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),(1) 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)(1), 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.
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 $79.9 million of cash dividends paid to our shareholders during this year.

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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.

(1)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.
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.
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.
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 Fails
Danny Ford
Stacy Greene
Ryan Heringer
Ted Herget

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

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

SOUTHEAST FLORIDA
David A. Druey
Jeff Holding
Jeff Roschman
Paul M. Sallarulo
John P. “Jack” Seiler*
E. Clay Shaw, III
Stephan Tchividjian

TALLAHASSEE
Michael “Darby” Bryant, DMD
Joseph L. Camps Jr., MD*
Peter “Trey” Desantis
Chase McNeill
Cynthia Phipps

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

* Regional Board Chairman
** Board Chairman
° Advisory Director

CORPORATE HEADQUARTERS
Home BancShares, Inc.
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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

FINANCIAL INFORMATION
Analysts and investors seeking financial information about Home BancShares, Inc. should contact:
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Little Rock, Arkansas

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

TRANSFER AGENT & REGISTRAR
Shareholder correspondence should be mailed to:
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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
Shareholder Online Inquiries:
https://www-us.computershare.com/investor/Contact