



HOMB

2018 ANNUAL REPORT

# FORBES' BEST BANK IN AMERICA 2 YEARS IN A ROW



It is hard to believe another year has come and gone. Home BancShares, Inc. (the “Company” or “HOMB”) has completed another successful year.

Our top accomplishments of 2018 are:

1. Reaching record income of over \$300 million
2. The acquisition of Shore Premier Finance
3. Being named #1 to Forbes list of Best Banks in America two years in a row

The Company reached \$300.4 million in net income for the year of 2018, an increase of \$165.3 million or 122.4%, compared to \$135.1 million for the year of 2017. Additionally, the Company reported record quarterly earnings, as adjusted (non-GAAP)<sup>(1)</sup>, for the 31st consecutive quarter when compared to the same quarter of the previous year.

Bank stocks have underperformed as a sector for the last two years, but HOMB's financial results have not. We saw our earnings, as adjusted (non-GAAP)<sup>(1)</sup>, grow from a record \$204.8 million in 2017 to a record \$305.2 million in 2018, an increase of \$100.4 million, or 49.0%. Diluted earnings per share grew from \$0.89 for 2017 to \$1.73 for 2018, an increase of \$0.84, or 94.4%. Return on average assets increased to 2.06% as of December 31, 2018 from 1.17% as of December 31, 2017, an increase of 89 basis points, or 76.1%. And finally, our efficiency ratio improved from 41.89% for 2017 to 38.48% for 2018, an improvement of 341 basis points, or 8.1%.

Asset quality remains exceptionally strong with non-performing loans to total loans of 0.58% and non-performing assets to total assets of 0.51% as of December 31, 2018. Net charge offs for 2018 were \$5.8 million, a decrease of \$8.2 million from \$14.0 million for 2017.

**Forbes** | 2019  
**BEST BANKS**  
**IN AMERICA**

#1 TWO YEARS IN A ROW!

During 2018, we originated a record \$3.79 billion in loans. Our legacy footprint was responsible for originating \$2.86 billion in loans while Centennial CFG originated \$929.0 million during 2018. Total loans receivable increased \$740.7 million during 2018. This increase was a result of organic loan growth of \$364.5 million and the acquisition of \$376.2 million of loans through our purchase of Shore Premier Finance (“SPF”).

The Company acquired SPF, a division of Union Bank & Trust of Richmond, Virginia, in June 2018 for a purchase price of approximately \$377.4 million in cash and the issuance of 1,250,000 shares of HOMB common stock.

SPF provides direct consumer financing to United States Coast Guard (“USCG”) registered high-end sail and power boats, as well as, inventory floor plan lines of credit to marine dealers, primarily those selling USCG documented vessels. This acquisition has become our foundation for building a national marine finance platform and extending our specialty finance options. With Centennial Bank having a presence in the Florida Keys, Miami and Ft. Lauderdale, Florida, it makes perfect sense to have a boat platform to better serve these markets.

On October 10, 2018, Hurricane Michael made landfall in the Florida Panhandle as a Category 4 hurricane. Our people and our customers in the panhandle worked tirelessly to get our branches back up and running in record time. We had employees who rode out the storm inside one of our branches. We had a customer purchase supplies and deliver two bob trucks full of life saving supplies to our people. One employee opened the drive thru and not having a computer to operate with, stayed on the phone with an employee in Arkansas to get account information in order to take care of our customers. In one community, it took six hours, ten search and rescue workers and one banker to break into our vault. We housed many employees

in area hotels until their homes were livable again. We had employees who weren’t able to shower but they were out working for the bank doing everything they could to assist each other and our customers. We truly saw the HOMB family come together to support the communities we serve.

As of December 31, 2018, the Company has declared and paid 50 consecutive quarterly cash dividends since going public in June 2006. For the full year 2018, we declared and paid regular quarterly dividends of \$0.46 per share, totaling approximately

On January 16, 2019, Home BancShares was ranked number one on Forbes’ list of the 100 Best Banks in America for the second year in a row. The Company scored in the top 15 in six of the ten metrics, including third overall for its efficiency ratio of 37% (the median is 59% for the top 100 based on data as of September 30, 2018). Being ranked number one for the past two years is quite an honor, especially for these past two years as the financial sector has underperformed in the stock market. The Forbes recognition confirms the strength and stability of our Company.

As we embark on Centennial Bank and Home BancShare’s twentieth year, we reflect back with a sense of pride for what we’ve accomplished over the last two decades. We owe our gratitude to our

Shareholders, our Board of Directors, our customers and our employees. As we look ahead to 2019 and beyond, the future looks bright and we are excited about the possibilities that lie before us.

<sup>(1)</sup>Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the Company’s form 10-K for the year ended December 31, 2018.

## “\$79.9 million of cash dividends paid to our shareholders during this year.”

\$79.9 million of cash dividends paid to our shareholders during the year. This represents a 15.0% increase in 2018 aggregate quarterly cash dividends declared and paid per share versus that of 2017.

During much of 2018, the investment community had bank stocks on sale. As a result, we repurchased a total of 5,307,689 shares at a weighted average price of \$19.62 during 2018, which equates to approximately \$104.2 million in stock repurchases.



**John W. Allison**  
Chairman



**Randy Sims**  
President & CEO



# Home BancShares, Inc. Board of Directors & Executive Officers and Centennial Bank Executive Staff



**John W. Allison**

Chairman

- HOMB Director
- Executive Officer



**Robert H. Adcock, Jr.**

Vice Chairman

- HOMB Director



**Randy Sims**

CEO & President of HOMB

- HOMB Director
- Executive Officer



**Tracy M. French**

CEO & President of Centennial Bank

- HOMB Director
- Executive Officer



**Brian S. Davis**

Chief Financial Officer of HOMB & Centennial Bank

- HOMB Director
- Executive Officer



**Kevin Hester**

Chief Lending Officer of HOMB & Centennial Bank

- Executive Officer



**Stephen Tipton**

Chief Operating Officer of HOMB & Centennial Bank

- Executive Officer



**Donna Townsell**

SEVP of HOMB & Centennial Bank & Director of Investor Relations

- HOMB Director
- Executive Officer



**Jennifer C. Floyd**

Chief Accounting Officer of HOMB & Centennial Bank

- Executive Officer



**Milburn Adams**

• HOMB Director



**Richard H. Ashley**

• HOMB Director



**Mike Beebe**

- HOMB Director



**Jack E. Engelkes**

- HOMB Director



**Karen Garrett**

- HOMB Director



**James G. Hinkle**

- HOMB Director



**Alex R. Lieblong**

- HOMB Director



**Thomas J. Longe**

- HOMB Director



**Jim Rankin**

- HOMB Director



**Davy Carter**

Regional President

- Centennial Bank
- Executive Officer



**Jim Haynes**

Regional President

- Centennial Bank



**David Druey**

Regional President

- Centennial Bank



**Kevin W. Bartholomew**

Chief Information Officer

- Centennial Bank



## Shareholder's Return

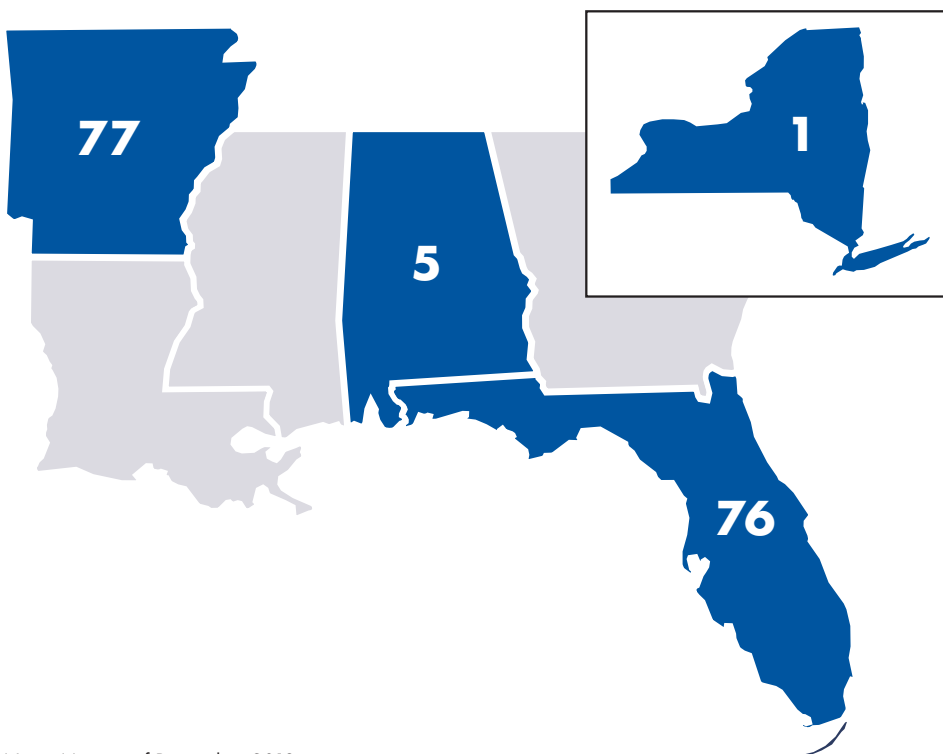
\$1,000 initial investment  
(Day 1 of HOMB)



# \$11,870

Note: Current Value = 12/31/2018 closing market value & includes the reinvestment of dividends since the Company went public in 2006.

## 2018 Branches by State - 159



Note: Map as of December 2018

## Financial Highlights

12/31/18

Total Assets

**\$15,302,438**

Total Loans

**\$11,071,879**

Total Deposits

**\$10,899,778**

Net Income

**\$300,403**

Total Revenue

**\$788,200**

Diluted Earnings Per Share

**\$1.73**

Dividends Per Share

**\$0.46**

Tangible Book Value Per Share (non-GAAP)\*

**\$7.90**

Return on Average Assets

**2.06%**

Efficiency Ratio, As Adjusted  
(non-GAAP)\*

**37.67%**

Tangible Common Equity to Tangible  
Assets (non-GAAP)\*

**9.43%**

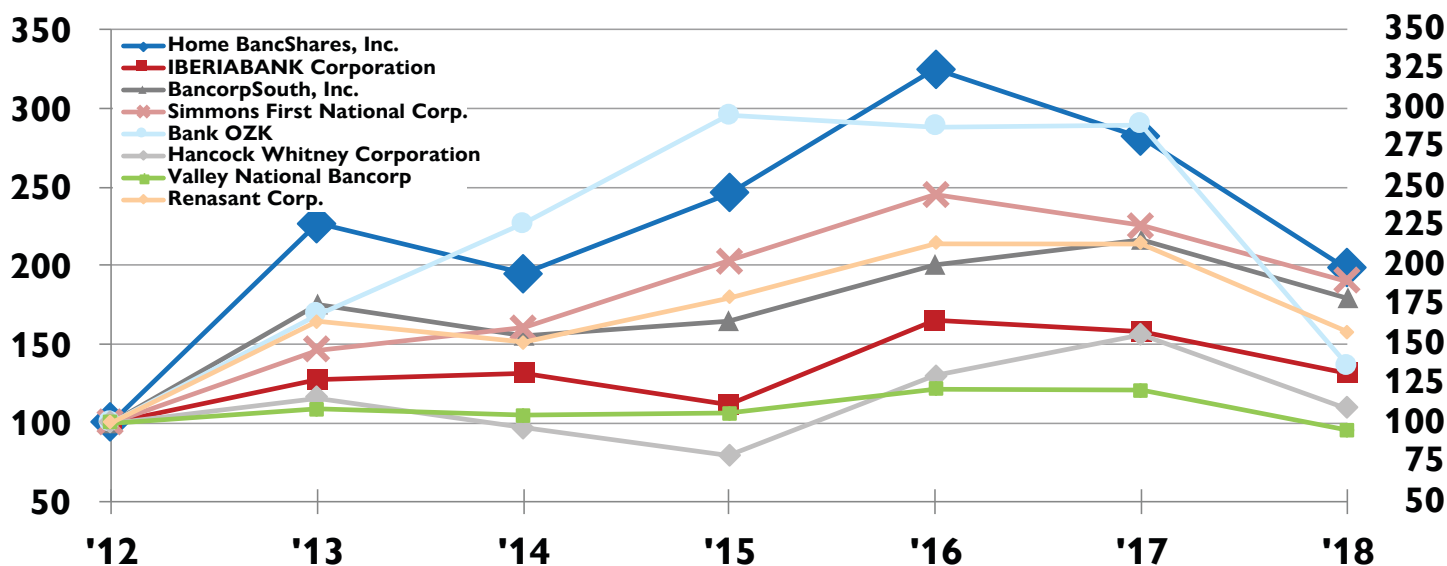
Net Interest Margin

**4.42%**

*\* Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the Company's Form 10-K for the year ended December 31, 2018.*

*Dollars in thousands, except per share data.*

## Total Return Performance



INDEX	PERIOD ENDING						
	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18
Home BancShares, Inc.	100.00	226.23	194.79	245.43	324.77	281.65	197.94
IBERIABANK Corporation	100.00	127.95	132.02	112.11	165.21	157.78	130.86
BancorpSouth, Inc.	100.00	174.83	154.81	164.99	200.83	216.30	179.78
Simmons First National Corp.	100.00	146.49	160.29	202.52	245.07	225.16	190.30
Bank OZK	100.00	169.06	226.52	295.46	288.05	289.43	136.38
Hancock Whitney Corporation	100.00	115.60	96.75	79.33	130.00	156.00	109.20
Valley National Bancorp	100.00	108.82	104.41	105.91	121.40	120.65	95.48
Renasant Corporation	100.00	164.37	151.15	179.78	213.74	213.64	157.68

## Chairman's Award Winners



*Pictured Left to Right: Jim Haynes, Region President; Jeannie Hill, Executive Assistant; Jennifer Holbrook, Controller; John Allison, Chairman; Bunny Adcock, Vice Chairman; Kelli Combs, Commercial Loan Officer; Lyndsay Job, Market President; Dustin Jones, Information Technology Director. (Not pictured Melissa Wade, Senior Regional Retail Leader.)*

John W. Allison, Home BancShares' Chairman of the Board, assisted by Robert H. "Bunny" Adcock, Jr., Home BancShares' Vice Chairman, named the recipients of the Annual Chairman's Awards during the 2018 Annual Meeting.

These prestigious accolades are given to individuals for outstanding service to the Company, well beyond expectation.





# SHORE PREMIER — FINANCE —

A DIVISION OF CENTENNIAL BANK



During 2018 we completed the acquisition of Shore Premier Finance (“SPF”), a division of Union Bank & Trust of Richmond, Virginia, the bank subsidiary of Union Bankshares Corporation. SPF provides direct consumer financing to United States Coast Guard (“USCG”) registered high-end sail and power boats, as well as, inventory floor plan lines of credit to marine dealers, primarily those selling USCG documented vessels. This acquisition added approximately \$376.2 million in total loans and has become our foundation for building a national marine finance platform.



# CENTENNIAL BANK REGIONAL BOARDS

## CENTENNIAL BANK BOARD OF DIRECTORS

Milburn Adams  
Robert H. Adcock, Jr.  
John W. Allison\*\*  
Richard H. Ashley  
Brian S. Davis  
Jack E. Engelkes  
Bill Farris  
Tracy M. French  
John Freyaldenhoven  
Vaughan Hankins  
Shane Henry  
Kevin D. Hester  
Alex R. Lieblong°  
Jim Rankin  
Dave Seleski  
Randy Sims  
Donna Townsell

## CABOT

John W. Allison  
Richard H. Ashley  
Cathy Eoff  
Will Feland  
Tracy M. French  
John P. Hayes  
Jerry Jones  
Mark Lowman  
Randy Sims  
Stephen P. Tipton  
Jerry Waymack\*  
Larry Wood  
Joan Zumwalt

## CENTRAL FLORIDA

Allen Altman  
Len Johnson  
Dale Maggard  
Bill Nye  
Ronnie Oakley  
Randall Phillips  
James S. "Bud" Stalnaker Jr.\*  
Charles Waller

## LITTLE ROCK

Blair Allen  
John W. Allison  
W. W. "Bill" Arnold  
Richard H. Ashley\*  
John S. Bailey  
Sharon Davis  
Rick Ferguson  
Dr. Agustin Fernandez  
Barbara Graves  
Stuart W. Hankins  
Jim Kincannon  
Tom Prince  
Larry Ross  
Randy Sims

## MOUNTAIN VIEW

Tim Gammill  
James G. Hinkle\*  
Stotts Isbell  
Eddie Jack Mitchell  
Jake Newton  
Kenneth Sutton  
Kenny J. Wyatt

## NORTHEAST ARKANSAS

Brandon Adams  
Sonny Campbell  
Davy Carter\*  
Susan Cathcart  
Doug Falls  
Danny Ford  
Stacy Greene  
Ryan Heringer  
Ted Herget  
Mike Langford  
Charles Luter  
Bobby McDaniel  
Terry Mohajir  
Deana Osment  
Randy Woodard

## NORTHWEST ARKANSAS

Brandon Adams\*  
John D. Alford  
Davy Carter  
Nick Dozier  
John Elrod  
D. Scott Hancock  
Chip Miller  
Jake Newell  
Susan Peacock  
Steve Renfro  
Marshall Saviers

## SOUTH FLORIDA

John W. Allison  
Teresa J. Condas  
Thomas J. Longe  
Gerald E. Mayette  
Scott G. Oropeza\*  
Joseph H. Roth, III  
Ed Woritzky

## SOUTHEAST FLORIDA

David A. Druey  
Jeff Holding  
Jeff Roschman  
Paul M. Sallarulo  
John P. "Jack" Seiler\*  
E. Clay Shaw, III  
Stephan Tchividjian

## TALLAHASSEE

Michael "Darrh" Bryant, DMD  
Joseph L. Camps Jr., MD\*  
Peter "Trey" Desantis  
Chase McNeill  
Cynthia Phipps

\* Regional Board Chairman

\*\* Board Chairman

° Advisory Director

## CORPORATE INFORMATION

### **CORPORATE HEADQUARTERS**

Home BancShares, Inc.  
719 Harkrider St., Suite 100 • P.O. Box 966  
Conway, Arkansas 72033

### **STOCK LISTING**

Home BancShares, Inc. is listed and trades on the NASDAQ Global Select Market under the symbol HOMB.

### **SHAREHOLDERS' MEETING**

Thursday, April 18, 2019 6:30 p.m.  
Doors open at 5:30 p.m.  
Centennial Valley Country Club Events Center  
1555 Centennial Club Drive  
Conway, AR 72034

### **WEBSITE**

[www.homebancshares.com](http://www.homebancshares.com)

### **FINANCIAL INFORMATION**

Analysts and investors seeking financial information about Home BancShares, Inc. should contact:  
Donna Townsell, Director of  
Investor Relations  
(501) 328-4625  
[DTownsell@my100bank.com](mailto:DTownsell@my100bank.com)

### **PUBLIC ACCOUNTING FIRM**

BKD, LLP  
Little Rock, Arkansas

### **LEGAL COUNSEL**

Mitchell, Williams, Selig, Gates & Woodyard,  
PLLC  
Little Rock, Arkansas

### **TRANSFER AGENT & REGISTRAR**

Shareholder correspondence should be mailed to:

Computershare  
P.O. BOX 505000  
Louisville, KY 40233

Overnight correspondence should be sent to:

Computershare  
462 South 4th Street, Suite 1600  
Louisville, KY 40202

Shareholder Website:

[www.computershare.com/investor](http://www.computershare.com/investor)

Shareholder Online Inquiries:

<https://www-us.computershare.com/investor/Contact>