1,803,366
Cash and cash equivalents	49,162	41,964	49,162	41,964	56,653	135,695	74,146	58,773	80,315
Investment securities	685,733	682,081	685,733	682,081	701,255	674,208	630,437	559,065	485,722
Deposits	2,192,357	2,140,133	2,192,357	2,140,133	2,177,674	2,158,634	1,912,839	1,872,528	1,955,633
Short-term borrowings	77,623	94,060	77,623	94,060	85,703	71,393	73,969	61,965	65,009
Long-term debt	258,803	243,779	258,803	243,779	243,327	269,326	252,261	320,937	364,524
Shareholders equity	315,898	307,185	315,898	307,185	310,766	301,204	296,768	286,078	223,491

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	As of or for the Three Months Ended June 30,		As of or for the Six Months Ended June 30,		As of or for the Years Ended December 31,				
	2013	2012	2013	2012	2012	2011	2010	2009	2008
	(Unaudited)								
	(Dollars and shares in thousands, except as to per share data)								
Selected Ratios:									
Interest rate spread FTE*	3.50%	3.59%	3.46%	3.54%	3.55%	3.52%	3.58%	3.06%	3.00%
Net yield on interest-earning assets FTE*	3.57	3.69	3.53	3.65	3.65	3.64	3.73	3.10	2.97
Return on average assets	0.79	0.82	0.80	0.74	0.75	0.60	0.50	0.38	0.32
Return on average equity	8.57	9.08	8.66	8.21	6.79	5.34	4.32	3.47	3.61
Average equity to average assets	11.04	10.92	11.04	10.86	10.98	11.30	11.56	11.01	8.83
Dividend payout ratio				26.24	40.12	21.46			
Ratio of nonperforming assets to total assets	1.86	2.05	1.86	2.05	1.53	2.46	2.13	2.17	1.15
Ratio of allowance for loan losses to nonperforming assets	67.89	61.91	67.89	61.91	77.34	49.56	48.64	54.56	92.14
Ratio of allowance for loan losses to total loans	1.90	1.92	1.90	1.92	1.82	1.92	1.64	1.78	1.51

* FTE means Fully Tax Equivalent (tax-exempt interest earnings are adjusted as if interest earnings are taxable assuming an income tax rate of 39.225%)

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UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma combined consolidated financial information and explanatory notes present how the combined financial statements of HBI and LBI may have appeared had the businesses actually been combined. The unaudited pro forma combined consolidated financial information shows the impact of the merger of HBI and LBI on the companies respective historical financial positions and results of operations under the acquisition method of accounting with HBI treated as the acquirer. Under this method of accounting, the assets and liabilities of LBI will be recorded by HBI at their estimated fair values as of the date the merger is completed. The unaudited pro forma combined consolidated balance sheet gives effect to the merger as if the transaction had occurred on June 30, 2013. The unaudited pro forma combined consolidated statements of income for the six months ended June 30, 2013 and for the year ended December 31, 2012 give effect to the merger as if these transactions had been completed on January 1, 2012. The unaudited pro forma combined selected financial data is derived from such balance sheets and statements of income.

LBI has outstanding $52,500,000 of Series C cumulative perpetual preferred stock (52,500 shares) issued to the United States Treasury pursuant to the Small Business Lending Fund (SBLF). The dividend rate paid on the preferred stock is presently 5%. HBI intends to redeem the SBLF preferred shares at or soon after the completion of the merger. As a result, the unaudited pro forma combined consolidated balance sheet gives effect to this payoff as if it had been completed on June 30, 2013. The unaudited pro forma combined consolidated statements of income for the six months ended June 30, 2013 and for the year ended December 31, 2012 give effect to this payoff as if it had been completed on January 1, 2012.

HBI s operating results for the period ended December 31, 2012, include the operating results of the acquired assets and assumed liabilities subsequent to the acquisition dates for HBI s 2012 acquisition of Vision Bank, Heritage Bank of Florida and Premier Bank. HBI did not include the historical results for these acquisitions for the period prior to the acquisition dates. HBI did not include the historical results in the proforma because it did not obtain any non-performing assets and certain performing loans for Vision Bank, it did not obtain any non-performing assets for Heritage Bank which was acquired as an FDIC-assisted transaction and Premier was acquired under bankruptcy proceedings. Also, significant fair value adjustments were recorded on each of these acquisitions. As a result, HBI believes the historical information for these acquired assets and assumed liabilities are not relevant and would be misleading to the proforma data presented for 2012.

According to the terms of the Merger Agreement which was announced on June 25, 2013, the LBI shareholders will receive $250 million of HBI common stock plus $30 million in cash.

The unaudited pro forma combined consolidated financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of both HBI and LBI which are included in or incorporated by reference in this proxy statement/prospectus as of and for the periods indicated. See Where You Can Find More Information on page i.

The unaudited pro forma condensed consolidated financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined at the beginning of the period presented and had the impact of possible revenue enhancements and expense efficiencies, among other factors, been considered and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during this period. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma combined consolidated financial information, the preliminary determination of fair values of LBI s assets acquired and liabilities assumed reflected in the unaudited pro forma combined consolidated financial information are subject to adjustment and may vary from the actual fair values assigned that will be recorded upon completion of the merger. Subsequent to the completion of the merger, HBI will finalize its determination of the fair values of the acquired assets and assumed liabilities which could significantly change both the amount and the composition of these estimated purchase accounting adjustments.

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Unaudited Pro Forma Combined Consolidated Balance Sheet

As of June 30, 2013

(In thousands)	Home BancShares, Inc.	Liberty Bancshares, Inc.	Pro Forma Adjustments	Pro Forma Combined
ASSETS				
Cash and due from banks	$ 75,148	$ 34,993	$ (30,000)(a)	$ 80,141
Interest-bearing deposits with other banks	97,576	14,169	(52,500)(b)	59,245
Cash and cash equivalents	172,724	49,162	(82,500)	139,386
Federal funds sold	2,475			2,475
Investment securities held to maturity		290,988	(290,988)(c)	
Investment securities available for sale	736,406	394,745	290,988(c)	1,416,911
			(5,228)(c)	
Loans receivable not covered by loss share	2,339,242	1,899,540	(107,376)(d)	4,131,406
Loans receivable covered by FDIC loss share	329,802			329,802
Allowance for loan losses	(41,450)	(36,109)	36,109(e)	(41,450)
Loans receivable, net	2,627,594	1,863,431	(71,267)	4,419,758
Bank premises and equipment, net	119,737	83,888		203,625
Foreclosed assets held for sale not covered by loss share	15,985	26,545	(9,596)(f)	32,934
Foreclosed assets held for sale covered by FDIC loss share	27,073			27,073
FDIC indemnification asset	116,071			116,071
Cash value of life insurance	59,401	3,639		63,040
Accrued interest receivable	14,424	9,817		24,241
Deferred tax asset, net	46,655	17,979	37,949(g)	102,583
Goodwill	85,681	88,499	75,400(h)	249,580
Core deposit and other intangibles	10,457	1,760	11,249(i)	23,466
Other assets	56,654	26,067		82,721
Total assets	$ 4,091,337	$ 2,856,520	$ (43,993)	$ 6,903,864
LIABILITIES AND STOCKHOLDERS EQUITY				
Liabilities				
Deposits:				
Demand and non-interest-bearing	$ 733,374	$ 228,454	$ (j)	$ 961,828
Savings and interest-bearing transaction accounts	1,735,280	1,021,657	(j)	2,756,937
Time deposits	856,581	942,246	(1,383)(j)	1,797,444
Total deposits	3,325,235	2,192,357	(1,383)	5,516,209
Federal funds purchased				
Securities sold under agreements to repurchase	73,461	77,623		151,084
FHLB borrowed funds	130,251	201,070	5,788(k)	337,109
Accrued interest payable and other liabilities	25,787	11,839	17,500(l)	55,126
Subordinated debentures	3,093	57,733		60,826
Total liabilities	3,557,827	2,540,622	21,905	6,120,354
Stockholders equity				
Preferred stock		52,500	(52,500)(b)	
Common stock	562	12	10(a)	572

			(12)(m)	
Capital surplus	416,795	167,089	249,990(a)	666,785
			(167,089)(m)	
Retained earnings	114,172	108,212	(108,212)(m)	114,172
Accumulated other comprehensive income	1,981	(3,561)	3,561(m)	1,981
Less: Treasury stock		(8,354)	8,354(m)	
Total stockholders equity	533,510	315,898	(65,898)	783,510
Total liabilities and stockholders equity	$ 4,091,337	$ 2,856,520	$ (43,993)	$ 6,903,864

(See accompanying notes to Unaudited Pro Forma Combined Consolidated Financial Statements)

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Unaudited Pro Forma Combined Consolidated Income Statement

For the Six Months Ended June 30, 2013

(In thousands)	Home BancShares, Inc.	Liberty Bancshares, Inc.	Pro Forma Adjustments	Pro Forma Combined
Interest income				
Loans	$ 88,195	$ 46,441	$ 7,943(n)	$ 142,579
Investment securities				
Taxable	4,893	4,228		9,121
Tax-exempt	2,948	1,476		4,424
Deposits other banks	184	17	(66)(o)	135
Federal funds sold	13	11		24
Other		248	(248)(p)	
Total interest income	96,233	52,421	7,629	156,283
Interest expense				
Interest on deposits	4,614	4,709	277(q)	9,600
Federal funds purchased		1		1
FHLB borrowed funds	2,016	1,893	(965)(r)	2,944
Securities sold under agreements to repurchase	166	271		437
Subordinated debentures	247	766		1,013
Total interest expense	7,043	7,640	(688)	13,995
Net interest income	89,190	44,781	8,317	142,288
Provision for loan losses	850	6,000		6,850
Net interest income after provision for loan losses	88,340	38,781	8,317	135,438
Non-interest income				
Service charges on deposit accounts	7,797	4,590		12,387
Other service charges and fees	6,916	2,666		9,582
Mortgage lending income	2,991	1,927		4,918
Insurance commissions	1,123	1,491		2,614
Income from title services	245			245
Increase in cash value of life insurance	398	47		445
Dividends from FHLB, FRB, bankers bank & other	576		248(p)	824
Gain on acquisitions				
Gain on sale of SBA loans	56			56
Gain (loss) on sale of premises & equip, net	409			409
Gain (loss) on OREO, net	527	(828)		(301)
Gain (loss) on securities, net	111			111
FDIC indemnification accretion/amortization, net	(4,275)			(4,275)
Other income	1,956	3,383		5,339
Total non-interest income	18,830	13,276	248	32,354
Non-interest expense				
Salaries and employee benefits	25,909	18,810		44,719
Occupancy and equipment	7,488	5,453		12,941

Data processing expense	2,741	694		3,435
Other operating expenses	15,580	9,717	562(s)	25,859
Total non-interest expense	51,718	34,674	562	86,954
Income before income taxes	55,452	17,383	8,003	80,838
Income tax expense	20,245	6,102	3,139(t)	29,486
Net income	$ 35,207	$ 11,281	$ 4,864	$ 51,352
Preferred stock dividends		(1,251)	1,251(o)	
Net income available to common shareholders	$ 35,207	$ 10,030	$ 6,115	$ 51,352
Basic earnings per common share	$ 0.63	$ 8.55		$ 0.79
Diluted earnings per common share	$ 0.62	$ 8.54		$ 0.78

(See accompanying notes to Unaudited Pro Forma Combined Consolidated Financial Statements)

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Unaudited Pro Forma Consolidated Income Statement

For the Year Ended December 31, 2012

(In thousands)	Home BancShares, Inc.	Liberty Bancshares, Inc.	Pro Forma Adjustments	Pro Forma Combined
Interest income				
Loans	$ 159,359	$ 98,389	$ 15,886(n)	$ 273,634
Investment securities				
Taxable	11,226	10,599		21,825
Tax-exempt	6,154	2,797		8,951
Deposits other banks	379	79	(131)(o)	327
Federal funds sold	17	26		43
Other		507	(507)(p)	
Total interest income	177,135	112,397	15,248	304,780
Interest expense				
Interest on deposits	14,989	13,597	553(q)	29,139
Federal funds purchased	1	8		9
FHLB borrowed funds	4,364	4,226	(1,929)(r)	6,661
Securities sold under agreements to repurchase	407	803		1,210
Subordinated debentures	1,774	2,020		3,794
Total interest expense	21,535	20,654	(1,376)	40,813
Net interest income	155,600	91,743	16,624	263,967
Provision for loan losses	2,750	15,000		17,750
Net interest income after provision for loan losses	152,850	76,743	16,624	246,217
Non-interest income				
Service charges on deposit accounts	15,069	9,822		24,891
Other service charges and fees	12,428	4,875		17,303
Mortgage lending income	5,192	4,271		9,463
Insurance commissions	1,869	2,786		4,655
Income from title services	462			462
Increase in cash value of life insurance	873	104		977
Dividends from FHLB, FRB, bankers bank & other	1,167		507(p)	1,674
Gain on acquisitions	5,205			5,205
Gain on sale of SBA loans	404			404
Gain (loss) on sale of premises & equip, net	324	1,051		1,375
Gain (loss) on OREO, net	(49)	(6,277)		(6,326)
Gain (loss) on securities, net	9	158		167
FDIC indemnification accretion/amortization, net	1,721			1,721
Other income	3,295	6,078		9,373
Total non-interest income	47,969	22,868	507	71,344
Non-interest expense				
Salaries and employee benefits	47,289	35,829		83,118
Occupancy and equipment	14,500	11,330		25,830

Data processing expense	4,930	1,259		6,189
Other operating expenses	35,649	19,287	1,125(s)	56,061
Total non-interest expense	102,368	67,705	1,125	171,198
Income before income taxes	98,451	31,906	16,006	146,363
Income tax expense	35,429	11,015	6,278(t)	52,722
Net income	63,022	20,891	9,728	93,641
Preferred stock dividends		(2,625)	2,625(o)	
Net income available to common shareholders	$ 63,022	$ 18,266	$ 12,353	$ 93,641
Basic earnings per common share	$ 1.12	$ 15.58		$ 1.43
Diluted earnings per common share	$ 1.11	$ 15.52		$ 1.42

Note: Per share amounts have been restated to reflect the Company s 2 for 1 stock split in June 2013.

(See accompanying notes to Unaudited Pro Forma Combined Consolidated Financial Statements)

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Notes to Unaudited Pro Forma Combined Consolidated Financial Statements

As of and for the Six Months Ended June 30, 2013

and for the Year Ended December 31, 2012

(a) This represents the estimated merger consideration of $280.0 million, consisting of $250.0 million in common stock of HBI and $30.0 million in cash. The following unaudited pro forma information assumes an average closing price of the HBI s common stock of $27.25 per share. Accordingly, applying this assumption, each LBI common stock will be converted into the right to receive HBI common stock plus cash in lieu of fractional shares, resulting in an aggregate of approximately 9,174,312 shares ($250.0 million/$27.25).

(b) This assumes HBI pays off the LBI SBLF preferred stock at merger date.

(c) This represents the recording of the mark-to-market adjustment on LBI s held-to-maturity investment portfolio and the reclassification of LBI s held-to-maturity portfolio to HBI s available-for-sale portfolio.

(d) This adjustment represents HBI s estimate of the necessary write down of LBI s loan portfolio to estimated fair value.

(e) This adjustment represents the elimination of LBI s allowance for loan losses as part of the purchase accounting adjustments.

(f) This adjustment represents HBI s estimate of the necessary write down of LBI s foreclosed assets to estimated fair value.

(g) This adjustment is for the current and deferred income tax assets and liabilities recorded to reflect the differences in the carrying values of the acquired assets and assumed liabilities for financial reporting purposes and the cost basis for federal income tax purposes, at HBI s statutory federal and state income tax rate of 39.225%.

(h) The consideration paid for LBI exceeded the fair value of the assets received; therefore HBI projects it will record $75.4 million of goodwill as follows (in thousands):

Total purchase price	$ 280,000
Less: LBI common equity at book value	(263,398)
Elimination of allowance for loan losses	(36,109)
Deferred taxes	(37,949)
Transaction costs including change in controls agreements	17,500
Allocated to:	
Investment securities	5,228
Loans receivable	107,376
Foreclosed assets	9,596
Core deposit intangible	(11,249)
Time deposits	(1,383)
FHLB borrowed funds	5,788
Goodwill	$ 75,400

(i) This intangible asset represents the value of the relationships LBI had with its deposit customers. The fair value of this intangible asset was estimated based on a discounted cash flow methodology that gave appropriate consideration to expected customer attrition rates, cost of the deposit base, and the net maintenance cost attributable to customer deposits.

(j) The fair values used for the demand and savings deposits that comprise the transaction accounts acquired, by definition equal the amount payable on demand at the acquisition date. The fair value adjustment applied for time deposits is because the estimated weighted average interest rate of LBI s certificates of deposits were estimated to be slightly below the current market rates.

(k) The fair value of FHLB borrowed funds is estimated based on borrowing rates currently available to HBI for borrowings with similar terms and maturities.

(l) This represents the accrual of certain costs including change in control agreements which are expected to be incurred in connection with the merger.

(m) This adjustment represents the elimination of the historical equity of LBI as part of the purchase price adjustment.

(n) Upon the completion of the merger, HBI will evaluate the acquired loan portfolio to finalize the necessary credit and interest rate fair value adjustments. Subsequently, the interest rate portion of the fair value adjustment will be accreted into earnings as an adjustment to the yield of such acquired loans. This adjustment represents HBI s best estimate of the expected accretion that would have been recorded in 2012 and in the first six months of 2013 assuming the merger closed on January 1, 2012.

(o) This adjustment represents the estimated amount of interest income, using the Federal Funds rate 0.25%, that would have been foregone to fund the payoff of the LBI SBLF preferred stock and the corresponding reduction of preferred dividends in 2012 and the first six months of 2013 assuming the closing of the transaction and SBLF payoff occurred on January 1, 2012.

(p) This represents the reclassifying of LBI s dividend income from interest income to non-interest income.

(q) Upon the completion of the merger, HBI will evaluate the acquired time deposits to finalize the necessary fair value adjustment to reflect current interest rates for comparable deposits. Currently, HBI believes the interest rates of LBI s certificates of deposits were slightly below the current market rates. This fair value adjustment will be amortized into interest expense as an adjustment of the cost of such time deposits. This adjustment represents HBI s best estimate of the expected amortization that would have been recorded in 2012 and in the first six months of 2013 assuming the merger closed on January 1, 2012.

(r) This adjustment represents the estimated amount of accretion on Federal Home Loan Bank advances that would have been recorded as a reduction of interest expense in 2012 and the first six months of 2013 assuming the transaction closed on January 1, 2012.

(s) This represents the expected amortization during 2012 and the first six months of 2013 of the core deposit intangible asset expected to be acquired in the merger, assuming the transaction closed on January 1, 2012. The estimated useful life of this intangible asset is estimated to be ten years.

(t) This represents income tax expense on the pro forma adjustments at HBI s statutory federal and state income tax rate of 39.225%.

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COMPARATIVE PER-SHARE DATA OF HBI AND LBI (UNAUDITED)

The following table sets forth for HBI common stock and LBI common stock certain historical, pro forma and pro forma equivalent per-share financial information. The pro forma and pro forma equivalent per-share information gives effect to the merger as if the transaction had been effective on the dates presented, in the case of book value data, and as if the transaction had been effective on January 1, 2012 in the case of the earnings and dividend data. The pro forma information in the table assumes that the merger is accounted for under the acquisition method of accounting. The information in the following table is based on the historical financial statements of each of LBI and HBI, and should be read together with the historical financial information that HBI has presented in prior filings with the SEC. With respect to HBI, see Where You Can Find More Information beginning on page i.

The pro forma financial information is not necessarily indicative of results that would have occurred had the merger been completed on the dates indicated or that may be obtained in the future.

	As of and for the Six Months Ended June 30, 2013	As of and for the Year Ended December 31, 2012
Earnings Per Common Share:		
Historical (1):		
HBI		
Basic	$ 0.63	$ 1.12
Diluted	0.62	1.11
LBI		
Basic	$ 8.55	$ 15.58
Diluted	8.54	15.52
Pro forma combined (2)		
Basic	$ 0.79	$ 1.38
Diluted	0.78	1.37
Dividends Declared Per Common Share:		
Historical (1):		
HBI	$ 0.140	$ 0.290
LBI		6.250
Book Value Per Common Share (at period end)		
Historical (1):		
HBI	$ 9.49	$ 9.17
LBI	224.18	220.23
Pro forma combined (2)	11.98	11.33

(1) All per-share amounts have been restated to reflect the 2-for-1 stock split during June 2013.

(2) Pro forma combined amounts are calculated by adding together the historical amounts reported by HBI and LBI, as adjusted for the estimated purchase accounting adjustments to be recorded in connection with the merger and an estimated 9,174,312 shares of HBI common stock to be issued in connection with the merger based on the terms of the Merger Agreement.

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MARKET PRICE AND DIVIDEND INFORMATION

HBI s common stock is currently listed on The NASDAQ Global Select Market under the symbol HOMB. LBI s common stock is not listed on an exchange or quoted on any automated services, and there is no established trading market for shares of LBI common stock. The following table sets forth, for all the periods indicated, cash dividends declared, and the high and low closing bid prices for HBI s common stock, as adjusted to reflect the two-for-one forward split of HBI s common stock on June 12, 2013.

	Price per Common Share		Quarterly Dividends per Common Share
	High	Low	
2013			
1st Quarter	$ 18.79	$ 16.71	$ 0.065
2012			
1st Quarter	$ 13.50	$ 12.36	$ 0.050
2nd Quarter	15.29	13.01	0.050
3rd Quarter	17.55	14.78	0.060
4th Quarter	17.71	16.04	0.130
2011			
1st Quarter	$ 11.49	$ 10.06	$ 0.027
2nd Quarter	12.22	10.95	0.027
3rd Quarter	12.50	10.14	0.040
4th Quarter	13.28	10.22	0.040

On December 14, 2012, LBI made a dividend payment in the amount of $2.25 per outstanding share of common stock. LBI previously made dividend payments of $2.00 per outstanding share of common stock each on August 1, 2012, February 1, 2012, and August 1, 2011. LBI did not make any dividend payments before August 1, 2011.

HBI s policy is to declare regular quarterly dividends based upon its earnings, financial position, capital improvements and such other factors deemed relevant by its board of directors. The dividend policy is subject to change, however, and the payment of dividends is necessarily dependent upon the availability of earnings and future financial condition. In January 2009, HBI issued 50,000 shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series A, totaling $50.0 million to the United States Department of Treasury under the Capital Purchase Program of the Emergency Economic Stabilization Act of 2008. The agreement between HBI and the Treasury limited the payment of dividends on HBI common stock to a quarterly cash dividend of not more than $0.02725 per share without approval by the Treasury. This limitation was removed when HBI repurchased all 50,000 shares of its Series A Preferred Stock in July 2011.

As of September 26, 2013, there were 56,277,947 shares of HBI common stock issued and outstanding, which were held by approximately 749 shareholders of record. As of the record date for the LBI special meeting, there were 1,174,966 shares of LBI common stock outstanding, which were held by approximately 486 shareholders of record. Such numbers of shareholders do not reflect the number of individuals or institutional investors holding stock in nominee name through banks, brokerage firms and others.

On June 24, 2013, the business day immediately preceding the public announcement of the merger, the closing price of HBI s common stock as reported on The NASDAQ Global Select Market was $21.16 per share. On September 26, 2013, the last practicable trading day before the distribution of this joint proxy statement/prospectus, the closing price of HBI s common stock as reported on The NASDAQ Global Select Market was $29.97 per share.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this joint proxy statement/prospectus are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Forward-looking statements relate to future events or future financial performance and include statements about the competitiveness of the banking industry, potential regulatory obligations, and HBI s and LBI s other business strategies and other statements that are not historical facts. Forward-looking statements are not guarantees of performance or results. When words like may, plan, contemplate, anticipate, believe, intend, continue, expect, project, predict, estimate, and similar expressions are used, you should consider them as identifying forward-looking statements. These forward-looking statements involve risks and uncertainties and are based on beliefs and assumptions, and on the information available at the time that these disclosures were prepared. These forward-looking statements involve risks and uncertainties and may not be realized due to a variety of factors, including, but not limited to, the following:

1. the merger may not close when expected or at all because required regulatory, shareholder or other approvals and other conditions to closing are not received on a timely basis or at all;

2. HBI s stock price could change, before closing of the merger, due to, among other things, broader stock market movements and the performance of financial companies and peer group companies;

3. benefits from the merger may not be fully realized or may take longer to realize than expected, including as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations and their enforcement, and the degree of competition in the geographic and business areas in which LBI operates;

4. LBI s business may not be integrated into HBI s successfully, or such integration may take longer to accomplish than expected;

5. the anticipated growth opportunities and cost savings from the merger may not be fully realized or may take longer to realize than expected;

6. operating costs, customer losses and business disruption following the merger, including adverse developments in relationships with employees, may be greater than expected; and

7. management time and effort may be diverted to the resolution of merger-related issues.

All written or oral forward-looking statements attributable to HBI and LBI are expressly qualified in their entirety by this Cautionary Note. Actual results may differ significantly from those discussed in these forward-looking statements. For other factors, risks and uncertainties that could cause actual results to differ materially from estimates and projections contained in these forward-looking statements, see Risk Factors .

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THE MERGER

The following is a discussion of the merger and the material terms of the Merger Agreement between HBI and LBI. You are urged to read carefully the Merger Agreement in its entirety, a copy of which is attached as **Appendix A** to this joint proxy statement/prospectus and incorporated by reference herein. This summary may not contain all of the information about the Merger Agreement that is important to you. Factual information about HBI and LBI can be found elsewhere in this joint proxy statement/prospectus. Additional factual information about HBI can be found in the public filings HBI makes with the SEC, as described in the section entitled Where You Can Find More Information.

Terms of the Merger

***Transaction Structure*.** HBI s and LBI s boards of directors have each unanimously approved and adopted the Merger Agreement. The Merger Agreement provides for the acquisition of LBI by HBI through the merger of a direct wholly-owned subsidiary of HBI to be incorporated prior to the closing of the merger, with and into LBI, with LBI continuing as the surviving corporation. As soon as reasonably practicable following the merger and as part of a single integrated transaction, Liberty Bank of Arkansas will be merged with and into Centennial Bank, which is HBI s wholly owned community bank subsidiary, with Centennial Bank being the surviving corporation in that second-step merger.

Merger Consideration. In the merger, LBI shareholders will have the right, with respect to each of their shares of LBI common stock, to receive, subject to proration and adjustment as described below, a combination of cash and shares of HBI common stock. The total consideration payable to LBI shareholders consists of $30,000,000 in cash plus the number of shares of HBI common stock equal to $250,000,000 divided by the volume-weighted average closing price, rounded to the nearest hundredth of a cent, of HBI common stock on The NASDAQ Global Select Market reporting system (based on regular way trading) for the 20 trading days immediately prior to the effective time of the merger (the HBI Average Closing Price). Based on 1,174,966 outstanding shares of LBI common stock, which was the number outstanding on the day the Merger Agreement was signed, LBI shareholders will receive in exchange for each share of LBI common stock consideration valued at approximately $238.30, consisting of a combination of (i) cash in the amount of approximately $25.53 and (ii) shares of HBI common stock (the Per-Share Stock Consideration) valued at approximately $212.77.

The number of shares of HBI common stock comprising the Per-Share Stock Consideration will vary based on the HBI Average Closing Price. The following table illustrates, for a range of potentially applicable HBI Average Closing Prices, the number of shares of HBI common stock that would be exchanged for each share of LBI common stock, assuming that 1,174,966 shares of LBI common stock are outstanding immediately before the merger:

If the applicable HBI Average Closing Price is:	**Per-Share Stock Consideration* Each share of LBI common stock will exchange for shares of HBI common stock equal to:**
$17.115**	12.4319
$18.00	11.8207
$19.00	11.1985
$20.00	10.6386
$21.00	10.1320
$22.00	9.6715
$22.82**	9.3239
$23.00	9.2510
$24.00	8.8655
$25.00	8.5109
$26.00	8.1835
$27.00	7.8804
$28.00	7.5990
$28.525**	7.4591

* The computations in this table assume that 1,174,966 shares of LBI common stock will be outstanding immediately before the merger. The Per-Share Stock Consideration will be based on the actual HBI Average

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Closing Price, which will be computed at the time of the merger; the HBI Average Closing Prices shown on this table are for illustration only. Cash will be paid in lieu of issuing fractional shares of HBI common stock.

** On June 25, 2013, the date the Merger Agreement was signed, the closing price of a share of HBI common stock was $22.82. The Merger Agreement provides that if the HBI Average Closing Price is more than 25% below (*i.e.*, less than $17.115) the closing price on June 25, 2013, either HBI or LBI may terminate the Merger Agreement. The Merger Agreement, as amended, further provides that if the HBI Average Closing Price is more than 25% above (*i.e.*, greater than $28.525) the closing price on June 25, 2013, HBI will issue 8,764,242 ($250,000,000 divided by $28.525) shares instead of calculating the number of shares that otherwise would have been issuable.

Adjustments to Merger Consideration and Termination Right

The Merger Agreement, as amended by that certain Amendment dated July 31, 2013, provides that if the HBI Average Closing Price is equal to or greater than $28.525 (subject to adjustment in the event of a stock dividend, reclassification, recapitalization, split-up, combination, exchange of shares or similar transaction), the number of shares of HBI common stock to be issued to LBI shareholders in connection with the merger will be 8,764,242 shares. In addition, if the HBI Average Closing Price is less than $17.115 (subject to adjustment in the event of a stock dividend, reclassification, recapitalization, split-up, combination, exchange of shares or similar transaction), then either party has the option to terminate the Merger Agreement.

Letters of Transmittal

Immediately upon the completion of the merger, the exchange agent will send a letter of transmittal and instructions for surrendering certificates or book-entry shares in exchange for the merger consideration and/or any cash in lieu of fractional shares of HBI common stock (as described below) to each holder of record of certificates or book-entry shares which, immediately prior to the completion of the merger, represented shares of LBI common stock, whose shares were converted into the right to receive the merger consideration.

If a certificate for LBI common stock has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the Merger Agreement upon receipt of an affidavit as to that loss, theft or destruction and, if requested by the exchange agent, the posting of a bond to indemnify the exchange agent against any claim that may be made against it with respect to such certificate.

Cash in Lieu of Fractional Shares

No fractional shares of HBI common stock will be issued upon the surrender of certificates or book-entry shares of LBI common stock for exchange, and no dividend or distribution with respect to HBI common stock will be payable on or with respect to any fractional share, and such fractional share interests will not entitle the owner thereof to vote or to any other rights of a shareholder of HBI. In lieu of the issuance of any such fractional share, HBI will pay to each former shareholder of LBI who otherwise would be entitled to receive such fractional share an amount in cash (rounded to the nearest cent) determined by multiplying (i) the HBI Average Closing Price by (ii) the fraction of a share (after taking into account all shares of LBI common stock held by such holder at the effective time of the merger and rounded to the nearest thousandth when expressed in decimal form) of HBI common stock which such holder would otherwise be entitled to receive.

Dividends and Distributions

Until certificates or book-entry shares representing shares of LBI common stock are surrendered for exchange, any dividends or other distributions with a record date after the effective time of the merger with respect to HBI common stock into which such shares of LBI common stock may have been converted will not be paid. Following surrender of any such certificates or book-entry shares, the record holder thereof will be entitled to receive, without interest, any dividends or other distributions with a record date after the effective time of the merger payable with respect to the whole shares of HBI common stock represented by such certificates or book-entry shares and paid prior to the surrender date, and at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of HBI common stock represented by such certificates or book-entry shares with a record date after the effective time of the merger but before the surrender date and with a payment date after the issuance of HBI common stock issuable with respect to such certificates or book-entry shares.

After the effective time of the merger, there will be no transfers on the stock transfer books of LBI of any shares of LBI common stock, other than to settle transfers that occurred prior to the effective time of the merger. If certificates representing such shares are presented for transfer after the completion of the merger, they will be cancelled and exchanged for the merger consideration into which the shares represented by that certificate have been converted.

Dissenting Shares

Under applicable Arkansas law, the LBI shareholders are entitled to dissent from and obtain payment of the fair value of the shareholders shares in connection with the merger under Ark. Code Ann. §4-27-1301 *et seq.* The HBI shareholders are not entitled to any dissenter s rights. This joint proxy statement/prospectus is serving as the meeting notice to LBI shareholders and the following shall constitute notice of dissenter s rights pursuant to Ark. Code Ann. §4-27-1320:

TO THE SHAREHOLDERS OF LBI:

YOU ARE HEREBY NOTIFIED THAT YOU MAY BE ENTITLED TO ASSERT DISSENTER S RIGHTS PURSUANT TO ARK CODE ANN. §4-27-1301 *ET SEQ*., A COPY OF WHICH IS ATTACHED IN ITS ENTIRETY AS APPENDIX D TO THIS JOINT PROXY STATEMENT/PROSPECTUS.

Any LBI shareholder desiring to assert dissenter s rights (1) must deliver to LBI before the vote is taken written notice of the shareholder s intent to demand payment for the shares of LBI common stock if the merger is approved, and (2) must not vote in favor of the merger which may be accomplished by abstaining or voting against the merger. If the merger is approved by the LBI shareholders, LBI will deliver a written dissenter s notice to all shareholders who properly dissented describing how, when and to whom the LBI shareholder should send the payment demand. LBI will then pay to each dissenter who properly asserted dissenter s rights and perfected such right by submitting a payment demand the amount LBI estimates to be the fair value of the shares plus accrued interest.

This is not a complete statement of all applicable requirements and is qualified in its entirety by reference to Ark. Code Ann. §4-27-1301 *et seq.*, which is reproduced in its entirety as **Appendix D** to this joint proxy statement/prospectus.

Regulatory Approvals

Each of HBI and LBI has agreed to use its reasonable best efforts to obtain all regulatory approvals required to complete the merger and the other transactions contemplated by the Merger Agreement. These approvals include approval from the Federal Reserve Board and the Arkansas State Bank Department, among others. HBI and LBI have filed, or are in the process of filing, applications and notifications to obtain these regulatory approvals.

Federal Reserve Board. The transactions contemplated by the Merger Agreement are subject to approval by the Federal Reserve Board pursuant to the Bank Holding Company Act of 1956, as amended.

FDIC. The issuance of shares in connection with the merger will be subject to the FDIC s consent and agreement that it will not cause a default under HBI s loss sharing agreements with the FDIC.

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United States Department of the Treasury. Prior to the merger of Centennial Bank and Liberty Bank, the United States Department of the Treasury as the owner of the LBI Series C preferred stock must consent.

Arkansas State Bank Department. The transactions contemplated by the Merger Agreement are subject to approval by the Arkansas State Bank Department.

Additional Regulatory Approvals and Notices. The transactions contemplated by the Merger Agreement are also subject to approval by and notifications to various other regulatory agencies.

There can be no assurances that such approvals will be received on a timely basis, or as to the ability of HBI and LBI to obtain the approvals on satisfactory terms or the absence of litigation challenging such approvals. There can likewise be no assurances that U.S. or state regulatory authorities will not attempt to challenge the merger on antitrust grounds or for other reasons, or, if such a challenge is made, as to the result of such challenge. The parties obligations to complete the transactions contemplated by the Merger Agreement are subject to a number of conditions, including the receipt of all requisite regulatory approvals.

Accounting Treatment

HBI will account for the merger using the acquisition method of accounting. Under this accounting method, HBI would record the acquired identifiable assets and liabilities assumed at their fair market value at the time the merger is complete. Any excess of the cost of LBI over the sum of the fair values of tangible and identifiable intangible assets less liabilities assumed would be recorded as goodwill. Based on an assumed purchase price of $280,000,000 and utilizing information as of June 30, 2013, estimated additional goodwill and other intangibles for HBI would total approximately $166.1 million. HBI s reported income would include the operations of LBI after the merger. Financial statements of HBI after completion of the merger would reflect the impact of the acquisition of LBI. Financial statements of HBI issued before completion of the merger would not be restated retroactively to reflect LBI historical financial position or results of operation.

Public Trading Market

HBI common stock is listed on The NASDAQ Global Select Market under the symbol HOMB. The HBI common stock issuable in the merger will be listed on The NASDAQ Global Select Market.

Resale of HBI Common Stock

All shares of HBI common stock received by LBI shareholders in the merger will be freely tradable for purposes of the Securities Act of 1933, as amended (the Securities Act), and the Exchange Act, except for shares of HBI common stock received by any such holder who becomes an affiliate of HBI after completion of the merger. This joint proxy statement/prospectus does not cover resales of shares of HBI common stock received by any person upon completion of the merger, and no person is authorized to make any use of this joint proxy statement/prospectus in connection with any resale.

Background of the Merger

HBI and LBI have had a business relationship for many years. The chairmen of both organizations served together on the banking board of First Commercial Corporation until it was sold in 1998. Also, when Liberty Bank was established, HBI provided many of the backroom operations until Liberty Bank was able to establish its own operations. HBI and LBI were also co-owners, along with a third partner, in Russellville BancShares for a period of time. There have been merger and acquisition discussions on several occasions since Liberty Bank was formed.

DD&F Consulting (DD&F), a bank consulting firm located in Little Rock, Arkansas, has provided regulatory and financial advice to HBI on a number of acquisitions, including several FDIC-assisted transactions, since 2010. On April 25, 2013, HBI signed a consulting engagement letter with DD&F regarding the evaluation

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of a strategic combination or a potential merger of LBI and HBI. DD&F also entered into an identical agreement with LBI on May 2, 2013. The purpose of both of the consulting agreements with DD&F was for DD&F to assist both LBI and HBI in evaluating the relative values of both organizations, to help structure a transaction whereby both organizations would be combined or merged and to help negotiate acceptable consideration for both parties. Upon consummation of the merger, HBI and LBI will be liable to DD&F for hourly charges for its services rendered, plus a success transaction fee in the amount of $400,000 a piece for a total of $800,000.

On May 7, 2013, HBI signed a confidentiality agreement with LBI in order to review financial and other information about LBI. LBI then, in response to a due diligence request provided to LBI by HBI, provided financial and other data through a data room that could be accessed by HBI and its advisors. HBI began a comprehensive review of information relating to LBI.

On May 17, 2013, John Allison, the Chairman of HBI, met with senior management of LBI in Jonesboro, Arkansas to discuss terms for a possible merger. Subsequently, HBI presented to LBI a letter of intent. On May 21, 2013, HBI and LBI signed a non-binding letter of intent which described the general terms and conditions of the proposed merger.

On May 28, 2013, the HBI board of directors met to discuss the impact of the potential acquisition of LBI. Following the execution of the letter of intent, both parties engaged in mutual due diligence, and HBI with the assistance of legal counsel began negotiating the terms of a definitive agreement between HBI and LBI. HBI engaged Raymond James & Associates, Inc. (Raymond James), an investment banking consulting firm experienced in merger and acquisition transactions, to advise HBI as to the fairness of the consideration to be paid in connection with the acquisition.

A number of drafts of the Merger Agreements were exchanged. John Allison and Wallace Fowler, Chairman of LBI, talked directly on several occasions to negotiate specific terms of the Merger Agreement.

On June 21, 2013, the board of directors of HBI reviewed the proposed Merger Agreement and related documents in detail, discussed its legal obligations in connection with evaluating the Merger Agreement, received and discussed a presentation from Raymond James on LBI and HBI s offer. Following these discussions and deliberation, the board of directors of HBI determined that the merger, the Merger Agreement and the transaction contemplated by the Merger Agreement are advisable and in the best interests of HBI and its shareholders, and the directors voted unanimously to approve the merger with LBI and to approve the Merger Agreement.

On June 24, 2013, the board of directors of LBI met to consider the proposed Merger Agreement. At the meeting Sheshunoff made a presentation regarding the fairness of the consideration. Garland Binns, attorney for LBI, attended the board meeting to answer questions concerning their legal duties and obligations. After due deliberations, the board of directors concluded that the mergers were in the best interest of shareholders and voted unanimously to approve the Merger Agreement.

Recommendation of LBI s Board of Directors and Reasons for the Merger

LBI s board of directors reviewed and discussed the proposed merger with management and its financial and legal advisors in determining that the proposed merger is in the best interest of LBI and its shareholders. In reaching its conclusion to approve the Merger Agreement, the LBI s board of directors considered a number of factors, including the following:

- The fact that LBI s shareholders will receive stock of HBI and thereby participate in any growth opportunities of the combined company.
- Its understanding of the business, operations, financial condition, earnings and future prospects of LBI.
- Its understanding of the business, operations, financial condition, earnings and future prospects of HBI.

The review by the LBI s board of directors with its legal and financial advisors of the structure of the merger and the financial and other terms of the Merger Agreement, including the consideration offered by HBI.

The reports of LBI s management and the financial presentation by Sheshunoff & Co. Investment Banking (Sheshunoff) to LBI s board of directors concerning the operations, financial condition and prospects of HBI and the expected financial impact of the merger, including other financial metrics.

The likelihood that the regulatory approvals needed to complete the transaction would be obtained.

The historical and current market prices of shares of HBI common stock.

The opinion delivered to the LBI s board of directors by Sheshunoff, that, as of the date of the opinion and based upon and subject to the financial and other assumptions in its opinion, the merger consideration to be received by shareholders of LBI was fair, from a financial point of view.

The benefits of increased liquidity that LBI s shareholders would have as shareholders of HBI.

The discussion of the information and factors considered by the LBI s board of directors is not exhaustive, but includes all the material factors considered by the LBI s board of directors. In view of the wide variety of factors considered by the LBI s board of directors in connection with its evaluation of the merger and the complexity of these matters, the board of directors did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. LBI s board of directors evaluated the factors described above, including asking questions of management and its legal and financial advisors, and reached consensus that the merger was in the best interests of LBI and its shareholders. In considering the factors described above, individual members of the LBI s board of directors may have given different weights to different factors. LBI s board of directors considered these factors as a whole, and overall considered them to be favorable to, and to support its determination.

LBI s board of directors determined that the merger, the Merger Agreement and the transactions contemplated thereby are advisable and in the best interests of LBI and its shareholders. Accordingly, the board of directors unanimously approved the Merger Agreement and unanimously recommends that LBI s shareholders vote **FOR** approval of the Merger Agreement.

Opinion of LBI s Financial Advisor

LBI retained Sheshunoff & Co. Investment Banking (Sheshunoff) to provide it an opinion as to the fairness from a financial viewpoint of the merger consideration to be received by the shareholders of LBI. As part of its investment banking business, Sheshunoff is regularly engaged in the valuation of securities in connection with mergers and acquisitions and valuation for estate, corporation and other purposes. LBI retained Sheshunoff based upon its experience as a financial advisor in mergers and acquisitions of financial institutions and its knowledge of financial institutions.

On June 24, 2013, Sheshunoff rendered its fairness opinion to the board of directors of LBI that, as of such date, the merger consideration was fair, from a financial point of view, to the shareholders of LBI. The full text of the fairness opinion which sets forth, among other things, assumptions made, procedures followed, matters considered, and limitations on the review undertaken, is attached as **Appendix C** to this joint proxy statement/prospectus. You are urged to read Sheshunoff s fairness opinion carefully and in its entirety. The fairness opinion is addressed to the board of directors of LBI and does not constitute a recommendation to any shareholder of LBI as to how he or she should vote at the special meeting of shareholders of LBI.

In connection with the fairness opinion, Sheshunoff:

Reviewed the latest draft of the Merger Agreement;

Discussed the terms of the Merger Agreement with the management of LBI and LBI s legal counsel;

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Conducted conversations with management of LBI regarding recent and projected financial performance of LBI;

Evaluated the financial condition of LBI based upon a review of regulatory reports for the five-year period ended December 31, 2012 and interim period through March 31, 2013, and internally-prepared financial reports for the interim period through May 31, 2013;

Compared LBI s recent operating results with those of certain other banks in the United States that have recently been acquired;

Compared pricing multiples for LBI in the merger to recent acquisitions of banks in the United States with similar characteristics to LBI;

Analyzed the present value of the after-tax cash flows based on projections on a stand-alone basis through the year 2017;

Reviewed the potential pro forma impact of the merger on the combined company s results and certain financial performance measures of LBI and HBI;

Discussed certain matters regarding HBI s regulatory standing, financial performance and business prospects with HBI s executives and representatives;

Reviewed certain internal information regarding HBI that Sheshunoff deemed relevant;

Analyzed the deposit market share and demographics of LBI and HBI, including potential deposit concentration issues;

Compared HBI s recent operating results and pricing multiples with those of certain other publicly traded banks in the United States that Sheshunoff deemed relevant;

Compared the historical stock price data and trading volume of HBI to certain relevant indices; and

Performed such other analyses deemed appropriate.

For the purposes of this opinion, Sheshunoff assumed and relied upon, without independent verification, the accuracy and completeness of the information provided to it by LBI for the purposes of this opinion. Sheshunoff assumed that any projections provided or approved by LBI were reasonably prepared on a basis reflecting the best currently available estimates and judgments of LBI s management. Sheshunoff assumed such forecasts and projections will be realized in the amounts and at times contemplated thereby.

Sheshunoff did not make an independent evaluation of the assets or liabilities (including any contingent, derivative or off-balance-sheet assets or liabilities) of LBI or HBI nor was Sheshunoff furnished with any such appraisal. Sheshunoff assumed that any off-balance-sheet activities of LBI or HBI will not materially and adversely impact the future financial position or results of operation of HBI after the merger. Sheshunoff is not an expert in the evaluation of loan portfolios for the purposes of assessing the adequacy of the allowance for loan and lease losses and assumed that such allowances for LBI and HBI are, respectively, adequate to cover such losses.

Sheshunoff assumed that the latest draft of the Merger Agreement, as provided to Sheshunoff, will be signed without any amendment or waiver of, or delay in the fulfillment of, any terms or conditions set forth in the terms provided to Sheshunoff or any subsequent development that would have a material adverse effect on LBI or HBI and thereby on the results of its analyses. Sheshunoff assumed that any and all regulatory approvals, if required, will be received in a timely fashion and without any conditions or requirements that could adversely affect the operations or financial condition of HBI after the completion of the merger.

The fairness opinion is necessarily based on economic, market, regulatory, and other conditions as in effect on, and the information made available to Sheshunoff as of June 24, 2013.

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In rendering the fairness opinion, Sheshunoff performed a variety of financial analyses. The preparation of an opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Consequently, the fairness opinion is not readily susceptible to partial analysis or summary description. Moreover, the evaluation of fairness, from a financial point of view, of the merger consideration is to some extent subjective, based on the experience and judgment of Sheshunoff, and not merely the result of mathematical analysis of financial data. Sheshunoff did not attribute particular weight to any analysis or factor considered by it. Accordingly, notwithstanding the separate factors summarized below, Sheshunoff believes that its analyses must be considered as a whole and that selecting portions of its analyses and of the factors considered by it, without considering all analyses and factors, could create an incomplete view of the evaluation process underlying its opinion. The ranges of valuations resulting from any particular analysis described below should not be taken to be Sheshunoff s view of the actual value of LBI, HBI or the combined entity.

In performing its analyses, Sheshunoff made numerous assumptions with respect to industry performance, business and economic conditions and other matters, many of which are beyond the control of LBI or HBI. The analyses performed by Sheshunoff are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. In addition, Sheshunoff s analyses should not be viewed as determinative of the opinion of the board of directors or the management of LBI with respect to the value of LBI or HBI or to the fairness of the merger consideration.

The following is a summary of the analyses performed by Sheshunoff in connection with its opinion. The discussion utilizes financial information concerning LBI and HBI as of March 31, 2013.

Pursuant to the Merger Agreement each outstanding share of LBI common stock will be converted into the right to receive shares of HBI common stock at a fixed price of $250,000,000 or approximately $212.77 per LBI share and cash of $30,000,000 or approximately $25.53 per LBI share. The stock consideration will not vary in amount, but the number of shares to be received by LBI shareholders will be based on the price performance of HBI common stock over the 20 trading days immediately prior to the Effective Time.

LBI Discounted Cash Flow Analysis. Using discounted cash flow analysis, Sheshunoff estimated the present value of the future after-tax cash flow streams that LBI could produce on a stand-alone basis through December 31, 2017, under various circumstances, assuming that it performed in accordance with the projections provided by LBI s management.

Sheshunoff estimated the terminal value for LBI at the end of December 31, 2017, by capitalizing the final period projected earnings using a discount rate that is the quotient of (1) the assumed annual long-term growth rate of the earnings of LBI of 4.0% plus 1% and (2) the difference between a range of required rates of return and the assumed annual long-term growth rate of earnings in (1) above. Sheshunoff discounted the annual cash flow streams (defined as all earnings in excess of that which is required to maintain a tangible common equity to tangible asset ratio of 8.0%) and the terminal values using discount rates ranging from 13.0% to 15.0%. The discount range was chosen to reflect different assumptions regarding the required rates of return of LBI and the inherent risk surrounding the underlying projections. This discounted cash flow analysis indicated a range of values per share of $167.07 to $213.61 as shown in the table below compared to the estimated merger consideration of $238.30 per share.

	Discount Rate		
	15.0%	**14.0%**	**13.0%**
Present value (in thousands)	$ 196,297	$ 220,803	$ 250,990
Present value (per share)	$ 167.07	$ 187.92	$ 213.61

Analysis of Selected Transactions: Sheshunoff performed an analysis of premiums paid in selected recently announced acquisitions of banking organizations with comparable characteristics to the merger. Three sets of transactions were selected to ensure a thorough analysis.

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The first set of comparable transactions consisted of a group of selected transactions for banks in the United States, for which pricing data were available, with assets between $1 billion and $10 billion that were announced since January 1, 2012, positive return on average assets, and non-performing assets to assets between 1% and 4%. These comparable transactions consisted of 11 mergers and acquisitions of banks with assets between $1.3 billion and $9.7 billion that were announced between January 25, 2012 and February 19, 2013. The analysis yielded multiples of the purchase prices in these transactions as shown below:

	Price/ Book (x)	Price/ Tg Book (x)	Price/ 8% Tg Book (x)	Price/ LTM Earnings (x)	Price/ Assets (%)	Price/ Deposits (%)	Premium/ Deposits (%)
Maximum	1.99	2.40	2.80	28.8	25.9	32.8	18.2
Minimum	0.71	1.16	1.03	2.6	7.3	9.0	0.3
Median	1.27	1.45	1.45	17.4	14.3	16.5	4.5
LBI*	1.06	1.62	1.48	14.4	9.8	12.9	4.9

* Assumes merger consideration of $280 million or $238.30 per share.

The median pricing multiples to tangible book, 8% tangible book, and the premium to deposits in the comparable transactions were lower than those in the merger. The median price multiples to book value, last twelve-month earnings (LTM earnings), assets, and deposits for the comparable transactions were higher than the merger.

The second set of comparable transactions consisted of a group of selected transactions for banks in the United States located outside major metropolitan areas, for which pricing data were available, with assets between $1 billion and $10 billion that were announced since January 1, 2012, positive return on average assets, and non-performing assets to assets between 1% and 4%. These comparable transactions consisted of 5 mergers and acquisitions of banks with assets between $1.3 billion and $9.7 billion that were announced between January 25, 2012 and February 19, 2013. The analysis yielded multiples of the purchase prices in these transactions as shown below:

	Price/ Book (x)	Price/ Tg Book (x)	Price/ 8% Tg Book (x)	Price/ LTM Earnings (x)	Price/ Assets (%)	Price/ Deposits (%)	Premium/ Deposits (%)
Maximum	1.59	1.59	1.68	28.8	14.7	17.7	6.1
Minimum	0.71	1.16	1.03	2.6	7.3	9.0	0.3
Median	1.17	1.30	1.27	13.1	13.8	11.5	2.6
LBI*	1.06	1.62	1.48	14.4	9.8	12.9	4.9

* Assumes merger consideration of $280 million or $238.30 per share.

The median pricing multiples to tangible book, 8% tangible book, LTM earnings, deposits, and premium to deposits in the comparable transactions were lower than those in the merger. The median pricing multiples to book value and assets for the comparable transactions were higher than the merger.

The third set of comparable transactions consisted of a group of selected transactions for banks in the United States headquartered in the Southwest or Southeast regions of the United States as defined by SNL Financial, for which pricing data were available, with assets between $1 billion and $10 billion that were announced since January 1, 2012, positive return on average assets, and non-performing assets to assets between 1% and 4%. These comparable transactions consisted of 6 mergers and acquisitions of banks with assets between $1.3 billion and $5.8 billion that were announced between March 5, 2012 and February 19, 2013. The analysis yielded multiples of the purchase prices in these transactions as shown below:

	Price/ Book (x)	Price/ Tg Book (x)	Price/ 8% Tg Book (x)	Price/ LTM Earnings (x)	Price/ Assets (%)	Price/ Deposits (%)	Premium/ Deposits (%)
Maximum	1.83	2.40	2.10	23.3	17.5	22.8	11.1
Minimum	1.14	1.22	1.03	8.6	11.1	10.8	0.3
Median	1.43	1.45	1.50	13.1	14.3	15.9	4.8
LBI*	1.06	1.62	1.48	14.4	9.8	12.9	4.9

* Assumes merger consideration of $280 million or $238.30 per share.

The median pricing multiples to tangible book and LTM earnings in the comparable transactions were lower than those in the merger. The median price multiples to assets, deposits, and book for the comparable transactions were higher than the merger while the 8% tangible book multiple and the premium to deposits were similar to the merger.

Contribution Analysis: Sheshunoff reviewed the relative contributions of LBI and HBI to the combined company based on regulatory data as of March 31, 2013 for LBI and HBI. Sheshunoff compared the pro forma ownership interests of LBI and HBI of 17.5% and 82.5%, respectively, to: (1) total assets of 40.3% and 59.7%, respectively; (2) total loans of 41.3% and 58.7%, respectively; (3) total deposits of 38.5% and 61.5%, respectively; (4) net-interest income of 36.1% and 63.9%, respectively; (5) non-interest income of 37.8% and 62.2%, respectively; (6) non-interest expenses of 40.9% and 59.1%, respectively; (7) March 31, 2013 LTM earnings of 25.0% and 75.0%, respectively; and (8) total tangible equity of 28.6% and 71.4%, respectively. The contribution analysis shows that the ownership of LBI shareholders in the combined company is less than the contribution of the components listed. The contributions are shown in the table following:

	Assets	%	Loans	%	Deposits	%
Liberty Bancshares, Inc.	$ 2,853,120	40.3%	$ 1,875,494	41.3%	$ 2,173,524	38.5%
Home BancShares, Inc.	$ 4,225,507	59.7%	$ 2,667,815	58.7%	$ 3,465,436	61.5%
Combined Company	$ 7,078,627	100.0%	$ 4,543,310	100.0%	$ 5,638,960	100.0%

	Net Interest Income	%	Non-Interest Income	%	Non-Interest Expenses	%
Liberty Bancshares, Inc.	$ 94,732	36.1%	$ 25,080	37.8%	$ 68,103	40.9%
Home BancShares, Inc.	$ 167,850	63.9%	$ 41,193	62.2%	$ 98,208	59.1%
Combined Company	$ 262,582	100.0%	$ 66,273	100.0%	$ 166,311	100.0%

	Earnings	%	Shares *	%	Tg. Equity	%
Liberty Bancshares, Inc.	$ 21,989	25.0%	11,925,975	17.5%	$ 172,929	28.6%
Home BancShares, Inc.	$ 66,072	75.0%	56,228,594	82.5%	$ 431,455	71.4%
Combined Company	$ 88,061	100.0%	68,154,569	100.0%	$ 604,384	100.0%

Pro Forma Financial Impact: Sheshunoff analyzed the pro forma impact of the merger on estimated earnings per share and tangible book value per share for the twelve month periods ending December 31, 2014 and December 31, 2015 based on the projections provided by LBI s management for LBI on a stand-alone basis

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assuming pre-tax cost savings of $14.5 million phased in by the end of calendar year 2015. The analysis indicated pro forma consolidated earnings per share dilution (on a cash basis) of $6.15 per share or 28.1% in year one and $8.67 per share or 33.5% in year two compared to estimated earnings per share for LBI on a stand-alone basis. The analysis further indicated pro forma consolidated tangible book value per share (including the cash consideration per share) dilution of $65.49 per share or 34.5% in year one and $66.26 per share or 32.4% in year two compared to LBI s book value on a stand-alone basis. The contribution analysis shows that the ownership of LBI shareholders in the combined company is less than the contribution of the components listed due in part to the cash consideration to be received by the LBI shareholders.

Comparable Company Analysis: Sheshunoff compared the operating and market results of HBI to the results of other publicly traded banking companies. The comparable publicly traded companies in the United States were selected primarily on the basis of total asset size. HBI was compared to banks with total assets between $2 billion and $6 billion that had core returns on average assets (excludes securities gains and losses, extraordinary items, amortization of intangibles, and minority interest) greater than 1.00% for the last twelve months ending March 31, 2013. The data for the following table were based on GAAP financial information provided by SNL Financial and are as of March 31, 2013. Some of the ratios presented are proprietary to SNL Financial and may not strictly conform to the common industry determination.

	HBI (%)	Peer Group Median (%)
Net Interest Margin	4.82	3.80
Efficiency Ratio	45.6	57.4
Return on Average Assets	1.62	1.24
Return on Average Equity	13.09	12.13
Tangible Equity to Tangible Asset Ratio	10.45	10.32
Total Risk-Based Capital Ratio	15.04	16.58
Ratio of Non-performing Assets to Total Assets	2.58	1.57
Ratio of Non-performing Loans to Total Loans	2.74	2.04
Ratio of Loan Loss Reserves to Loans	1.72	1.49

HBI s performance, as measured by its net interest margin, efficiency ratio, return on average assets and return on average equity, was better than that of its peers. HBI s asset quality, as measured by its ratio of non-performing assets to total assets and its ratio of non-performing loans to total loans, was somewhat weaker than the peer group medians. Its ratio of loan loss reserves to loans was stronger than the median peer group. HBI s capital level was generally similar to its peers with the tangible equity to asset ratio similar to the peers and total risk-based capital ratio slightly below that of its peers.

Sheshunoff compared HBI s trading results to its peers. The results are contained in the following table. The data for the following table were based on publicly available GAAP financial information and market data provided by SNL Financial and are as of March 31, 2013.

	HBI	Peer Group Median
Market Price as a Multiple of Stated Book Value (times)	2.00x	1.33x
Market Price as a Multiple of Stated Tangible Book Value (times)	2.46x	1.45x
Price as a Multiple of LTM Earnings (times)	16.1x	12.2x
Market Price as a Percent of Assets	25.1%	14.6%
Dividend Yield	1.38%	2.06%
Dividend Payout	26.1%	32.6%

HBI s price-to-book multiples as measured by its market price as a multiple of stated book value and its market price to stated tangible book value were higher than the comparable peer group medians. HBI s market price to assets ratios was higher than that of its peers. HBI s price-to-earnings multiple as shown in the price as a multiple of last 12 months earnings through March 31, 2013 was higher than its peers. HBI s dividend yield and dividend payout ratio were lower than its peers.

Sheshunoff compared selected stock market results of HBI to the KBW Bank index for all publicly traded banks in the United States over a one-year and a three-year timeframe. HBI s common stock price generally outperformed the index for the period from July 2012 until December 2012. For the period from December 2012 through late-March 2013, HBI s stock price generally performed at the same level as the KBW Bank index. From late-March 2013, HBI s stock price has outperformed the KBW Bank index.

On a three-year basis, HBI s stock price performance was generally in-line with the KBW Bank index from July 2010 through September 2010 then underperformed the market from September 2010 to June 2011. Since June 2011, HBI s stock has significantly outperformed the KBW Bank index.

No company or transaction used in the comparable company and comparable transaction analysis is identical to LBI, HBI, or HBI as the surviving corporation in the merger. Accordingly, an analysis of the results of the foregoing necessarily involves complex considerations and judgments concerning differences in financial and operational characteristics of LBI and HBI and other factors that could affect the public trading value of the companies to which they are being compared. Mathematical analysis (such as determining the average or median) is not in and of itself a meaningful method of using comparable transaction data or comparable company data.

Pursuant to its engagement letter with LBI, Sheshunoff will receive a fee of $230,000 for its advisory services and fairness opinion, none of which is contingent on the closing of the merger. In addition, LBI agreed to reimburse Sheshunoff for its reasonable out-of-pocket expenses. LBI also agreed to indemnify and hold harmless Sheshunoff and its officers and employees against certain liabilities in connection with its services under the engagement letter, except for liabilities resulting from the negligence, violation of law or regulation, or bad faith of Sheshunoff or any matter for which Sheshunoff may have strict liability. During the two years preceding the date of Sheshunoff s opinion, Sheshunoff has not been engaged by, performed any services for, or received any compensation from LBI or HBI except as related to the advisory services in connection with the merger and delivery of the opinion.

The fairness opinion is directed only to the question of whether the merger consideration is fair from a financial perspective and does not constitute a recommendation to any LBI shareholder to vote in favor of the merger. No limitations were imposed on Sheshunoff regarding the scope of its investigation or otherwise by LBI.

Based on the results of the various analyses described above, Sheshunoff concluded that the merger consideration to be paid by HBI pursuant to the merger is fair to LBI shareholders, from a financial point of view.

Recommendation of the HBI Board of Directors and Reasons for the Merger

HBI s board of directors reviewed and discussed the proposed merger with management and its financial and legal advisors in determining that the proposed merger was in the best interest of HBI and its shareholders. In reaching its conclusion to approve the Merger Agreement, the HBI s board of directors considered a number of factors, including the following:

- The combined market footprint for HBI in Arkansas that the acquisition would provide.
- The potential earnings accretion for HBI in the future given the opportunities for improvement in operational efficiencies.
- The familiarity with the LBI organization and management.
- The common business philosophies and customer profiles.
- The quality of the LBI organization from a financial and regulatory perspective.

The potential market acceptance and approval of a transaction of this size and quality.

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The fairness of the consideration as supported by the Raymond James fairness opinion.

The discussion of the information and factors considered by the HBI s board of directors is not exhaustive, but includes all the material factors considered by HBI s board of directors. HBI s board of directors evaluated the factors described above, including asking questions of management and its legal and financial advisors, and reached consensus that the merger was in the best interests of HBI and its shareholders.

HBI s board of directors determined that the merger, the Merger Agreement and the transactions contemplated are advisable and in the best interests of HBI and its shareholders. Accordingly, the board of directors unanimously approved the Merger Agreement and unanimously recommended that HBI s shareholders vote **FOR** approval of the issuance of shares of HBI common stock in the merger.

Opinion of HBI s Financial Advisor

The HBI board of directors requested that Raymond James & Associates, Inc. (Raymond James) evaluate the fairness, from a financial point of view, to HBI of the consideration to be paid by HBI in connection with the proposed merger of LBI with and into a newly formed, wholly owned acquisition subsidiary of HBI pursuant and subject to the Merger Agreement.

At a June 21, 2013 meeting of HBI s board of directors, Raymond James provided the Board a preliminary overview of its analyses performed as of the date of the meeting. Raymond James advised the Board that its analyses were as of such date and based upon and subject to various qualifications and assumptions described in the meeting. At this meeting the Board did not request and Raymond James did not provide an opinion. Raymond James delivered its opinion to the board on June 25, 2013.

The full text of the Raymond James opinion, dated June 25, 2013, which sets forth assumptions made, matters considered, and limits on the scope of review undertaken, is attached as **Appendix B** to this joint proxy statement/prospectus. The summary of the opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion.

Holders of HBI s common stock are urged to read the Raymond James opinion in its entirety. Raymond James provided its opinion for the information and assistance solely of HBI s board of directors (solely in its capacity as such) in connection with, and for purposes of, its consideration of the merger and the opinion only addresses whether, as of the date of such written opinion, the merger consideration to be paid by HBI in the merger pursuant to the Merger Agreement was fair, from a financial point of view, to HBI and does not address any other term or aspect of the Merger Agreement or the merger contemplated thereby. The opinion does not address the relative merits of the merger as compared to other business strategies or transactions that might be available with respect to HBI or HBI s underlying business decision to effect the merger or any related transaction. The opinion does not constitute a recommendation to HBI s board of directors or any stockholder of HBI as to how the board, such stockholder or any other person should vote or otherwise act with respect to the merger or any other matter.

In connection with rendering its opinion, Raymond James, among other things, reviewed:

- the financial terms and conditions of the Merger as set forth in the Merger Agreement, including an analysis of the merger consideration to be paid;
- LBI s audited and unaudited financial statements for the years ended December 31, 2010, December 31, 2011, and December 31, 2012 and for the quarter ended March 31, 2013;
- LBI s reports and schedules filed with its regulators for the years ended December 31, 2010, December 31, 2011, and December 31, 2012 and for the quarter ended March 31, 2013;
- other financial and operating information provided by LBI;

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and discussed with members of the senior management of HBI and LBI certain information regarding the historical and current financial and operating performance of LBI as provided by HBI and certain internal financial forecasts regarding the future financial results and condition of LBI (the Projections) prepared and provided to us by HBI s senior management, which were approved for our use in connection with the preparation of this opinion by HBI;

comparative financial and operating data on the banking industry, LBI, and certain institutions which we deemed to be comparable to LBI;

certain publicly available information regarding actual and proposed business combinations involving companies deemed comparable to LBI, including valuations for such companies; and

such other analyses and information relating to LBI and the merger as Raymond James deemed relevant for the purpose of the opinion.

In connection with its review, Raymond James assumed and relied upon the accuracy and completeness of all information supplied or otherwise made available to Raymond James by HBI, LBI or any other party, as well as publicly available information, and did not undertake any duty or responsibility to verify independently any of such information. In addition. Raymond James did not receive or review any individual credit files nor did it make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of LBI or any of its respective subsidiaries and Raymond James was not furnished with any such evaluations or appraisals. Raymond James is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for loan losses, accordingly, it has assumed that such allowances for losses are in the aggregate adequate to cover such losses. With respect to the Projections, Raymond James was advised by HBI and has assumed that the Projections have been reasonably prepared and reflect the best currently available estimates, judgments and assumptions of the management of HBI as to the future financial performance of the LBI. Raymond James was authorized by HBI to rely upon such forecasts and other information and data, including without limitation the Projections, and Raymond James expresses no view as to any such forecasts or other information or data, or the bases or assumptions on which they were prepared. Raymond James assumed that each party to the Merger Agreement would advise it promptly if any information previously provided to Raymond James became inaccurate or was required to be updated during the period of its review. Based upon the terms specified in the Merger Agreement, Raymond James assumed that the merger will qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code. Raymond James did not express any opinion as to the value of HBI s common stock or LBI s common stock following the announcement of the proposed merger, the value of HBI s common stock following the consummation of the merger, or the prices at which shares of HBI s common stock or LBI s common stock may be purchased or sold at any time, which in each case, may vary depending on numerous factors, including factors outside of the control of HBI and LBI.

In rendering its opinion, Raymond James relied upon and assumed, without independent verification, that the final form of the Merger Agreement would be substantially similar to the draft Merger Agreement reviewed by Raymond James. Raymond James further assumed that the merger would be consummated on the terms described in the Merger Agreement. Furthermore, Raymond James assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the Merger Agreement were true and correct, that each party will perform all of the covenants and agreements required to be performed by it under the Merger Agreement and that all conditions to the consummation of the merger will be satisfied without being waived. Raymond James also assumed that all material governmental, regulatory or other consents and approvals will be obtained and that, in the course of obtaining any necessary governmental, regulatory or other consents and approvals, or any amendments, modifications or waivers to any documents to which HBI is a party, as contemplated by the Merger Agreement, no restrictions will be imposed or amendments, modifications or waivers made that would have any material adverse effect on HBI.

In conducting its investigation and analyses and in arriving at its opinion, Raymond James took into account such accepted financial and investment banking procedures and considerations as it deemed relevant, including

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the review of: (i) historical and projected assets, loans, deposits, revenues, net income and capitalization of LBI and certain other publicly held companies, with publicly traded equity securities, that it believed relevant; (ii) the current and projected financial position and results of operations of LBI; (iii) financial and operating information concerning selected business combinations which it deemed comparable in whole or in part; and (iv) the general condition of the securities markets.

Raymond James expressed no opinion as to the underlying business decision to effect the merger, the structure or tax consequences of the merger, or the availability or advisability of any alternatives to the merger. The opinion is limited to the fairness, from a financial point of view, of the merger consideration to be paid by HBI. Raymond James expressed no opinion with respect to any other reasons (legal, business, or otherwise) that may support the decision of HBI s board of directors to approve or consummate the merger. Furthermore, no opinion, counsel or interpretation was intended by Raymond James in matters that require legal, accounting or tax advice. Raymond James assumed that such opinions, counsel or interpretations had been or would be obtained from appropriate professional sources. Furthermore, Raymond James relied, with the consent of HBI s board of directors, on the fact that HBI was assisted by legal, accounting and tax advisors, and assumed that the assessments by HBI and its advisors, as to all legal, accounting and tax matters with respect to HBI and the merger were correct. In formulating its opinion, Raymond James considered only the merger consideration to be paid by HBI, and Raymond James had not considered, and its opinion does not address, any other payments that may be made to employees or other stockholders of HBI in connection with the merger. Raymond James had not been requested to opine as to, and the opinion does not express an opinion as to or otherwise address, among other things the fairness of the merger or the merger consideration to the holders of any class of securities, creditors or other constituencies of HBI, or to any other party. Raymond James did not and does not assume any fiduciary duty to HBI s board of directors, stockholders or any other party.

The following summarizes the material financial analyses presented by Raymond James to HBI s board of directors at its meeting on June 21, 2013, as updated and delivered with the opinion to reflect changes in the prices of relevant securities quoted in the U.S. public securities markets as of the close of the U.S. securities markets on June 24, 2013, which material was considered by Raymond James in rendering the opinion described below on June 25, 2013. No company or transaction used in the analyses described below is directly comparable to HBI, LBI or the contemplated merger.

Selected Public Companies Analysis. Raymond James analyzed the relative valuation multiples of eight publicly-traded banks on major exchanges headquartered in Arkansas, Missouri, Oklahoma, and Tennessee with total assets between $1 billion and $5 billion, including:

Home BancShares, Inc

Great Southern Bancorp, Inc.

Bank of the Ozarks, Inc.

Simmons First National Corp.

Enterprise Financial Services

Southwest Bancorp, Inc.

Cass Information Systems

Hawthorn Bancshares, Inc.

Raymond James calculated various financial multiples for each company, including (i) market value compared to book value, tangible book value, and earnings per share for the most recent actual twelve months results, referred to as LTM, and (ii) market value per share compared to earnings per share, using Wall Street estimates for the selected companies for the fiscal years 2013 and 2014. The estimates published by Wall Street research analysts were not prepared in connection with the merger or at Raymond James request and may or may not prove to be accurate. Raymond James reviewed the mean, median, minimum and maximum relative valuation multiples of the selected public companies and compared them to corresponding valuation multiples for the LBI implied by the merger consideration. The results of the selected public companies analysis are summarized below:

	Price /				
	Book Value (%)	Tangible Book Value (%)	LTM EPS (x)	2013E EPS (x)	2014E EPS (x)
Mean	167.0	183.1	16.8	15.9	15.2
Median	114.6	129.9	18.1	16.1	15.3
Minimum	80.8	80.9	7.4	9.4	11.7
Maximum	299.6	327.8	24.2	22.5	17.4
Merger consideration	106.3	161.9	12.7	12.7	11.6

Furthermore, Raymond James applied the mean, median, minimum and maximum relative valuation multiples for each of the metrics to LBI s actual and projected financial results and determined the implied common equity value of LBI common stock and then compared those implied common equity values to the merger consideration of $280 million. The results of this are summarized below:

	Implied Common Equity Value Based on ($ million)				
	Book Value	Tangible Book Value	LTM EPS	2013E EPS	2014E EPS
Mean	$ 439.8	$ 316.7	$ 325.5	$ 351.9	$ 366.3
Median	$ 301.8	$ 224.6	$ 351.3	$ 355.3	$ 370.5
Minimum	$ 212.9	$ 139.8	$ 144.6	$ 206.8	$ 282.6
Maximum	$ 789.1	$ 566.9	$ 469.8	$ 497.4	$ 420.5
Merger consideration	$ 280.0	$ 280.0	$ 280.0	$ 280.0	$ 280.0

Selected Transaction Analysis. Raymond James analyzed publicly available information relating to selected acquisitions of U.S. banks and thrifts with announced deal values between $100 million and $500 million and prepared a summary of the relative valuation multiples paid in these transactions. The selected transactions used in the analysis included:

Union First Market Bankshares Corporation/ StellarOne Corporation

First Merchants Corporation/ CFS Bancorp, Inc.

Provident New York Bancorp/ Sterling Bancorp

SCBT Financial Corporation/ First Financial Holdings, Inc.

F.N.B. Corporation/ PVF Capital Corp.

United Bankshares, Inc./ Virginia Commerce Bancorp, Inc.

Renasant Corporation/ First M&F Corporation

PacWest Bancorp/ First California Financial Group, Inc.

NBT Bancorp Inc./ Alliance Financial Corporation

Prosperity Bancshares, Inc./ Coppermark Bancshares, Inc.

Oriental Financial Group Inc./ BBVA s Puerto Rico operations

Investors Bancorp, Inc. (MHC)/ Marathon Banking Corporation

Berkshire Hills Bancorp, Inc./ Beacon Federal Bancorp, Inc.

Trustmark Corporation/ BancTrust Financial Group, Inc.

Capital Bank Financial Corporation/ Southern Community Financial Corporation

Cadence Bancorp, LLC/ Encore Bancshares, Inc.

Carlile Bancshares, Inc./ Northstar Financial Corporation

Tompkins Financial Corporation/ VIST Financial Corp.

Old National Bancorp/ Indiana Community Bancorp

Susquehanna Bancshares, Inc./ Tower Bancorp, Inc.