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## Section 1: 8-K (FORM 8-K)

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

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): April 16, 2020**

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**HOME BANCSHARES, INC.**

(Exact name of registrant as specified in its charter)

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**Arkansas**

(State or Other Jurisdiction of Incorporation)

**000-51904**

(Commission File Number)

**71-0682831**

(I.R.S. Employer Identification No.)

**719 Harkrider, Suite 100**

**Conway, Arkansas 72032**

(Address of Principal Executive Offices) (Zip Code)

**(501) 339-2929**

(Registrant's telephone number, including area code)

**Not Applicable**

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

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                      | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.01 per share | HOMB              | NASDAQ Global Select Market               |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition.**

The Registrant hereby furnishes its April 16, 2020 press release announcing first quarter 2020 earnings, which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

**Item 7.01. Regulation FD Disclosure.**

See Item 2.02. Results of Operations and Financial Condition.

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

(d) Exhibits

[99.1 Press Release: Home BancShares, Inc. Announces First Quarter Earnings.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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## SIGNATURES

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

**Home BancShares, Inc.**

Date: April 16, 2020

By: /s/ Jennifer C. Floyd  
Jennifer C. Floyd  
Chief Accounting Officer

[\(Back To Top\)](#)

## Section 2: EX-99.1 (PRESS RELEASE)

### EXHIBIT 99.1

#### Home BancShares, Inc. Remains Profitable in First Quarter During Unprecedented Times

CONWAY, Ark., April 16, 2020 (GLOBE NEWSWIRE) -- Home BancShares, Inc. (NASDAQ GS: HOMB), parent company of Centennial Bank, released first quarter earnings today.

#### Highlights of the First Quarter of 2020:

| Metric                                     | Q1 2020         | Q4 2019         | Q3 2019         | Q2 2019         | Q1 2019         |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Income                                 | \$507,000       | \$73.3 million  | \$72.8 million  | \$72.2 million  | \$71.4 million  |
| Total Revenue (net)                        | \$162.7 million | \$167.8 million | \$167.7 million | \$164.1 million | \$163.1 million |
| ROA  | 0.01%           | 1.94%           | 1.93%           | 1.92%           | 1.92%           |
| NIM  | 4.22%           | 4.24%           | 4.32%           | 4.28%           | 4.30%           |
| Purchase Accounting Accretion              | \$7.6 million   | \$9.1 million   | \$8.5 million   | \$9.2 million   | \$9.1 million   |
| ROE  | 0.08%           | 11.71%          | 11.84%          | 12.18%          | 12.34%          |
| ROTCE (non-GAAP) <sup>(1)</sup>            | 0.14%           | 19.55%          | 20.04%          | 21.01%          | 21.53%          |
| Diluted Earnings Per Share                 | \$0.00          | \$0.44          | \$0.44          | \$0.43          | \$0.42          |
| Non-Performing Assets to Total Assets      | 0.44%           | 0.43%           | 0.45%           | 0.51%           | 0.52%           |
| Common Equity Tier 1 Capital               | 11.6%           | 12.4%           | 12.2%           | 11.6%           | 11.4%           |
| Leverage                                   | 10.8%           | 11.3%           | 10.9%           | 10.5%           | 10.2%           |
| Tier 1 Capital                             | 12.1%           | 13.0%           | 12.8%           | 12.2%           | 12.0%           |
| Total Risk-Based Capital                   | 15.8%           | 16.4%           | 16.2%           | 15.5%           | 15.4%           |
| Allowance for Credit Losses to Total Loans | 2.01%           | 0.94%           | 0.97%           | 0.96%           | 0.97%           |

<sup>(1)</sup> Calculation of this metric and the reconciliation to GAAP are included in the schedules accompanying this release.

“The earnings power of HOMB has really shone through this quarter,” said John Allison, Chairman. “After \$95 million of noise, most of which were non-cash expenditures, to still be profitable is remarkable,” continued Allison.

“Banking is an essential business and no doubt a backbone to the American economy,” said Tracy French, Centennial Bank President and Chief Executive Officer. “It’s been amazing to watch our team of bankers push through thousands of loans totaling just under \$1 billion dollars in about ten days to assist our customers through the Paycheck Protection Program,” French continued.

### Operating Highlights

During the first quarter of 2020, the Coronavirus (“COVID-19”) pandemic has had a significant impact on global markets driven by supply chain and production disruptions, workforce restrictions, travel restrictions, retail closures, and reduced consumer spending and sentiment, amongst other factors. The potential global and economic impacts of the coronavirus continue to evolve rapidly and HOMB is continuing to closely monitor the situation.

During the quarter, we had a lot of net income noise compared to previous quarters. The most significant noise is related to COVID-19. As a result of COVID-19, the Company recorded a \$71.7 million provision for credit losses, a \$7.8 million expense for the increase in our unfunded commitment reserve, an \$842,000 provision for credit losses on investment securities, and a \$5.8 million write-down for the fair value adjustment on marketable securities. This was the first quarter under which the Company began accounting for credit losses under Accounting Standards Codification (ASC) 326, *Financial Instruments – Credit Losses*, which increased the loan provision by \$5.0 million. We incurred \$10.0 million of expense as a result of our LH-Finance acquisition, which we completed on February 29, 2020, including \$9.3 million for the provision for credit losses and \$711,000 of acquisition expenses. The acquired loan portfolio is now housed in our Shore Premier Finance division. The Company also had \$1.1 million of expense for outsourced special projects and \$7.0 million of special dividend income from one of our equity investments. The summation of all these items resulted in net additional expense of \$95.2 million, or \$70.3 million after tax. Excluding these items, our net earnings, as adjusted (non-GAAP), for the quarter ended March 31, 2020 were \$70.8 million, or \$0.43 diluted earnings per share, compared to \$73.1 million, or \$0.44 diluted earnings per share, for the quarter ended December 31, 2019.<sup>(1)</sup>

The Company adopted ASC 326 (“CECL”) as of January 1, 2020. The adoption of this standard increased the opening balance for the allowance for credit losses by \$44.0 million. The new CECL accounting standard requires that both a discount and an allowance for credit losses be recorded on loans during an acquisition. This is commonly referred to as “double accounting.” During the first quarter, we completed the acquisition of \$406.2 million of loans from LH-Finance. As a result, we recorded a \$6.2 million loan discount and a \$9.3 million increase in the allowance for credit losses for the double accounting for this acquisition.

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<sup>(1)</sup> Calculation of this metric and the reconciliation to GAAP are included in the schedules accompanying this release

During the first quarter of 2020, we recorded \$86.8 million of total credit loss expense. This expense is comprised of the following components – investment securities, CECL double accounting for LH-Finance, CECL loan provision and CECL COVID-19 loan provision. We recorded \$842,000 for credit losses on investments related to our sales tax bonds with lower coverage ratios. The CECL double accounting for LH-Finance was \$9.3 million. The normal CECL loan provision was approximately \$5.0 million and the CECL COVID-19 loan provision was approximately \$71.7 million. Our CECL provisioning model is significantly tied to projected unemployment rates. As a result of COVID-19, the unemployment rate projections significantly increased from January 1 to the end of March 2020, which resulted in the \$71.7 million provision related to COVID-19.

Our net interest margin was 4.22% for the three-month period ended March 31, 2020 compared to 4.24% for the three-month period ended December 31, 2019. The yield on loans was 5.79% and 5.90% for the three months ended March 31, 2020 and December 31, 2019, respectively, as average loans increased from \$10.87 billion to \$11.01 billion. Additionally, the rate on interest bearing deposits decreased to 1.08% as of March 31, 2020 from 1.21% as of December 31, 2019, with average balances of \$8.99 billion and \$8.82 billion, respectively.

From the fourth quarter of 2019 to the first quarter of 2020, we experienced a \$672,000 decrease in investment premium amortization as a result of the change in prepayment speeds. This decreased investment premium amortization positively impacted the net interest margin for the quarter ended March 31, 2020 by 2.0 basis points.

During the first quarter of 2020, event interest income was \$558,000 compared to event interest income of \$549,000 for the

quarter ended December 31, 2019.

For the three months ended March 31, 2020 and December 31, 2019, we recognized \$7.6 million and \$9.1 million, respectively, in total net accretion for acquired loans and deposits. The \$1.5 million reduction in accretion income decreased the net interest margin by 4.5 basis points for the first quarter of 2020.

Purchase accounting accretion on acquired loans was \$7.6 million and \$9.1 million and average purchase accounting loan discounts were \$69.4 million and \$91.9 million for the three-month periods ended March 31, 2020 and December 31, 2019, respectively. Net amortization of time deposit premiums was \$30,000 per quarter and net average remaining CD premiums were \$236,000 and \$266,000 for the three-month periods ended March 31, 2020 and December 31, 2019, respectively.

Net interest income on a fully taxable equivalent basis decreased \$153,000, or 0.11%, to \$141.0 million for the three-month period ended March 31, 2020, from \$141.1 million for the three-month period ended December 31, 2019. This decrease in net interest income for the three-month period ended March 31, 2020 was the result of a \$3.1 million decrease in interest income, which was partially offset by a \$2.9 million decrease in interest expense. The \$3.1 million decrease in interest income was primarily the result of a \$3.1 million decrease in loan interest income and a \$126,000 net decrease in investment income partially offset by a \$167,000 increase in income on deposits with other banks. The \$2.9 million decrease in interest expense was primarily the result of a \$2.6 million decrease in interest expense on deposits. This decrease was the result of a \$1.6 million decrease in interest expense on savings and interest-bearing transaction accounts and a \$1.0 million decrease in interest expense on time deposits.

Non-performing loans to total loans was 0.53% as of March 31, 2020 compared to 0.50% as of December 31, 2019. Non-performing assets to total assets increased from 0.43% as of December 31, 2019 to 0.44% as of March 31, 2020. For the first quarter of 2020, net charge-offs were \$3.5 million compared to net charge-offs of \$2.2 million for the fourth quarter of 2019.

The Company reported \$22.9 million of non-interest income for the first quarter of 2020, compared to \$28.0 million for the fourth quarter of 2019. The most important components of the fourth quarter non-interest income were \$7.8 million from dividends from FHLB, FRB, FNBB & other equity investments, \$6.6 million from service charges on deposits accounts, \$6.1 million from other service charges and fees, \$3.2 million from other income and \$2.6 million from mortgage lending income. Non-interest income for the first quarter of 2020 includes \$7.0 million in dividends related to a special dividend from an equity investment and a \$5.8 million adjustment for the decline in fair market value of a marketable securities.

Non-interest expense for the first quarter of 2020 was \$78.2 million compared to \$71.3 million for the fourth quarter of 2019. The most important components of the fourth quarter non-interest expense were \$39.3 million from salaries and employee benefits, \$25.7 million in other expense and \$8.9 million in occupancy and equipment expenses. For the first quarter of 2020, our efficiency ratio was 46.82%. Non-interest expense for the first quarter of 2020 included \$7.8 million in unfunded commitments expense due to the adoption of CECL, \$1.1 million in other professional fees related to outsourced special projects, and \$711,000 in merger and acquisition expense. Non-interest expense for the fourth quarter of 2019 included \$631,000 in other professional fees related to an outsourced special project.

### **Financial Condition**

Total loans receivable were \$11.38 billion at March 31, 2020 compared to \$10.87 billion at December 31, 2019. Total deposits were \$11.51 billion at March 31, 2020 compared to \$11.28 billion at December 31, 2019. Total assets were \$15.53 billion at March 31, 2020 compared to \$15.03 billion at December 31, 2019.

During the first quarter 2020, the Company experienced approximately \$109.0 million in organic loan growth. Centennial CFG experienced \$167.9 million of organic loan growth and had loans of \$1.76 billion at March 31, 2020. Our legacy footprint experienced \$58.9 million in organic loan decline during the quarter.

Non-performing loans at March 31, 2020 were \$16.9 million, \$39.5 million, \$518,000, \$3.0 million and zero in the Arkansas, Florida, Alabama, Shore Premier Finance and Centennial CFG markets, respectively, for a total of \$59.9 million. Non-performing assets at March 31, 2020 were \$20.6 million, \$44.4 million, \$552,000, \$3.0 million and zero in the Arkansas, Florida, Alabama, Shore Premier Finance and Centennial CFG markets, respectively, for a total of \$68.5 million.

The Company's allowance for credit losses was \$228.9 million at March 31, 2020, or 2.01% of total loans, compared to the

allowance for loan losses of \$102.1 million, or 0.94% of total loans, at December 31, 2019. As of March 31, 2020, and December 31, 2019, the Company's allowance for credit losses and allowance for loan losses was 369.7% and 186.2% of its total non-performing loans, respectively. The increase in the allowance for credit losses at March 31, 2020, is primarily attributable to the Company's adoption of CECL and the provision for credit losses recorded during the first quarter 2020 for the effects of COVID-19 and the loans acquired from LH-Finance.

Stockholders' equity was \$2.43 billion at March 31, 2020 compared to \$2.51 billion at December 31, 2019, a decrease of approximately \$81.3 million. The decrease in stockholders' equity is primarily associated with the \$65.1 million decrease in retained earnings and the repurchase of \$23.9 million of our common stock during the first quarter of 2020 which were partially offset by the \$4.8 million increase in accumulated other comprehensive income. Book value per common share was \$14.72 at March 31, 2020 compared to \$15.10 at December 31, 2019. Tangible book value per common share (non-GAAP) was \$8.61 at March 31, 2020 compared to \$9.12 at December 31, 2019, a decrease of 5.59%.<sup>(1)</sup>

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<sup>(1)</sup> Calculation of this metric and the reconciliation to GAAP are included in the schedules accompanying this release

### **Branches**

The Company currently has 77 branches in Arkansas, 78 branches in Florida, 5 branches in Alabama and one branch in New York City.

### **Conference Call**

Management will conduct a conference call to review this information at 1:00 p.m. CT (2:00 ET) on Thursday, April 16, 2020. We encourage all participants to pre-register for the conference call using the following link: <http://dpreregister.com/10140220>. Callers who pre-register will be given dial-in instructions and a unique PIN to gain immediate access to the live call. Participants may pre-register now, or at any time prior to the call, and will immediately receive simple instructions via email. The Home BancShares conference call will also be automatically scheduled as an event in your Outlook calendar.

Those without internet access or unable to pre-register may dial in and listen to the live call by calling 1-877-508-9586 and asking for the Home BancShares conference call. A replay of the call will be available by calling 1-877-344-7529, Passcode: 10140220, which will be available until April 23, 2020 at 10:59 p.m. CT (11:59 p.m. ET). Internet access to the call will be available live or in recorded version on the Company's website at [www.homebancshares.com](http://www.homebancshares.com) under "Investor Relations" for 12 months.

### **Non-GAAP Financial Measures**

This press release contains financial information determined by methods other than in accordance with generally accepted accounting principles (GAAP). The Company's management uses these non-GAAP financial measures--including net income (earnings), as adjusted; diluted earnings per common share, as adjusted; return on average assets, as adjusted; return on average common equity, as adjusted; return on average tangible common equity; return on average tangible common equity, as adjusted; efficiency ratio, as adjusted, tangible book value per common share and tangible common equity to tangible assets--to provide meaningful supplemental information regarding our performance. These measures typically adjust GAAP performance measures to include the tax benefit associated with revenue items that are tax-exempt, as well as adjust income available to common shareholders for certain significant items or transactions that management believes are not indicative of the Company's primary business operating results. Since the presentation of these GAAP performance measures and their impact differ between companies, management believes presentations of these non-GAAP financial measures provide useful supplemental information that is essential to a proper understanding of the operating results of the Company's business. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in the tables of this release.

### **General**

This release may contain forward-looking statements regarding the Company's plans, expectations, goals and outlook for the

future. Statements in this press release that are not historical facts should be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements of this type speak only as of the date of this news release. By nature, forward-looking statements involve inherent risk and uncertainties. Various factors could cause actual results to differ materially from those contemplated by the forward-looking statements. These factors include, but are not limited to, the following: economic conditions, credit quality, interest rates, loan demand, disruptions and uncertainties in our business and operations as a result of the ongoing coronavirus pandemic, the ability to successfully integrate new acquisitions, legislative and regulatory changes and risks associated with current and future regulations, technological changes and cybersecurity risks, competition from other financial institutions, changes in the assumptions used in making the forward-looking statements, and other factors described in reports we file with the Securities and Exchange Commission (the “SEC”), including those factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 26, 2020.

Home BancShares, Inc. is a bank holding company, headquartered in Conway, Arkansas. Its wholly-owned subsidiary, Centennial Bank, provides a broad range of commercial and retail banking plus related financial services to businesses, real estate developers, investors, individuals and municipalities. Centennial Bank has branch locations in Arkansas, Florida, South Alabama and New York City. The Company’s common stock is traded through the NASDAQ Global Select Market under the symbol “HOMB.”

**FOR MORE INFORMATION CONTACT:**

Donna Townsell  
 Director of Investor Relations  
 Home BancShares, Inc.  
 (501) 328-4625

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

| <u>(In thousands)</u>  | <u>Mar. 31,</u><br><u>2020</u> | <u>Dec. 31,</u><br><u>2019</u> | <u>Sep. 30,</u><br><u>2019</u> | <u>Jun. 30,</u><br><u>2019</u> | <u>Mar. 31,</u><br><u>2019</u> |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b><u>ASSETS</u></b>   |                                |                                |                                |                                |                                |
| Cash and due from banks  | \$ 147,200                     | \$ 168,914                     | \$ 171,492                     | \$ 183,745                     | \$ 141,027                     |
| Interest-bearing deposits with other banks   | 424,235                        | 321,687                        | 270,804                        | 373,557                        | 421,443                        |
| Cash and cash equivalents  | 571,435                        | 490,601                        | 442,296                        | 557,302                        | 562,470                        |
| Federal funds sold   | -                              | -                              | 1,650                          | 1,075                          | 1,700                          |
| Investment securities - available-for-sale, net<br>of allowance for<br>credit losses | 2,098,000                      | 2,083,838                      | 2,087,508                      | 2,053,939                      | 2,013,123                      |
| Loans receivable   | 11,384,982                     | 10,869,710                     | 10,771,946                     | 11,053,129                     | 10,978,935                     |
| Allowance for credit losses  | (228,923)                      | (102,122)                      | (104,304)                      | (106,066)                      | (106,357)                      |
| Loans receivable, net  | 11,156,059                     | 10,767,588                     | 10,667,642                     | 10,947,063                     | 10,872,578                     |
| Bank premises and equipment, net   | 281,795                        | 280,103                        | 277,966                        | 278,821                        | 279,012                        |
| Foreclosed assets held for sale  | 8,204                          | 9,143                          | 8,639                          | 13,734                         | 14,466                         |
| Cash value of life insurance   | 103,120                        | 102,562                        | 102,003                        | 149,708                        | 149,353                        |
| Accrued interest receivable  | 50,295                         | 45,086                         | 47,557                         | 48,992                         | 50,288                         |
| Deferred tax asset, net  | 77,110                         | 44,301                         | 53,436                         | 58,517                         | 64,061                         |
| Goodwill   | 973,025                        | 958,408                        | 958,408                        | 958,408                        | 958,408                        |
| Core deposit and other intangibles   | 35,055                         | 36,572                         | 38,136                         | 39,723                         | 41,310                         |
| Other assets   | 177,634                        | 213,845                        | 216,694                        | 180,293                        | 172,732                        |
| <b>Total assets</b>  | <b>\$ 15,531,732</b>           | <b>\$ 15,032,047</b>           | <b>\$ 14,901,935</b>           | <b>\$ 15,287,575</b>           | <b>\$ 15,179,501</b>           |



**LIABILITIES AND STOCKHOLDERS'**  
**EQUITY**

**Liabilities**

Deposits:

|   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Demand and non-interest-bearing                   | \$ 2,425,036      | \$ 2,367,091      | \$ 2,394,207      | \$ 2,575,696      | \$ 2,519,175      |
| Savings and interest-bearing transaction accounts | 7,149,644         | 6,933,964         | 6,620,616         | 6,774,162         | 6,650,181         |
| Time deposits                                     | 1,940,234         | 1,977,328         | 2,032,547         | 1,997,458         | 1,898,096         |
| Total deposits                                    | <u>11,514,914</u> | <u>11,278,383</u> | <u>11,047,370</u> | <u>11,347,316</u> | <u>11,067,452</u> |
| Federal funds purchased                           | -                 | 5,000             | 50,000            | -                 | -                 |
| Securities sold under agreements to repurchase    | 126,884           | 143,727           | 157,038           | 142,541           | 152,239           |
| FHLB and other borrowed funds                     | 951,436           | 621,439           | 691,443           | 899,447           | 1,105,175         |
| Accrued interest payable and other liabilities    | 138,479           | 102,410           | 117,332           | 107,695           | 124,172           |
| Subordinated debentures                           | 369,748           | 369,557           | 369,363           | 369,170           | 368,979           |
| <b>Total liabilities</b>                          | <u>13,101,461</u> | <u>12,520,516</u> | <u>12,432,546</u> | <u>12,866,169</u> | <u>12,818,017</u> |

**Stockholders' equity**

|   |                      |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Common stock                                      | 1,651                | 1,664                | 1,669                | 1,675                | 1,682                |
| Capital surplus                                   | 1,516,151            | 1,537,091            | 1,542,858            | 1,550,999            | 1,560,994            |
| Retained earnings                                 | 891,498              | 956,555              | 904,980              | 853,964              | 803,629              |
| Accumulated other comprehensive (loss) income     | 20,971               | 16,221               | 19,882               | 14,768               | (4,821)              |
| <b>Total stockholders' equity</b>                 | <u>2,430,271</u>     | <u>2,511,531</u>     | <u>2,469,389</u>     | <u>2,421,406</u>     | <u>2,361,484</u>     |
| <b>Total liabilities and stockholders' equity</b> | <u>\$ 15,531,732</u> | <u>\$ 15,032,047</u> | <u>\$ 14,901,935</u> | <u>\$ 15,287,575</u> | <u>\$ 15,179,501</u> |

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

| <u>(In thousands)</u>  | Quarter Ended  |                |                |                |                | Three Months Ended |                |
|------------------------|----------------|----------------|----------------|----------------|----------------|--------------------|----------------|
|                        | Mar. 31,       | Dec. 31,       | Sep. 30,       | Jun. 30,       | Mar. 31,       | Mar. 31,           | Mar.           |
|                        | 2020           | 2019           | 2019           | 2019           | 2019           | 2020               | 2019           |
| <b>Interest income</b> |                |                |                |                |                |                    |                |
| Loans                  | \$ 158,148     | \$ 161,211     | \$ 167,470     | \$ 165,816     | \$ 163,848     | \$ 158,148         | \$ 163,848     |
| Investment securities  |                |                |                |                |                |                    |                |
| Taxable                | 9,776          | 9,707          | 10,343         | 10,650         | 10,706         | 9,776              | 10,706         |
| Tax-exempt             | 3,114          | 3,260          | 3,193          | 3,183          | 3,379          | 3,114              | 3,379          |
| Deposits - other banks | 1,116          | 949            | 1,068          | 1,628          | 1,543          | 1,116              | 1,543          |
| Federal funds sold     | 21             | 5              | 8              | 10             | 11             | 21                 | 11             |
| Total interest income  | <u>172,175</u> | <u>175,132</u> | <u>182,082</u> | <u>181,287</u> | <u>179,487</u> | <u>172,175</u>     | <u>179,487</u> |

**Interest expense**

|  |               |                  |                  |                  |                  |               |                  |
|--|---------------|------------------|------------------|------------------|------------------|---------------|------------------|
| Interest on deposits   | 24,198        | 26,823           | 29,566           | 29,709           | 28,006           | 24,198        | 28,006           |
| Federal funds purchased                                      | 13            | 33               | 21               | -                | -                | 13            | -                |
| FHLB borrowed funds  | 2,698         | 2,686            | 3,683            | 4,722            | 6,118            | 2,698         | 6,118            |
| Securities sold under agreements to repurchase               | 462           | 652              | 628              | 630              | 634              | 462           | 634              |
| Subordinated debentures                                      | 5,079         | 5,155            | 5,207            | 5,239            | 5,259            | 5,079         | 5,259            |
|  | <u>32,450</u> | <u>35,349</u>    | <u>39,105</u>    | <u>40,300</u>    | <u>40,017</u>    | <u>32,450</u> | <u>40,017</u>    |
| <b>Total interest expense</b>                                |               |                  |                  |                  |                  |               |                  |
| <b>Net interest income</b>                                   | 139,725       | 139,783          | 142,977          | 140,987          | 139,470          | 139,725       | 139,470          |
| Provision for credit loss - loans                            | 76,672        | -                | -                | 1,325            | -                | 76,672        | -                |
| Provision for credit loss - acquired loans                   | 9,309         | -                | -                | -                | -                | 9,309         | -                |
| Provision for credit loss - investment securities            | 842           | -                | -                | -                | -                | 842           | -                |
| <b>Total credit loss expense</b>                             | <u>86,823</u> | <u>-</u>         | <u>-</u>         | <u>1,325</u>     | <u>-</u>         | <u>86,823</u> | <u>-</u>         |
| <b>Net interest income after provision for credit losses</b> | <u>52,902</u> | <u>139,783</u>   | <u>142,977</u>   | <u>139,662</u>   | <u>139,470</u>   | <u>52,902</u> | <u>139,470</u>   |
| <b>Non-interest income</b>                                   |               |                  |                  |                  |                  |               |                  |
| Service charges on deposit accounts                          | 6,631         | 6,778            | 6,492            | 6,259            | 6,401            | 6,631         | 6,401            |
| Other service charges and fees                               | 6,056         | 10,636           | 8,710            | 8,177            | 6,563            | 6,056         | 6,563            |
| Trust fees   | 438           | 390              | 382              | 391              | 403              | 438           | 403              |
| Mortgage lending income                                      | 2,621         | 3,801            | 4,610            | 3,457            | 2,435            | 2,621         | 2,435            |
| Insurance commissions  | 678           | 551              | 603              | 515              | 609              | 678           | 609              |
| Increase in cash value of life insurance                     | 560           | 562              | 714              | 740              | 736              | 560           | 736              |
| Dividends from FHLB, FRB, FNBB & other                       | 7,842         | 1,952            | 1,101            | 1,149            | 3,505            | 7,842         | 3,505            |
| Gain (loss) on SBA loans                                     | 341           | 686              | 291              | 355              | 241              | 341           | 241              |
| Gain (loss) on branches, equipment and other assets, net     | 82            | 35               | 12               | (129)            | 79               | 82            | 79               |
| Gain (loss) on OREO, net                                     | 277           | 159              | 334              | 58               | 206              | 277           | 206              |
| Gain (loss) on securities, net                               | -             | (2)              | -                | -                | -                | -             | -                |
| Fair value adjustment for marketable securities              | (5,818)       | -                | -                | -                | -                | (5,818)       | -                |
| Other income   | 3,219         | 2,481            | 1,500            | 2,094            | 2,494            | 3,219         | 2,494            |
|  | <u>22,927</u> | <u>28,029</u>    | <u>24,749</u>    | <u>23,066</u>    | <u>23,672</u>    | <u>22,927</u> | <u>23,672</u>    |
| <b>Total non-interest income</b>                             |               |                  |                  |                  |                  |               |                  |
| <b>Non-interest expense</b>                                  |               |                  |                  |                  |                  |               |                  |
| Salaries and employee benefits                               | 39,329        | 38,446           | 39,919           | 37,976           | 37,836           | 39,329        | 37,836           |
| Occupancy and equipment                                      | 8,873         | 8,729            | 9,047            | 8,853            | 8,823            | 8,873         | 8,823            |
| Data processing expense                                      | 4,326         | 4,294            | 4,059            | 3,838            | 3,970            | 4,326         | 3,970            |
| Other operating expenses                                     | 25,721        | 19,873           | 14,739           | 16,957           | 18,428           | 25,721        | 18,428           |
|  | <u>78,249</u> | <u>71,342</u>    | <u>67,764</u>    | <u>67,624</u>    | <u>69,057</u>    | <u>78,249</u> | <u>69,057</u>    |
| <b>Total non-interest expense</b>                            |               |                  |                  |                  |                  |               |                  |
| <b>(Loss) income before income taxes</b>                     | (2,420)       | 96,470           | 99,962           | 95,104           | 94,085           | (2,420)       | 94,085           |
| Income tax (benefit) expense                                 | (2,927)       | 23,208           | 27,199           | 22,940           | 22,735           | (2,927)       | 22,735           |
| <b>Net income</b>  | <u>\$ 507</u> | <u>\$ 73,262</u> | <u>\$ 72,763</u> | <u>\$ 72,164</u> | <u>\$ 71,350</u> | <u>\$ 507</u> | <u>\$ 71,350</u> |

**Selected Financial Information**  
(Unaudited)

| <u>(Dollars and shares in thousands, except per share data)</u> | Quarter Ended |          |          |          |          | Three Months Ended |          |
|---|---------------|----------|----------|----------|----------|--------------------|----------|
|   | Mar. 31,      | Dec. 31, | Sep. 30, | Jun. 30, | Mar. 31, | Mar. 31,           | Mar. 31, |
|   | 2020          | 2019     | 2019     | 2019     | 2019     | 2020               | 2019     |

**PER SHARE DATA**

|  |    |        |    |        |    |        |    |        |    |        |    |        |    |        |      |
|--|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|------|
| Diluted earnings per common share                              | \$ | -      | \$ | 0.44   | \$ | 0.44   | \$ | 0.43   | \$ | 0.42   | \$ | -      | \$ | 0.42   |      |
| Diluted earnings per common share, as adjusted, excluding      |    |        |    |        |    |        |    |        |    |        |    |        |    |        |      |
| outsourced special project expense, merger and acquisition     |    |        |    |        |    |        |    |        |    |        |    |        |    |        |      |
| expense, fair value adjustment for marketable securities,      |    |        |    |        |    |        |    |        |    |        |    |        |    |        |      |
| unfunded commitment expense, provision for credit losses,      |    |        |    |        |    |        |    |        |    |        |    |        |    |        |      |
| special dividend from equity investment, FDIC Small Bank       |    |        |    |        |    |        |    |        |    |        |    |        |    |        |      |
| Assessment Credit, hurricane expense, Florida tax savings      |    |        |    |        |    |        |    |        |    |        |    |        |    |        |      |
| and BOLI redemption tax (non-GAAP) <sup>(1)</sup>              |    | 0.43   |    | 0.44   |    | 0.44   |    | 0.44   |    | 0.44   |    | 0.42   |    | 0.43   | 0.42 |
| Basic earnings per common share                                |    | -      |    | 0.44   |    | 0.44   |    | 0.43   |    | 0.42   |    | -      |    | 0.42   |      |
| Dividends per share - common                                   |    | 0.1300 |    | 0.1300 |    | 0.1300 |    | 0.1300 |    | 0.1200 |    | 0.1300 |    | 0.1200 |      |
| Book value per common share                                    |    | 14.72  |    | 15.10  |    | 14.80  |    | 14.46  |    | 14.04  |    | 14.72  |    | 14.04  |      |
| Tangible book value per common share (non-GAAP) <sup>(1)</sup> |    | 8.61   |    | 9.12   |    | 8.83   |    | 8.50   |    | 8.10   |    | 8.61   |    | 8.10   |      |

**STOCK INFORMATION**

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Average common shares outstanding       | 166,014 | 166,696 | 167,178 | 167,791 | 169,592 | 166,014 | 169,592 |
| Average diluted shares outstanding      | 166,014 | 166,696 | 167,178 | 167,791 | 169,592 | 166,014 | 169,592 |
| End of period common shares outstanding | 165,148 | 166,373 | 166,860 | 167,466 | 168,173 | 165,148 | 168,173 |

**ANNUALIZED PERFORMANCE METRICS**

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Return on average assets                      | 0.01% | 1.94% | 1.93% | 1.92% | 1.92% | 0.01% | 1.92% |
| Return on average assets excluding            |       |       |       |       |       |       |       |
| outsourced special                            |       |       |       |       |       |       |       |
| project expense, merger and acquisition       |       |       |       |       |       |       |       |
| expense, fair value                           |       |       |       |       |       |       |       |
| adjustment for marketable securities,         |       |       |       |       |       |       |       |
| unfunded commitment                           |       |       |       |       |       |       |       |
| expense, provision for credit losses, special |       |       |       |       |       |       |       |
| dividend from                                 |       |       |       |       |       |       |       |

|  |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|
| equity investment, FDIC Small Bank<br>Assessment Credit,<br>hurricane expense, Florida tax savings and<br>BOLI redemption<br>tax: (ROA, as adjusted) (non-GAAP) <sup>(1)</sup>   | 1.88%    | 1.94%    | 1.96%    | 1.95%    | 1.92%    | 1.88%    | 1.92%    |
| Return on average assets excluding intangible<br>amortization (non-GAAP) <sup>(1)</sup>  | 0.05%    | 2.12%    | 2.10%    | 2.09%    | 2.09%    | 0.05%    | 2.09%    |
| Return on average common equity  | 0.08%    | 11.71%   | 11.84%   | 12.18%   | 12.34%   | 0.08%    | 12.34%   |
| Return on average common equity excluding<br>outsourced special<br>project expense, merger and acquisition<br>expense, fair value<br>adjustment for marketable securities,<br>unfunded commitment<br>expense, provision for credit losses, special<br>dividend from<br>equity investment, FDIC Small Bank<br>Assessment Credit,<br>hurricane expense, Florida tax savings and<br>BOLI redemption<br>tax: (ROE, as adjusted) (non-GAAP) <sup>(1)</sup>                | 11.48%   | 11.68%   | 12.08%   | 12.39%   | 12.34%   | 11.48%   | 12.34%   |
| Return on average tangible common equity<br>(non-GAAP) <sup>(1)</sup>  | 0.14%    | 19.55%   | 20.04%   | 21.01%   | 21.53%   | 0.14%    | 21.53%   |
| Return on average tangible common equity<br>excluding intangible<br>amortization (non-GAAP) <sup>(1)</sup>   | 0.44%    | 19.86%   | 20.36%   | 21.35%   | 21.88%   | 0.44%    | 21.88%   |
| Return on average tangible common equity<br>excluding outsourced<br>special project expense, merger and<br>acquisition expense, fair<br>value adjustment for marketable securities,<br>unfunded<br>commitment expense, provision for credit<br>losses, special<br>dividend from equity investment, FDIC Small<br>Bank Assessment<br>Credit, hurricane expense, Florida tax<br>savings and BOLI<br>redemption tax: (ROTCE, as adjusted) (non-<br>GAAP) <sup>(1)</sup> | 19.22%   | 19.51%   | 20.45%   | 21.37%   | 21.53%   | 19.22%   | 21.53%   |
| Efficiency ratio   | 46.82%   | 41.26%   | 39.16%   | 39.93%   | 41.01%   | 46.82%   | 41.01%   |
| Efficiency ratio, as adjusted (non-GAAP) <sup>(1)</sup>  | 41.37%   | 41.14%   | 40.60%   | 39.92%   | 40.52%   | 41.37%   | 40.52%   |
| Net interest margin - FTE  | 4.22%    | 4.24%    | 4.32%    | 4.28%    | 4.30%    | 4.22%    | 4.30%    |
| Fully taxable equivalent adjustment  | \$ 1,227 | \$ 1,322 | \$ 1,247 | \$ 1,319 | \$ 1,367 | \$ 1,227 | \$ 1,367 |
| Total revenue (net)  | 162,652  | 167,812  | 167,726  | 164,053  | 163,142  | 162,652  | 163,142  |
| Total purchase accounting accretion  | 7,647    | 9,133    | 8,462    | 9,240    | 9,055    | 7,647    | 9,055    |
| Average purchase accounting loan discounts   | 69,365   | 91,869   | 112,623  | 122,197  | 131,596  | 69,365   | 131,596  |

### **OTHER OPERATING EXPENSES**

|             |          |          |          |          |          |          |          |
|-------------|----------|----------|----------|----------|----------|----------|----------|
| Advertising | \$ 1,226 | \$ 1,340 | \$ 1,201 | \$ 1,095 | \$ 1,051 | \$ 1,226 | \$ 1,051 |
|-------------|----------|----------|----------|----------|----------|----------|----------|

|                                 |                  |                  |                  |                  |                  |                  |                  |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Merger and acquisition expenses | 711              | -                | -                | -                | -                | 711              | -                |
| Amortization of intangibles     | 1,517            | 1,565            | 1,587            | 1,587            | 1,586            | 1,517            | 1,586            |
| Electronic banking expense      | 1,715            | 1,870            | 1,901            | 1,851            | 1,903            | 1,715            | 1,903            |
| Directors' fees                 | 424              | 396              | 380              | 392              | 434              | 424              | 434              |
| Due from bank service charges   | 223              | 289              | 272              | 282              | 238              | 223              | 238              |
| FDIC and state assessment       | 1,548            | 1,635            | (532)            | 1,655            | 1,710            | 1,548            | 1,710            |
| Hurricane expense               | -                | -                | -                | -                | 897              | -                | 897              |
| Insurance                       | 746              | 790              | 698              | 661              | 697              | 746              | 697              |
| Legal and accounting            | 919              | 1,633            | 1,414            | 989              | 981              | 919              | 981              |
| Other professional fees         | 3,226            | 3,189            | 1,906            | 2,306            | 2,812            | 3,226            | 2,812            |
| Operating supplies              | 535              | 469              | 511              | 505              | 536              | 535              | 536              |
| Postage                         | 327              | 327              | 320              | 293              | 326              | 327              | 326              |
| Telephone                       | 324              | 312              | 289              | 306              | 303              | 324              | 303              |
| Unfunded commitments            | 7,775            | -                | -                | -                | -                | 7,775            | -                |
| Other expense                   | 4,505            | 6,058            | 4,792            | 5,035            | 4,954            | 4,505            | 4,954            |
|                                 |                  |                  |                  |                  |                  |                  |                  |
| Total other operating expenses  | <u>\$ 25,721</u> | <u>\$ 19,873</u> | <u>\$ 14,739</u> | <u>\$ 16,957</u> | <u>\$ 18,428</u> | <u>\$ 25,721</u> | <u>\$ 18,428</u> |

(1) Calculation of this metric and the reconciliation to GAAP are included in the schedules accompanying this release.

**Home BancShares, Inc.**  
**Selected Financial Information**  
**(Unaudited)**

| <u>(Dollars in thousands)</u>                                       | <u>Mar. 31,</u><br><u>2020</u> | <u>Dec. 31,</u><br><u>2019</u> | <u>Sep. 30,</u><br><u>2019</u> | <u>Jun. 30,</u><br><u>2019</u> | <u>Mar. 31,</u><br><u>2019</u> |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b><u>BALANCE SHEET RATIOS</u></b>                                  |                                |                                |                                |                                |                                |
| Total loans to total deposits                                       | 98.87%                         | 96.38%                         | 97.51%                         | 97.41%                         | 99.20%                         |
| Common equity to assets   | 15.65%                         | 16.71%                         | 16.57%                         | 15.84%                         | 15.56%                         |
| Tangible common equity to tangible assets (non-GAAP) <sup>(1)</sup> | 9.79%                          | 10.80%                         | 10.59%                         | 9.96%                          | 9.60%                          |

**LOANS RECEIVABLE**

|                               |                  |                  |                  |                  |                  |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| Real estate                   |                  |                  |                  |                  |                  |
| Commercial real estate loans  |                  |                  |                  |                  |                  |
| Non-farm/non-residential      | \$ 4,357,007     | \$ 4,412,769     | \$ 4,375,970     | \$ 4,495,558     | \$ 4,623,174     |
| Construction/land development | 1,892,394        | 1,776,689        | 1,827,454        | 1,930,838        | 1,649,303        |
| Agricultural                  | 89,630           | 88,400           | 87,087           | 85,045           | 76,092           |
| Residential real estate loans |                  |                  |                  |                  |                  |
| Residential 1-4 family        | 1,775,610        | 1,819,221        | 1,808,099        | 1,852,784        | 1,947,119        |
| Multifamily residential       | 411,960          | 488,278          | 498,079          | 523,789          | 538,098          |
| Total real estate             | <u>8,526,601</u> | <u>8,585,357</u> | <u>8,596,689</u> | <u>8,888,014</u> | <u>8,833,786</u> |
| Consumer                      | 852,174          | 511,909          | 469,741          | 455,554          | 448,093          |
| Commercial and industrial     | 1,759,752        | 1,528,003        | 1,479,724        | 1,515,357        | 1,505,773        |

|   |                      |                      |                      |                     |                     |
|---|----------------------|----------------------|----------------------|---------------------|---------------------|
| Agricultural                                  | 64,582               | 63,644               | 90,343               | 80,621              | 58,966              |
| Other   | 181,873              | 180,797              | 135,449              | 113,583             | 132,317             |
| Loans receivable                              | <u>\$ 11,384,982</u> | <u>\$ 10,869,710</u> | <u>\$ 10,771,946</u> | <u>\$11,053,129</u> | <u>\$10,978,935</u> |
| Discount for credit losses on purchased loans | \$ 58,894            | \$ 58,719            | \$ 89,615            | \$ 98,672           | \$ 106,617          |

### ALLOWANCE FOR CREDIT LOSSES

|   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Balance, beginning of period  | \$ 102,122        | \$ 104,304        | \$ 106,066        | \$ 106,357        | \$ 108,791        |
| Impact of adopting ASC 326  | 43,988            | -                 | -                 | -                 | -                 |
| Allowance for credit losses on acquired loans   | 357               | -                 | -                 | -                 | -                 |
| Loans charged off   | 4,265             | 2,631             | 2,302             | 2,279             | 3,391             |
| Recoveries of loans previously charged off  | 740               | 449               | 540               | 663               | 957               |
| Net loans (recovered)/charged off   | 3,525             | 2,182             | 1,762             | 1,616             | 2,434             |
| Provision for credit loss - loans   | 76,672            | -                 | -                 | 1,325             | -                 |
| Provision for credit loss - acquired loans  | 9,309             | -                 | -                 | -                 | -                 |
| Total credit loss expense excluding provision for credit loss - investment securities | 85,981            | -                 | -                 | 1,325             | -                 |
| Balance, end of period  | <u>\$ 228,923</u> | <u>\$ 102,122</u> | <u>\$ 104,304</u> | <u>\$ 106,066</u> | <u>\$ 106,357</u> |
| Net (recoveries) charge-offs to average total loans                                   | 0.13%             | 0.08%             | 0.06%             | 0.06%             | 0.09%             |
| Allowance for credit losses to total loans  | 2.01%             | 0.94%             | 0.97%             | 0.96%             | 0.97%             |

### NON-PERFORMING ASSETS

|   |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
| Non-performing loans  |                  |                  |                  |                  |                  |
| Non-accrual loans   | \$ 52,131        | \$ 47,607        | \$ 48,640        | \$ 52,841        | \$ 49,616        |
| Loans past due 90 days or more                                | 7,760            | 7,238            | 9,964            | 9,961            | 14,577           |
| Total non-performing loans                                    | <u>59,891</u>    | <u>54,845</u>    | <u>58,604</u>    | <u>62,802</u>    | <u>64,193</u>    |
| Other non-performing assets                                   |                  |                  |                  |                  |                  |
| Foreclosed assets held for sale, net                          | 8,204            | 9,143            | 8,639            | 13,734           | 14,466           |
| Other non-performing assets                                   | 447              | 447              | 447              | 947              | 947              |
| Total other non-performing assets                             | <u>8,651</u>     | <u>9,590</u>     | <u>9,086</u>     | <u>14,681</u>    | <u>15,413</u>    |
| Total non-performing assets                                   | <u>\$ 68,542</u> | <u>\$ 64,435</u> | <u>\$ 67,690</u> | <u>\$ 77,483</u> | <u>\$ 79,606</u> |
| Allowance for credit losses for loans to non-performing loans | 382.23%          | 186.20%          | 177.98%          | 168.89%          | 165.68%          |
| Non-performing loans to total loans                           | 0.53%            | 0.50%            | 0.54%            | 0.57%            | 0.58%            |
| Non-performing assets to total assets                         | 0.44%            | 0.43%            | 0.45%            | 0.51%            | 0.52%            |

(1) Calculation of this metric and the reconciliation to GAAP is included in the schedules accompanying this release.

(Unaudited)

Three Months Ended

(Dollars in thousands)

|   | March 31, 2020  |                |            | December 31, 2019 |                |            |
|---|-----------------|----------------|------------|-------------------|----------------|------------|
|   | Average Balance | Income/Expense | Yield/Rate | Average Balance   | Income/Expense | Yield/Rate |
| <b>ASSETS</b>                             |                 |                |            |                   |                |            |
| Earning assets                            |                 |                |            |                   |                |            |
| Interest-bearing balances due from banks  | \$ 331,038      | \$ 1,116       | 1.36%      | \$ 234,159        | \$ 949         | 1.61%      |
| Federal funds sold                        | 5,218           | 21             | 1.62%      | 1,158             | 5              | 1.71%      |
| Investment securities - taxable           | 1,710,288       | 9,776          | 2.30%      | 1,710,192         | 9,707          | 2.25%      |
| Investment securities - non-taxable - FTE | 374,198         | 4,090          | 4.40%      | 376,613           | 4,285          | 4.51%      |
| Loans receivable - FTE                    | 11,007,958      | 158,399        | 5.79%      | 10,866,386        | 161,508        | 5.90%      |
| Total interest-earning assets             | 13,428,700      | 173,402        | 5.19%      | 13,188,508        | 176,454        | 5.31%      |
| Non-earning assets                        | 1,704,775       |                |            | 1,755,860         |                |            |
| Total assets                              | \$ 15,133,475   |                |            | \$ 14,944,368     |                |            |

**LIABILITIES AND SHAREHOLDERS'**

**EQUITY**

Liabilities

Interest-bearing liabilities

|   |              |           |       |              |           |       |
|---|--------------|-----------|-------|--------------|-----------|-------|
| Savings and interest-bearing transaction accounts | \$ 7,041,303 | \$ 15,803 | 0.90% | \$ 6,792,252 | \$ 17,406 | 1.02% |
| Time deposits                                     | 1,943,721    | 8,395     | 1.74% | 2,025,032    | 9,417     | 1.84% |
| Total interest-bearing deposits                   | 8,985,024    | 24,198    | 1.08% | 8,817,284    | 26,823    | 1.21% |
| Federal funds purchased                           | 6,264        | 13        | 0.83% | 6,684        | 33        | 1.96% |
| Securities sold under agreement to repurchase     | 138,180      | 462       | 1.34% | 159,719      | 652       | 1.62% |
| FHLB borrowed funds                               | 623,525      | 2,698     | 1.74% | 562,963      | 2,686     | 1.89% |
| Subordinated debentures                           | 369,652      | 5,079     | 5.53% | 369,462      | 5,155     | 5.54% |
| Total interest-bearing liabilities                | 10,122,645   | 32,450    | 1.29% | 9,916,112    | 35,349    | 1.41% |

Non-interest bearing liabilities

|                               |            |  |  |            |  |  |
|-------------------------------|------------|--|--|------------|--|--|
| Non-interest bearing deposits | 2,410,583  |  |  | 2,433,384  |  |  |
| Other liabilities             | 119,143    |  |  | 112,466    |  |  |
| Total liabilities             | 12,652,371 |  |  | 12,461,962 |  |  |

Shareholders' equity

|  |               |  |  |               |  |  |
|--|---------------|--|--|---------------|--|--|
| Total liabilities and shareholders' equity | \$ 15,133,475 |  |  | \$ 14,944,368 |  |  |
|--|---------------|--|--|---------------|--|--|

|                                      |  |            |       |  |            |       |
|--------------------------------------|--|------------|-------|--|------------|-------|
| Net interest spread                  |  |            | 3.90% |  |            | 3.90% |
| Net interest income and margin - FTE |  | \$ 140,952 | 4.22% |  | \$ 141,105 | 4.24% |

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

Three Months Ended

(Dollars in thousands)

|  | March 31, 2020  |                |            | March 31, 2019  |                |            |
|--|-----------------|----------------|------------|-----------------|----------------|------------|
|  | Average Balance | Income/Expense | Yield/Rate | Average Balance | Income/Expense | Yield/Rate |

**ASSETS**

## Earning assets

|   |                      |          |       |                      |          |       |
|---|----------------------|----------|-------|----------------------|----------|-------|
| Interest-bearing balances due from banks  | \$ 331,038           | \$ 1,116 | 1.36% | \$ 272,410           | \$ 1,543 | 2.30% |
| Federal funds sold                        | 5,218                | 21       | 1.62% | 1,491                | 11       | 2.99% |
| Investment securities - taxable           | 1,710,288            | 9,776    | 2.30% | 1,595,605            | 10,706   | 2.72% |
| Investment securities - non-taxable - FTE | 374,198              | 4,090    | 4.40% | 390,754              | 4,424    | 4.59% |
| Loans receivable - FTE                    | 11,007,958           | 158,399  | 5.79% | 11,036,503           | 164,170  | 6.03% |
| Total interest-earning assets             | 13,428,700           | 173,402  | 5.19% | 13,296,763           | 180,854  | 5.52% |
| Non-earning assets                        | 1,704,775            |          |       | 1,782,909            |          |       |
| Total assets                              | <u>\$ 15,133,475</u> |          |       | <u>\$ 15,079,672</u> |          |       |

**LIABILITIES AND SHAREHOLDERS'  
EQUITY**

## Liabilities

## Interest-bearing liabilities

|   |              |           |       |              |           |       |
|---|--------------|-----------|-------|--------------|-----------|-------|
| Savings and interest-bearing transaction accounts | \$ 7,041,303 | \$ 15,803 | 0.90% | \$ 6,596,895 | \$ 19,537 | 1.20% |
| Time deposits                                     | 1,943,721    | 8,395     | 1.74% | 1,903,373    | 8,469     | 1.80% |
| Total interest-bearing deposits                   | 8,985,024    | 24,198    | 1.08% | 8,500,268    | 28,006    | 1.34% |
| Federal funds purchased                           | 6,264        | 13        | 0.83% | -            | -         | 0.00% |
| Securities sold under agreement to repurchase     | 138,180      | 462       | 1.34% | 150,803      | 634       | 1.71% |
| FHLB borrowed funds                               | 623,525      | 2,698     | 1.74% | 1,159,629    | 6,118     | 2.14% |
| Subordinated debentures                           | 369,652      | 5,079     | 5.53% | 368,884      | 5,259     | 5.78% |
| Total interest-bearing liabilities                | 10,122,645   | 32,450    | 1.29% | 10,179,584   | 40,017    | 1.59% |

## Non-interest bearing liabilities

|                               |            |  |  |            |  |  |
|-------------------------------|------------|--|--|------------|--|--|
| Non-interest bearing deposits | 2,410,583  |  |  | 2,439,520  |  |  |
| Other liabilities             | 119,143    |  |  | 115,911    |  |  |
| Total liabilities             | 12,652,371 |  |  | 12,735,015 |  |  |

## Shareholders' equity

|  |                      |  |  |                      |  |  |
|--|----------------------|--|--|----------------------|--|--|
| Total liabilities and shareholders' equity | <u>2,481,104</u>     |  |  | <u>2,344,657</u>     |  |  |
|  | <u>\$ 15,133,475</u> |  |  | <u>\$ 15,079,672</u> |  |  |

|                                      |  |                   |       |  |                   |       |
|--------------------------------------|--|-------------------|-------|--|-------------------|-------|
| Net interest spread                  |  |                   | 3.90% |  |                   | 3.93% |
| Net interest income and margin - FTE |  | <u>\$ 140,952</u> | 4.22% |  | <u>\$ 140,837</u> | 4.30% |

**Home BancShares, Inc.**  
**Non-GAAP Reconciliations**  
**(Unaudited)**

| (Dollars and shares in thousands, except per share data) | Quarter Ended |               |               |               | Three Months Ended |               |
|--|---------------|---------------|---------------|---------------|--------------------|---------------|
|  | Mar. 31, 2020 | Dec. 31, 2019 | Sep. 30, 2019 | Jun. 30, 2019 | Mar. 31, 2020      | Mar. 31, 2019 |

**EARNINGS, AS  
ADJUSTED**

GAAP net income available to common shareholders

|     |        |           |           |           |           |        |           |
|-----|--------|-----------|-----------|-----------|-----------|--------|-----------|
| (A) | \$ 507 | \$ 73,262 | \$ 72,763 | \$ 72,164 | \$ 71,350 | \$ 507 | \$ 71,350 |
|-----|--------|-----------|-----------|-----------|-----------|--------|-----------|



|   |                  |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Pre-tax adjustments                             |                  |                  |                  |                  |                  |                  |                  |
| Outsourced special project expense              | 1,092            | 631              | -                | -                | 900              | 1,092            | 900              |
| Merger and acquisition expenses                 | 711              | -                | -                | -                | -                | 711              | -                |
| Fair value adjustment for marketable securities | 5,818            | -                | -                | -                | -                | 5,818            | -                |
| Unfunded commitment expense                     | 7,775            | -                | -                | -                | -                | 7,775            | -                |
| Provision for credit losses                     | 86,823           | -                | -                | 1,325            | -                | 86,823           | -                |
| Special dividend from equity investment         | (7,004)          | (861)            | -                | -                | (2,134)          | (7,004)          | (2,134)          |
| FDIC Small Bank Assessment Credit               | -                | -                | (2,291)          | -                | -                | -                | -                |
| Hurricane expenses                              | -                | -                | -                | -                | 897              | -                | 897              |
| Total pre-tax adjustments                       | 95,215           | (230)            | (2,291)          | 1,325            | (337)            | 95,215           | (337)            |
| Tax-effect of adjustments                       | 24,884           | (59)             | (592)            | 342              | (87)             | 24,884           | (87)             |
| Adjustments after-tax                           | 70,331           | (171)            | (1,699)          | 983              | (250)            | 70,331           | (250)            |
| Florida tax savings                             | -                | -                | (497)            | 252              | 245              | -                | 245              |
| BOLI redemption tax                             | -                | -                | 3,667            | -                | -                | -                | -                |
| Total adjustments after-tax (B)                 | 70,331           | (171)            | 1,471            | 1,235            | (5)              | 70,331           | (5)              |
| Earnings, as adjusted (C)                       | <u>\$ 70,838</u> | <u>\$ 73,091</u> | <u>\$ 74,234</u> | <u>\$ 73,399</u> | <u>\$ 71,345</u> | <u>\$ 70,838</u> | <u>\$ 71,345</u> |

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Average diluted shares outstanding (D) | 166,014 | 166,696 | 167,178 | 167,791 | 169,592 | 166,014 | 169,592 |
|--|---------|---------|---------|---------|---------|---------|---------|

|  |      |         |         |         |         |      |         |
|--|------|---------|---------|---------|---------|------|---------|
| GAAP diluted earnings per share: (A/D) | \$ - | \$ 0.44 | \$ 0.44 | \$ 0.43 | \$ 0.42 | \$ - | \$ 0.42 |
|--|------|---------|---------|---------|---------|------|---------|

|                              |      |   |   |      |   |      |   |
|------------------------------|------|---|---|------|---|------|---|
| Adjustments after-tax: (B/D) | 0.43 | - | - | 0.01 | - | 0.43 | - |
|------------------------------|------|---|---|------|---|------|---|

|  |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Diluted earnings per common share, as adjusted, excluding outsourced special project expense, merger and acquisition expense, fair value adjustment for marketable securities, unfunded commitment expense, provision for credit losses, special dividend from equity investment, FDIC Small Bank Assessment Credit, hurricane expense, Florida tax savings and BOLI redemption tax: (C/D) | <u>\$ 0.43</u> | <u>\$ 0.44</u> | <u>\$ 0.44</u> | <u>\$ 0.44</u> | <u>\$ 0.42</u> | <u>\$ 0.43</u> | <u>\$ 0.42</u> |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|

**ANNUALIZED**  
**RETURN ON**  
**AVERAGE ASSETS**

|   |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|
| Return on average assets:<br>(A/E)  | 0.01%      | 1.94%      | 1.93%      | 1.92%      | 1.92%      | 0.01%      | 1.92%      |
| Return on average assets<br>excluding<br>outsourced special project<br>expense, merger and<br>acquisition<br>expense, fair value<br>adjustment for marketable<br>securities,<br>unfunded commitment<br>expense, provision for<br>credit losses,<br>special dividend from<br>equity investment, FDIC<br>Small Bank<br>Assessment Credit,<br>hurricane expense, Florida<br>tax savings<br>and BOLI redemption tax:<br>(ROA, as adjusted)<br>((A+D)/E) | 1.88%      | 1.94%      | 1.96%      | 1.95%      | 1.92%      | 1.88%      | 1.92%      |
| Return on average assets<br>excluding intangible<br>amortization: ((A+C)/(E-<br>F))   | 0.05%      | 2.12%      | 2.10%      | 2.09%      | 2.09%      | 0.05%      | 2.09%      |
| GAAP net income available<br>to common shareholders<br>(A)  | \$ 507     | \$ 73,262  | \$ 72,763  | \$ 72,164  | \$ 71,350  | \$ 507     | \$ 71,350  |
| Amortization of intangibles<br>(B)  | 1,517      | 1,565      | 1,587      | 1,587      | 1,586      | 1,517      | 1,586      |
| Amortization of intangibles<br>after-tax (C)  | 1,121      | 1,161      | 1,177      | 1,177      | 1,177      | 1,121      | 1,177      |
| Adjustments after-tax (D)   | 70,331     | (171)      | 1,471      | 1,235      | (5)        | 70,331     | (5)        |
| Average assets (E)  | 15,133,475 | 14,944,368 | 14,993,232 | 15,098,600 | 15,079,672 | 15,133,475 | 15,079,672 |
| Average goodwill, core<br>deposits & other intangible<br>assets (F)   | 999,004    | 995,721    | 997,309    | 998,898    | 1,000,494  | 999,004    | 1,000,494  |

**Home BancShares, Inc.**  
**Non-GAAP Reconciliations**  
**(Unaudited)**

**Quarter Ended**

**Three Months Ended**

**(Dollars and shares in**

| <u>thousands,</u><br><u>except per share data)</u>  | <u>Mar. 31,</u><br><u>2020</u> | <u>Dec. 31</u><br><u>2020</u> | <u>Sep. 30,</u><br><u>2019</u> | <u>Jun. 30,</u><br><u>2019</u> | <u>Mar. 31,</u><br><u>2019</u> | <u>Mar. 31,</u><br><u>2020</u> | <u>Mar. 31,</u><br><u>2019</u> |
|---|--------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b><u>ANNUALIZED RETURN ON</u></b>  |                                |                               |                                |                                |                                |                                |                                |
| <b><u>AVERAGE COMMON EQUITY</u></b>   |                                |                               |                                |                                |                                |                                |                                |
| Return on average common equity:<br>(A/D)   | 0.08%                          | 11.71%                        | 11.84%                         | 12.18%                         | 12.34%                         | 0.08%                          | 12.34%                         |
| Return on average common equity<br>excluding outsourced<br>special project expense, merger<br>and acquisition<br>expense, fair value adjustment for<br>marketable securities,<br>unfunded commitment expense,<br>provision for credit losses,<br>special dividend from equity<br>investment, FDIC Small Bank<br>Assessment Credit, hurricane<br>expense, Florida tax savings<br>and BOLI redemption tax: (ROE,<br>as adjusted) ((A+C)/D)                    | 11.48%                         | 11.68%                        | 12.08%                         | 12.39%                         | 12.34%                         | 11.48%                         | 12.34%                         |
| Return on average tangible common<br>equity: (A/(D-E))  | 0.14%                          | 19.55%                        | 20.04%                         | 21.01%                         | 21.53%                         | 0.14%                          | 21.53%                         |
| Return on average tangible common<br>equity excluding intangible<br>amortization: (B/(D-E))   | 0.44%                          | 19.86%                        | 20.36%                         | 21.35%                         | 21.88%                         | 0.44%                          | 21.88%                         |
| Return on average tangible common<br>equity excluding<br>outsourced special project<br>expense, merger and acquisition<br>expense, fair value adjustment for<br>marketable securities,<br>unfunded commitment expense,<br>provision for credit losses,<br>special dividend from equity<br>investment, FDIC Small Bank<br>Assessment Credit, hurricane<br>expense, Florida tax savings<br>and BOLI redemption tax:<br>(ROTCE, as adjusted) ((A+C)/(D-<br>E)) | 19.22%                         | 19.51%                        | 20.45%                         | 21.37%                         | 21.53%                         | 19.22%                         | 21.53%                         |
| GAAP net income available to<br>common shareholders (A)   | \$ 507                         | \$ 73,262                     | \$ 72,763                      | \$ 72,164                      | \$ 71,350                      | \$ 507                         | \$ 71,350                      |
| Earnings excluding intangible<br>amortization (B)   | 1,628                          | 74,423                        | 73,940                         | 73,341                         | 72,527                         | 1,628                          | 72,527                         |
| Adjustments after-tax (C)   | 70,331                         | (171)                         | 1,471                          | 1,235                          | (5)                            | 70,331                         | (5)                            |
| Average common equity (D)   | 2,481,104                      | 2,482,406                     | 2,437,820                      | 2,376,718                      | 2,344,657                      | 2,481,104                      | 2,344,657                      |
| Average goodwill, core deposits &<br>other intangible assets (E)  | 999,004                        | 995,721                       | 997,309                        | 998,898                        | 1,000,494                      | 999,004                        | 1,000,494                      |

**EFFICIENCY RATIO**

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Efficiency ratio: ((C-E)/(A+B+D))                  | 46.82% | 41.26% | 39.16% | 39.93% | 41.01% | 46.82% | 41.01% |
| Efficiency ratio, as adjusted: ((C-E-G)/(A+B+D-F)) | 41.37% | 41.14% | 40.60% | 39.92% | 40.52% | 41.37% | 40.52% |

|   |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|
| Net interest income (A)                 | \$ 139,725 | \$ 139,783 | \$ 142,977 | \$ 140,987 | \$ 139,470 | \$ 139,725 | \$ 139,470 |
| Non-interest income (B)                 | 22,927     | 28,029     | 24,749     | 23,066     | 23,672     | 22,927     | 23,672     |
| Non-interest expense (C)                | 78,249     | 71,342     | 67,764     | 67,624     | 69,057     | 78,249     | 69,057     |
| Fully taxable equivalent adjustment (D) | 1,227      | 1,322      | 1,247      | 1,319      | 1,367      | 1,227      | 1,367      |
| Amortization of intangibles (E)         | 1,517      | 1,565      | 1,587      | 1,587      | 1,586      | 1,517      | 1,586      |

## Adjustments:

## Non-interest income:

|  |                 |                 |               |                |                 |                 |                 |
|--|-----------------|-----------------|---------------|----------------|-----------------|-----------------|-----------------|
| Special dividend from equity investment                  | \$ 7,004        | \$ 861          | \$ -          | \$ -           | \$ 2,134        | \$ 7,004        | \$ 2,134        |
| Fair value adjustment for marketable securities          | (5,818)         | -               | -             | -              | -               | (5,818)         | -               |
| Gain (loss) on OREO                                      | 277             | 159             | 334           | 58             | 206             | 277             | 206             |
| Gain (loss) on branches, equipment and other assets, net | 82              | 35              | 12            | (129)          | 79              | 82              | 79              |
| Gain (loss) on securities                                | -               | (2)             | -             | -              | -               | -               | -               |
| Total non-interest income adjustments (F)                | <u>\$ 1,545</u> | <u>\$ 1,053</u> | <u>\$ 346</u> | <u>\$ (71)</u> | <u>\$ 2,419</u> | <u>\$ 1,545</u> | <u>\$ 2,419</u> |

## Non-interest expense:

|  |                 |               |                   |             |                 |                 |                 |
|--|-----------------|---------------|-------------------|-------------|-----------------|-----------------|-----------------|
| FDIC Small Bank Assessment Credit          | \$ -            | \$ -          | \$ (2,291)        | \$ -        | \$ -            | \$ -            | \$ -            |
| Merger Expenses                            | 711             | -             | -                 | -           | -               | 711             | -               |
| Hurricane damage expense                   | -               | -             | -                 | -           | 897             | -               | 897             |
| Outsourced special project expense         | 1,092           | 631           | -                 | -           | 900             | 1,092           | 900             |
| Unfunded commitment expense                | 7,775           | -             | -                 | -           | -               | 7,775           | -               |
| Total non-interest expense adjustments (G) | <u>\$ 9,578</u> | <u>\$ 631</u> | <u>\$ (2,291)</u> | <u>\$ -</u> | <u>\$ 1,797</u> | <u>\$ 9,578</u> | <u>\$ 1,797</u> |

**Home BancShares, Inc.**  
**Non-GAAP Reconciliations**  
**(Unaudited)**

|                                      |                          |                          |                          |                          |                          |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b><u>(Dollars in thousands)</u></b> | <b>Mar. 31,<br/>2020</b> | <b>Dec. 31,<br/>2019</b> | <b>Sep. 30,<br/>2019</b> | <b>Jun. 30,<br/>2019</b> | <b>Mar. 31,<br/>2019</b> |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|

**TANGIBLE BOOK VALUE PER COMMON  
SHARE**

|   |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|
| Book value per common share: (A/B)                | \$ 14.72 | \$ 15.10 | \$ 14.80 | \$ 14.46 | \$ 14.04 |
| Tangible book value per common share: ((A-C-D)/B) | 8.61     | 9.12     | 8.83     | 8.50     | 8.10     |

|   |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| Total stockholders' equity (A)              | \$ 2,430,271 | \$ 2,511,531 | \$ 2,469,389 | \$ 2,421,406 | \$ 2,361,484 |
| End of period common shares outstanding (B) | 165,148      | 166,373      | 166,860      | 167,466      | 168,173      |
| Goodwill (C)                                | 973,025      | 958,408      | 958,408      | 958,408      | 958,408      |
| Core deposit and other intangibles (D)      | 35,055       | 36,572       | 38,136       | 39,723       | 41,310       |

**TANGIBLE COMMON EQUITY TO TANGIBLE ASSETS**

|  |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
| Equity to assets: (B/A)                                      | 15.65% | 16.71% | 16.57% | 15.84% | 15.56% |
| Tangible common equity to tangible assets: ((B-C-D)/(A-C-D)) | 9.79%  | 10.80% | 10.59% | 9.96%  | 9.60%  |

|  |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
| Total assets (A)                       | \$15,531,732 | \$15,032,047 | \$14,901,935 | \$15,287,575 | \$15,179,501 |
| Total stockholders' equity (B)         | 2,430,271    | 2,511,531    | 2,469,389    | 2,421,406    | 2,361,484    |
| Goodwill (C)                           | 973,025      | 958,408      | 958,408      | 958,408      | 958,408      |
| Core deposit and other intangibles (D) | 35,055       | 36,572       | 38,136       | 39,723       | 41,310       |

[\(Back To Top\)](#)