

CENTRAL PACIFIC FINANCIAL CORP
Form S-4/A
July 20, 2004

[QuickLinks](#) -- Click here to rapidly navigate through this document

As filed with the Securities and Exchange Commission on July 20, 2004

Registration No. 333-104783

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

AMENDMENT NO. 8
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CENTRAL PACIFIC FINANCIAL CORP.

(formerly CPB INC.)

(Exact name of registrant as specified in its charter)

Hawaii
(State or other jurisdiction of
incorporation or organization)

6022
(Primary Standard Industrial
Classification Code Number)

99 0212597
(I.R.S. Employer
Identification Number)

**220 South King Street
Honolulu, Hawaii 96813
(808) 544-0500**

(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

**Neal K. Kanda
Vice President and Treasurer
220 South King Street
Honolulu, Hawaii 96813
(808) 544-0500**

(Name and address, including zip code, of agent for service)

Copies to:

**Alison S. Ressler, Esq.
Sullivan & Cromwell LLP
1888 Century Park East
Los Angeles, California 90067-1725
(310) 712-6600**

**Fred B. White, III Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, New York 10036
(212) 735-3000**

**Gordon Bava, Esq.
Manatt Phelps & Phillips, LLP
11355 West Olympic Boulevard
Los Angeles, California 90064-1614**

Edgar Filing: CENTRAL PACIFIC FINANCIAL CORP - Form S-4/A

(310) 312-4000

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and upon completion of the transactions described in the joint proxy statement-prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Subject to Completion, Dated July 20, 2004

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

The board of directors of each of Central Pacific Financial Corp. and CB Bancshares, Inc. has approved a merger of CB Bancshares into Central Pacific with Central Pacific as the surviving corporation. We are sending you this document to ask you to vote on the approval of the merger agreement between Central Pacific and CB Bancshares.

If the merger is completed each share of CB Bancshares common stock will be converted into the right to receive either (1) cash consideration in an amount equal to \$20.00 plus the product of 2.6752 times the average of the closing prices of Central Pacific stock over the 10 consecutive trading day period ending one day before completion of the transaction, which average we refer to as the measuring price, or (2) a number of shares of Central Pacific common stock equal to the cash consideration divided by the measuring price. This formula is designed to ensure that all shares of CB Bancshares stock will receive merger consideration of equal value, based on the measuring price, regardless of whether they are converted into cash or Central Pacific shares.

On July 19, 2004, Central Pacific common stock closed at \$26.90 per share. Assuming that \$26.90 was the measuring price, a CB Bancshares shareholder would receive in the merger, for each share of CB Bancshares common stock held, either \$91.96 in cash or 3.4187 shares of Central Pacific common stock. A chart showing the per share cash consideration and per share stock consideration to be received by CB Bancshares shareholders at various measuring prices of Central Pacific stock is provided on page 42 of this document. Because the formula for calculating the per share merger consideration relies on the average of the closing prices of Central Pacific common stock over a defined period prior to the closing, the value of the consideration that CB Bancshares shareholders receive in the merger will change depending on changes in the market price of Central Pacific shares. As a result, the value of the consideration received will decline to the extent the price of Central Pacific common stock declines, and there is no mechanism to compensate CB Bancshares shareholders in the event of such a decline.

A CB Bancshares shareholder will be entitled to elect to receive merger consideration in the form of Central Pacific common stock or cash for each CB Bancshares share held. However, because the total amount of cash consideration payable in the merger and the total amount of Central Pacific common stock to be issued in the merger will be fixed at the time the merger is completed, a CB Bancshares shareholder may receive consideration in a form other than the one elected with respect to some of his or her shares. Based on the average of the closing prices for Central Pacific's common stock for the five trading days prior to the announcement of the merger on April 23, 2004, approximately 78% of the currently outstanding shares of CB Bancshares common stock would be converted into the right to receive Central Pacific common stock and the remaining 22% would be converted into the right to receive cash. Former CB Bancshares shareholders will own approximately 42% of Central Pacific's outstanding common stock immediately after the merger.

Any stock a CB Bancshares shareholder receives as consideration in the merger will generally not be subject to federal income tax. It is generally expected that any cash a CB Bancshares shareholder receives, including cash received in lieu of fractional shares, will cause taxable gain recognition, which means that such shareholder will have to pay taxes as a result. See "The Merger Material United States Federal Income Tax Considerations of the Merger".

As of July 19, 2004, directors and executive officers of CB Bancshares owned and were entitled to vote approximately 3.4% of CB Bancshares' outstanding common stock, and one of CB Bancshares' largest shareholders, TON Finance, B.V., owned and was entitled to vote approximately 8.6% of CB Bancshares' common stock. As of July 19, 2004, directors and executive officers of Central Pacific owned and were entitled to vote approximately 4.7% of Central Pacific's outstanding common stock.

CB Bancshares common stock is quoted on the Nasdaq National Market under the symbol "CBBI" and Central Pacific common stock is listed on the New York Stock Exchange under the symbol "CPF".

This joint proxy statement-prospectus gives you detailed information about the special meetings of Central Pacific and CB Bancshares shareholders, the merger and other related matters. You should read carefully this entire document, including all of its annexes. **Please see page 21 for risk factors relating to the merger which you should consider.**

Your Vote is Very Important

Your respective board of directors has determined that the merger and the merger agreement are in the best interests of the corporation and its shareholders and recommends that you vote "FOR" approval of the merger agreement. The merger cannot be completed unless three-fourths of the outstanding shares of each of Central Pacific's common stock and CB Bancshares' common stock vote to approve the merger agreement. Whether or not you plan to attend your special meeting, please take the time to vote by submitting a valid proxy, by completing the enclosed proxy card and mailing it in the enclosed self-addressed stamped envelope. **If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote "FOR" approval of the merger agreement.**

We appreciate your interest in and consideration of this matter.

Clint Arnoldus

*Chairman, President and Chief Executive Officer
Central Pacific Financial Corp.*

Ronald K. Migita

*President and Chief Executive Officer
CB Bancshares, Inc.*

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this joint proxy statement-prospectus. Any representation to the contrary is a criminal offense. The securities offered hereby are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund, the Savings Association Insurance Fund or any other governmental agency.

The joint proxy statement-prospectus is dated July 20, 2004, and is first being mailed to you on or about July 22, 2004.

ADDITIONAL INFORMATION

This joint proxy statement-prospectus incorporates important business and financial information about Central Pacific and CB Bancshares and their respective subsidiaries from documents filed with the Securities and Exchange Commission, or the SEC, that have not been included in, or delivered with, this joint proxy statement-prospectus. This information is available on the SEC's website at <http://www.sec.gov> and from other sources. See "Where Can I Find More Information?" on page 128. This information is available without charge to security holders upon written or oral request. If you request any incorporated documents, we will mail the documents and all exhibits specifically incorporated by reference in the requested documents to you by first class mail, or other equally prompt means.

In order to receive timely delivery of the documents, you must make requests no later than September 6, 2004 (five business days before the date of the Central Pacific and CB Bancshares special meetings).

For documents relating to Central Pacific, direct requests to:

Central Pacific Financial Corp.
220 South King Street
Honolulu, Hawaii 96813
Attn: David Morimoto
(808) 544-0500

or

D.F. King & Co., Inc.
48 Wall Street
New York, NY 10005
Toll-Free: 1-888-644-5854

For documents relating to CB Bancshares, direct requests to:

CB Bancshares, Inc.
201 Merchant Street
Honolulu, Hawaii 96813
Attn: Investor Relations
(808) 535-2500

or

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, NY 10022
Toll-Free: 1-800-687-1873
Banks & Brokers Call Collect: 1-212-750-5833

220 South King Street
Honolulu, Hawaii 96813

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of Central Pacific Financial Corp.:

NOTICE IS HEREBY GIVEN that a special meeting of Central Pacific shareholders will be held on Monday, September 13, 2004 at 11:00 a.m., Hawaii Standard Time, at Dole Cannery, Mililani Ballroom, 735 Iwilei Road, Honolulu, Hawaii for the purpose of considering and voting on the following matters:

1. To approve the Agreement and Plan of Merger, dated April 22, 2004, by and between Central Pacific Financial Corp. and CB Bancshares, Inc. providing for the merger of CB Bancshares with and into Central Pacific, including the issuance of Central Pacific common stock in connection with the merger.
2. To approve an amendment to Central Pacific's Restated Articles of Incorporation, as amended, to increase the number of shares of common stock authorized for issuance.
3. To approve the Central Pacific Financial Corp. 2004 Stock Compensation Plan.
4. To approve the Central Pacific Financial Corp. 2004 Annual Executive Incentive Plan.
5. To transact such other business as may properly come before the meeting or any postponements or adjournments thereof.

The merger proposal is described in more detail in the accompanying joint proxy statement-prospectus, which you should read carefully in its entirety before voting. A copy of the merger agreement is attached as Annex A to the joint proxy statement-prospectus. The other proposals Central Pacific shareholders are being asked to vote on are also described in more detail in the accompanying joint proxy statement-prospectus.

Central Pacific's board of directors is not aware of any other business to come before the special meeting. Only Central Pacific shareholders of record at the close of business on July 19, 2004 are entitled to notice of and to vote at the special meeting, or any adjournment or postponement thereof. Three-fourths of the shares of Central Pacific common stock outstanding on the record date must be voted in favor of approval of the merger agreement in order for the merger to proceed. **Therefore, your vote is very important.**

All Central Pacific shareholders are cordially invited to attend the special meeting. However, we encourage you to vote by proxy so that your shares will be represented and voted at the meeting even if you cannot attend. You may vote by written proxy card using the instructions provided on your proxy card, or by authorizing the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction form. Of course, this will not prevent you from voting in person at the meeting. **Your failure to vote your shares is the same as voting against approval of the merger agreement and against the proposal to amend the articles of incorporation.** Failure to vote will have no

effect on the outcome of the vote on the proposal to approve the 2004 Stock Compensation Plan and on the proposal to approve the 2004 Annual Executive Incentive Plan.

In connection with the proposed merger, Central Pacific shareholders will be given the opportunity to exercise dissenters' rights in accordance with certain procedures specified in Sections 414-341 through 414-372 of the Hawaii Business Corporation Act. A copy of the relevant sections of the Hawaii Business Corporation Act is attached as Appendix B to the joint proxy statement-prospectus accompanying this notice and is incorporated by reference into this notice.

By order of the Board of Directors,

Glenn K. C. Ching
Vice President and Secretary

Honolulu, Hawaii
July 19, 2004

YOUR VOTE IS IMPORTANT

After careful consideration, Central Pacific's board of directors has determined that the merger agreement and the merger are in the best interests of Central Pacific and its shareholders, has adopted the merger agreement and recommends that Central Pacific shareholders vote "FOR" approval of the merger agreement. Remember, your failure to vote your shares is the same as voting "AGAINST" approval of the merger agreement.

Central Pacific's board of directors also recommends that Central Pacific shareholders vote "FOR" approval of the amendment to Central Pacific's articles of incorporation, "FOR" approval of the 2004 Stock Compensation Plan and "FOR" approval of the 2004 Annual Executive Incentive Plan.

If you have any questions, or need assistance in voting your Central Pacific shares, you may call Central Pacific Financial Corp., attention David Morimoto, (808) 544-0500. You may also call toll free:

D. F. King & Co., Inc.
48 Wall Street
New York, New York 10005
1-888-644-5854

201 Merchant Street
Honolulu, Hawaii 96813

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of CB Bancshares, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of CB Bancshares shareholders will be held on Monday, September 13, 2004 at 9:00 a.m., Hawaii Standard Time, at Dole Cannery, Second Floor, Lanai Ballroom, 735 Iwilei Road, Honolulu, Hawaii, for the purpose of considering and voting on the following matters:

1. To approve the Agreement and Plan of Merger, dated April 22, 2004, by and between Central Pacific Financial Corp. and CB Bancshares, Inc., providing for the merger of CB Bancshares with and into Central Pacific.
2. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

The merger is described in more detail in the accompanying joint proxy statement-prospectus, which you should read carefully in its entirety before voting. A copy of the merger agreement is attached as Annex A to the joint proxy statement-prospectus.

CB Bancshares' board of directors is not aware of any other business to come before the special meeting. Only CB Bancshares shareholders of record at the close of business on July 19, 2004 are entitled to notice of and to vote at the special meeting, or any adjournment or postponement thereof. Three-fourths of the shares of CB Bancshares common stock outstanding on the record date must be voted in favor of approval of the merger agreement in order for the merger to proceed. **Therefore, your vote is very important.**

All CB Bancshares shareholders are cordially invited to attend the special meeting. However, we encourage you to vote by proxy so that your shares will be represented and voted at the meeting even if you cannot attend. You may vote by written proxy card using the instructions provided on your proxy card, or by authorizing the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction form. Of course, this will not prevent you from voting in person at the meeting. Your failure to vote your shares is the same as voting against approval of the merger agreement.

In connection with the proposed merger, CB Bancshares shareholders will be given the opportunity to exercise dissenters' rights in accordance with certain procedures specified in Sections 414-341 through 414-372 of the Hawaii Business Corporation Act. A copy of the relevant sections of the Hawaii Business Corporation Act is attached as Appendix B to the joint proxy statement-prospectus accompanying this notice and is incorporated by reference into this notice.

By order of the Board of Directors,

Caryn S. Morita
Corporate Secretary

Honolulu, Hawaii
July 19, 2004

YOUR VOTE IS IMPORTANT

After careful consideration, CB Bancshares' board of directors has determined that the merger agreement and the merger are in the best interests of CB Bancshares and its shareholders, has adopted the merger agreement and recommends that CB Bancshares

shareholders vote "FOR" approval of the merger agreement. Remember, your failure to vote your shares is the same as voting "AGAINST" approval of the merger agreement.

If you have any questions, or need assistance in voting your CB Bancshares shares, you may call the firm assisting in the solicitation of proxies, Innisfree M&A Incorporated, toll-free at 877-687-1873. Banks and brokers may call collect at 212-750-5833.

If you have certificates representing shares of CB Bancshares common stock, please do not send in your certificates at this time. You will be sent a letter of transmittal and election form in a separate mailing. These instructions will also explain what you need to do if your CB Bancshares stock certificates have been lost, stolen or destroyed.

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	5
SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION	12
SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION	14
COMPARATIVE PER SHARE DATA	16
MARKET PRICE DATA AND DIVIDEND INFORMATION	18
RISK FACTORS	21
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION	25
Unaudited Pro Forma Condensed Combined Balance Sheet As of March 31, 2004	27
Unaudited Pro Forma Condensed Combined Statement of Income For the Three Months Ended March 31, 2004	31
Unaudited Pro Forma Condensed Combined Statement of Income For the Year Ended December 31, 2003	33
CB BANCSHARES SPECIAL MEETING	35
CENTRAL PACIFIC SPECIAL MEETING	38
THE MERGER	42
THE MERGER AGREEMENT	88
OPERATIONS AFTER THE MERGER	98
PROPOSAL TO AMEND ARTICLES OF INCORPORATION OF CENTRAL PACIFIC FINANCIAL CORP.	99
PROPOSAL TO APPROVE THE CENTRAL PACIFIC FINANCIAL CORP. 2004 STOCK COMPENSATION PLAN	100
PROPOSAL TO APPROVE THE CENTRAL PACIFIC FINANCIAL CORP. 2004 EXECUTIVE INCENTIVE PLAN	105
INFORMATION ABOUT CENTRAL PACIFIC AND CB BANCSHARES	108
REGULATION AND SUPERVISION	110
DESCRIPTION OF CENTRAL PACIFIC CAPITAL STOCK	113
COMPARISON OF RIGHTS OF HOLDERS OF CENTRAL PACIFIC COMMON STOCK AND CB BANCSHARES COMMON STOCK	115
DISSENTERS' RIGHTS	123
EXPERTS	126
VALIDITY OF COMMON STOCK	126
OTHER MATTERS	126
SHAREHOLDER PROPOSALS	126

	Page
WHERE CAN I FIND MORE INFORMATION?	128
FORWARD LOOKING STATEMENTS	130
Appendix A	Agreement and Plan of Merger
Appendix B	Part XIV of the Hawaii Business Corporation Act
Appendix C	Opinion of Bear, Stearns & Co. Inc.
Appendix D	Opinion of Sandler O'Neill & Partners, L.P.
Appendix E	Central Pacific Financial Corp. 2004 Stock Compensation Plan
Appendix F	Central Pacific Financial Corp. 2004 Annual Executive Incentive Plan

QUESTIONS AND ANSWERS

Q.

What am I being asked to vote on?

A.

Shareholders of both CB Bancshares and Central Pacific will vote on a proposal to approve the merger agreement by and between Central Pacific and CB Bancshares. Central Pacific shareholders will also vote on a proposal to amend Central Pacific's articles of incorporation to increase the number of shares of common stock available for issuance, a proposal to adopt the Central Pacific Financial Corp. 2004 Stock Compensation Plan and a proposal to approve the Central Pacific Financial Corp. 2004 Annual Executive Incentive Plan.

Q.

What do I need to do now?

A.

First, carefully read this document in its entirety. Then, vote your shares by one of the following methods:

marking, signing, dating and returning your proxy card in the enclosed prepaid envelope,

authorizing the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction card, or

attending the special meeting and submitting a properly executed proxy or ballot. If a broker holds your shares in "street name", you will need to get a proxy from your broker to vote your shares in person.

Q.

If my shares are held in "street name" by my broker, will my broker automatically vote my shares for me?

A.

No. If you do not provide your broker with instruction on how to vote your shares that are held in street name, your broker will not be permitted to vote them. Therefore, you should be sure to provide your broker with instructions on how to vote these shares. **If you do not give voting instructions to your broker, you will, in effect, be voting against approval of the merger agreement, and, if you are a Central Pacific shareholder, against the proposal to amend the Central Pacific articles of incorporation as well.** To make certain that all of your shares are voted, please return each instruction form you receive from your broker.

Q.

Why is my vote important?

A.

The Hawaii Business Corporation Act provides that with respect to corporations incorporated before July 1, 1987, like Central Pacific and CB Bancshares, a plan of merger must generally be approved by the affirmative vote of the holders of three-fourths of all the issued and outstanding shares having voting power. Approval of the merger agreement by shareholders of Central Pacific and CB Bancshares is a condition to completion of the merger.

Q.

Can I change my vote?

A.

If you have not voted through your broker, there are several ways you can change your vote after you have submitted a proxy.

First, you may send a written notice to the Corporate Secretary of Central Pacific or CB Bancshares, as the case may be, stating that you would like to revoke your proxy;

Edgar Filing: CENTRAL PACIFIC FINANCIAL CORP - Form S-4/A

Second, you may complete and submit a new proxy card or change your vote through the telephone or Internet. Any earlier proxy will be revoked automatically; or

Third, you may attend the meeting and vote in person. Any earlier proxy will be revoked. However, simply attending the meeting without voting will not revoke your earlier proxy.

Edgar Filing: CENTRAL PACIFIC FINANCIAL CORP - Form S-4/A

If you have instructed a broker to vote your shares, you must follow the directions you receive from your broker to change your vote.

Q.

Can I vote if I hold shares of Central Pacific common stock in the Central Pacific Bank 401(k) Retirement Savings Plan?

A.

If you hold shares of Central Pacific common stock in an account under the Central Pacific Bank 401(k) Retirement Savings Plan, you will receive with this document a separate voting instruction card for shares of Central Pacific common stock allocated to your account as a participant or beneficiary under this plan. The voting instruction cards will direct the plan's trustee to vote shares allocated to your account in accordance with the instructions noted on the card. You should return this voting instruction card to the plan's trustee, The Vanguard Group, as indicated in the instructions that accompany the card. See "Central Pacific Special Meeting Central Pacific Bank 401(k) Retirement Savings Plan Account Holders."

Q.

Can I vote if I hold shares of CB Bancshares common stock in the CB Bancshares, Inc. Employee Stock Ownership Plan?

A.

If you hold shares of CB Bancshares common stock in an account under the CB Bancshares, Inc. Employee Stock Ownership Plan, you will receive with this document a separate voting instruction card for shares of CB Bancshares common stock allocated to your account as a participant or beneficiary under this plan. The voting instruction cards will direct the plan's trustee to vote shares allocated to your account in accordance with the instructions noted on the card. You should return this voting instruction card to the plan's trustee, Bank of Hawaii, as indicated in the instructions that accompany the card. Shares of CB Bancshares common stock for which proper voting instructions have not been received or properly completed, and shares of CB Bancshares common stock which are not yet allocated to participant accounts under the ESOP, will be voted by the plan's trustee as directed by the plan's committee. See "CB Bancshares Special Meeting Participants in CB Bancshares, Inc. Employee Stock Ownership Plan."

Q.

If I am a CB Bancshares shareholder, what will I receive in the merger?

A.

For each share of CB Bancshares common stock you own, you will have the right to elect, on a share-by-share basis, to receive either:

cash, or

Central Pacific common stock.

A CB Bancshares shareholder may elect to receive a combination of cash and Central Pacific common stock in exchange for his or her total shares of CB Bancshares common stock, but with respect to each individual share of CB Bancshares stock, a shareholder must elect to receive the per share consideration in either cash or in Central Pacific common stock. The amount of cash or Central Pacific common stock a CB Bancshares shareholder will receive will be determined based on a formula described on page 42.

Q.

If I am a CB Bancshares shareholder, will I always receive the form of consideration I elect to receive?

A.

No. A fixed number of shares of Central Pacific common stock will be issued and a fixed amount of cash paid in the merger. Accordingly, there is no assurance that you will receive the form of consideration that you elect with respect to all shares of CB Bancshares common stock you hold. If the elections result in an oversubscription of the pool of cash or Central Pacific common stock, the exchange agent will allocate between cash and Central Pacific common stock following the proration procedures described beginning on page 44 of this joint proxy statement-prospectus.

Q.

If I am a CB Bancshares shareholder, is the value of the per share consideration that I receive expected to be substantially equivalent regardless of which election I make?

A.

Yes. The formula that will be used to calculate the per share consideration is designed to equalize the value of the consideration to be received for each share of CB Bancshares common stock in

Edgar Filing: CENTRAL PACIFIC FINANCIAL CORP - Form S-4/A

the merger based on the market price of Central Pacific stock as measured during a valuation period ending immediately prior to closing, regardless of whether you elect to receive cash or stock.

Q.

As a holder of CB Bancshares common stock, how do I elect the form of payment I prefer?

A.

We are sending a letter of transmittal and election form to each CB Bancshares shareholder in a separate mailing. If you wish to make an election, you should complete the appropriate form and send it in the envelope provided with the form of election to American Stock Transfer & Trust Company, which is the exchange agent. For you to make an effective election, your properly executed election form must be received by the exchange agent before the election deadline, which is the date two trading days prior to the closing date, which date we will publicly announce at least two weeks before the closing of the merger. You must include your CB Bancshares stock certificates with your letter of transmittal and election form. Please read the instructions to the letter of transmittal and election form for information on completing it. Those instructions will also explain what you need to do if your stock certificates have been lost, stolen or destroyed.

Do not send your CB Bancshares stock certificates in the envelope provided for returning your proxy card. The stock certificates should only be forwarded to the exchange agent with the letter of transmittal and election form which will be provided in a separate mailing.

Copies of this joint proxy statement-prospectus and the letter of transmittal and election form will be provided upon request to all persons who become CB Bancshares shareholders after the record date and prior to the election deadline in order to permit them to make an election.

Q.

If I am a CB Bancshares shareholder, what happens if I don't make an election for cash or shares of Central Pacific common stock?

A.

If you fail to make an election prior to the election deadline, other than because you are exercising your dissenters' rights, the actual form of merger consideration that will be paid to you will depend upon how many CB Bancshares shareholders elect shares of Central Pacific common stock versus how many elect cash. If one form of consideration has been oversubscribed, you will receive the other form of consideration in exchange for all of your shares. For more information concerning the merger consideration and election procedures, see "The Merger" on page 42.

Q.

When do you expect the merger to be completed?

A.

We currently expect to complete the merger in the third quarter of 2004, assuming all the conditions to completion of the merger, including obtaining the approval of Central Pacific and CB Bancshares shareholders at their respective special meetings and other customary conditions, have been fulfilled. Fulfilling some of these conditions, such as receiving certain governmental approvals, is not entirely within our control.

Q.

Whom do I call if I have questions about the special meeting or the merger?

A.

You should direct any questions regarding the special shareholders meeting or the merger to:

CENTRAL PACIFIC SHAREHOLDERS:

Central Pacific Financial Corp.
220 South King Street
Honolulu, Hawaii 96813
Attn: David Morimoto
(808) 544-0500

or

D.F. King & Co., Inc.
48 Wall Street
New York, NY 10005
Toll-Free: 1-888-644-5854

CB BANCSHARES SHAREHOLDERS:

CB Bancshares, Inc.
201 Merchant Street
Honolulu, Hawaii 96813
Attn: Investor Relations
(808) 535-2500

or

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, NY 10022
Toll-Free: 1-877-687-1873
Banks & Brokers Call Collect: 1-212-750-5833

4

SUMMARY

The merger (Page 42).

If the merger is approved by the shareholders of each of Central Pacific and CB Bancshares and all of the other conditions to the merger are satisfied or waived, then CB Bancshares will be merged with and into Central Pacific with Central Pacific being the surviving corporation in the merger.

What CB Bancshares shareholders will receive in the merger (Page 42).

If the merger is completed each share of CB Bancshares common stock will be converted into the right to receive either (1) cash consideration in an amount equal to \$20.00 plus the product of 2.6752 times the average of the closing prices of Central Pacific stock over the 10 consecutive trading day period prior to completion of the transaction (we refer to this average as the "measuring price"), or (2) a number of shares of Central Pacific common stock equal to the cash consideration divided by the measuring price. This formula is designed to ensure that all shares of CB Bancshares stock will receive merger consideration of equal value, based on the measuring price, regardless of whether they are converted into cash or Central Pacific shares. However, CB Bancshares shareholders may actually receive a form of consideration different from what they elected to receive with respect to some of their shares because the total amount of cash consideration payable in the merger is fixed at an amount equal to the product of \$20.00 and the number of CB Bancshares shares outstanding immediately prior to the effective time of the merger and the total amount of stock consideration is fixed at a number of shares of Central Pacific common stock equal to the product of 2.6752 and the number of CB Bancshares shares outstanding immediately prior to the effective time of the merger.

CB Bancshares shareholders will own 42% of Central Pacific following the merger (Page 46).

Existing CB Bancshares shareholders will own approximately 42% of the shares of Central Pacific common stock outstanding immediately after the merger.

The board of directors of CB Bancshares recommends shareholder approval of the merger agreement (Page 60).

After careful consideration, the board of directors of CB Bancshares determined that the merger is in the best interests of CB Bancshares and its shareholders and adopted the merger agreement.

Based on CB Bancshares' reasons for the merger described in this document, the CB Bancshares board of directors recommends that you vote "FOR" the proposal to approve the merger agreement.

The board of directors of Central Pacific recommends shareholder approval of the merger agreement (Page 51).

After careful consideration, the board of directors of Central Pacific determined that the merger is in the best interests of Central Pacific and its shareholders and adopted the merger agreement.

Based on Central Pacific's reasons for the merger described in this document, including, among many others, cost savings and synergies estimated at \$7.8 million after tax in 2005 and \$11.7 million fully-phased in after tax in 2006, the Central Pacific board of directors recommends that you vote "FOR" the proposal to approve the merger agreement, including the issuance of shares of Central Pacific common stock pursuant to the merger.

Directors and executive officers have financial interests in the merger (Page 77).

The directors and executive officers of Central Pacific and CB Bancshares have financial interests in the merger in addition to their interests as shareholders. Each of the Central Pacific board of

directors and the CB Bancshares board of directors considered these interests in its decision to enter into the merger.

For CB Bancshares' five most highly compensated executive officers for its last completed fiscal year and its current chairman, the merger will result in aggregate payments of about \$16.5 million plus payments to cover excise tax liabilities (on an after-tax basis) under existing change-in-control agreements and supplemental executive retirement agreements. Other CB Bancshares executive officers will be integrated into the management of the combined company without triggering such payments. Some executive officers of both Central Pacific and CB Bancshares will have the opportunity to enter into employment agreements (and in the case of one director, a consulting agreement) with the combined company.

Other interests of directors and executive officers of Central Pacific and CB Bancshares may include rights under stock-based benefit programs, the expectation of continued directorship with the combined company and the right to continued indemnification and insurance coverage for acts before the merger.

In addition, in the interest of retaining talented employees and incentivizing management in integrating the banks, Central Pacific approved retention bonuses for certain executive officers and other members of management in an aggregate amount of \$1.875 million, with one half of each retention bonus to be paid on the merger closing date and the other half to be paid on the first anniversary of the merger closing date provided the officer is still in the employ of Central Pacific on each such payment date.

Central Pacific's and CB Bancshares' financial advisors have provided opinions as to the fairness of the merger consideration from a financial point of view (Pages 53 and 63).

At the April 22, 2004 meeting at which Central Pacific's board considered and adopted the merger agreement, Bear, Stearns & Co. Inc. delivered to the board its oral opinion (which was confirmed in a written opinion, dated as of April 22, 2004) that, as of such date, the merger consideration was fair to Central Pacific's shareholders from a financial point of view. The full text of the opinion of Bear, Stearns & Co. Inc., which sets forth the assumptions made, matters considered and limitations on the review undertaken in connection with such opinion, is attached to this joint proxy statement-prospectus as Annex C and is incorporated herein by reference. **Central Pacific shareholders are urged to, and should, read such opinion in its entirety.** Central Pacific has agreed to pay Bear Stearns a transaction fee in connection with the merger of approximately \$3.65 million, of which approximately \$700,000 has been paid, and the balance of which is contingent and payable upon closing of the merger.

On April 22, 2004, Sandler O'Neill & Partners, L.P., financial advisor to CB Bancshares, delivered its opinion to the CB Bancshares board of directors that, as of such date, the consideration to be received by holders of CB Bancshares common stock pursuant to the merger agreement is fair from a financial point of view to such holders. Sandler O'Neill & Partners, L.P. has confirmed that opinion by delivering an opinion dated the date of this joint proxy statement-prospectus. The full text of the updated opinion of Sandler O'Neill & Partners, L.P., which sets forth the assumptions made, matters considered and limitations on the review undertaken in connection with such opinion, is attached to this joint proxy statement-prospectus as Annex D and is incorporated herein by reference. **CB Bancshares shareholders are urged to, and should, read such opinion in its entirety.** CB Bancshares has agreed to pay Sandler O'Neill a transaction fee in connection with the merger of approximately \$3.77 million (based on the closing price of Central Pacific's stock on July 19, 2004), all of which is contingent and payable upon consummation of the merger. CB Bancshares has also paid Sandler O'Neill retainer fees of \$1,050,000 in connection with its engagement of Sandler O'Neill in April 2003 to advise and assist CB Bancshares in its response to Central Pacific's April 15 merger proposal and \$350,000 for rendering its opinion, each of which will be credited against the transaction fee.

Central Pacific must obtain regulatory approvals to complete the merger (Page 74).

In order to complete the merger, Central Pacific must first obtain the approval of the Board of Governors of the Federal Reserve System, or Federal Reserve Board, and the Commissioner of Financial Institutions, Division of Financial Institutions, Hawaii Department of Commerce and Consumer Affairs, or Commissioner of Financial Institutions. Central Pacific filed applications for approval to acquire control of CB Bancshares with the Federal Reserve Board and the Commissioner of Financial Institutions on April 28, 2003. Central Pacific's applications were approved by the Federal Reserve Board on December 15, 2003 and by the Commissioner of Financial Institutions on February 3, 2004, each subject to certain conditions and limitations and on the basis of the information and terms provided to it. Central Pacific has submitted further information with respect to the merger and the merger agreement to the Federal Reserve Board and the Commissioner of Financial Institutions and submitted an additional application with respect to the merger to the Commissioner of Financial Institutions. The Federal Reserve Board's approval order requires us to complete the merger by September 15, 2004. We expect to submit a request for an extension of that order.

The merger will generally be tax-free to CB Bancshares shareholders who receive only Central Pacific common stock as consideration (Page 74).

CB Bancshares and Central Pacific will each, as a condition for each party's obligation to complete the merger, receive an opinion of counsel that, based on the facts, factual representations, covenants and assumptions set forth or referred to in the opinion, the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. As a result, CB Bancshares shareholders who exchange their shares solely for Central Pacific common stock pursuant to the merger will not recognize gain or loss for United States federal income tax purposes except to the extent of any cash received in lieu of fractional shares. CB Bancshares shareholders who receive cash in exchange for all or a portion of their shares pursuant to the merger (other than cash paid in lieu of fractional shares) will recognize gain in an amount equal to the lesser of (1) the excess of the sum of the fair market value of the Central Pacific common stock and the amount of cash received over such holder's tax basis in the CB Bancshares common stock surrendered in the merger, and (2) the amount of cash received in the merger. CB Bancshares shareholders should consult their own tax advisors to determine the particular United States federal, state, local or foreign income or other tax consequences to them of the merger. Neither Central Pacific nor CB Bancshares currently intends to waive the condition relating to the receipt of a closing tax opinion. However, if either party were to waive such condition, such party would resolicit proxies if there were any material adverse changes in the United States federal income tax consequences to its shareholders.

Information about Central Pacific and CB Bancshares (Page 108).

Central Pacific Financial Corp.

Central Pacific Financial Corp.
220 South King Street
Honolulu, Hawaii 96813
(808) 544-0500

Central Pacific is a Hawaii bank holding company with \$2.28 billion in assets as of March 31, 2004. Central Pacific Bank, a wholly owned subsidiary of Central Pacific, is the third largest commercial bank in the State of Hawaii based on assets, with 24 branch offices statewide.

Central Pacific was organized in 1982 to serve as a holding company for Central Pacific Bank. Central Pacific Bank was incorporated in its present form in 1982 in connection with Central Pacific's holding company reorganization, and its predecessor entity was incorporated in the State of Hawaii in 1954. Central Pacific Bank was initially founded by Japanese Americans to meet the banking needs of

the Japanese American community and World War II veterans in Hawaii. Since its founding, Central Pacific Bank has developed into a financial institution with 24 branches offering a full range of banking services and products to businesses, professionals and individuals in Hawaii. Central Pacific Bank's deposits are insured by the Federal Deposit Insurance Corporation, or FDIC, up to applicable limits.

CB Bancshares, Inc.

CB Bancshares, Inc.
201 Merchant Street
Honolulu, Hawaii 96813
(808) 535-2500

CB Bancshares is a bank holding company with \$1.87 billion in assets as of March 31, 2004. CB Bancshares was incorporated in the State of Hawaii in 1980 and currently has three wholly owned subsidiaries, City Bank, Datatronix Financial Services, Inc. and O.R.E., Inc., which is inactive.

City Bank is a state-chartered bank which was organized under the laws of the State of Hawaii in 1959. City Bank is insured by the FDIC and provides full commercial banking services through 17 branches on the Island of Oahu, two branches on the Island of Hawaii, two branches on the Island of Maui and one branch on the Island of Kauai. These services include receiving demand, savings and time deposits; making commercial, real estate and consumer loans; financing leases and leasing activities; financing international trade activities; issuing letters of credit; handling domestic and foreign collections; selling travelers' checks and bank money orders; and renting safe deposit boxes. With assets of \$1.90 billion as of March 31, 2004, City Bank is the fourth-largest commercial bank in the State of Hawaii. City Bank's primary focus has been corporate lending to small to medium-sized businesses.

Special meeting of CB Bancshares shareholders (Page 35).

The special meeting of CB Bancshares shareholders will be held on September 13, 2004 at 9:00 a.m., Hawaii Standard Time, at Dole Cannery, Second Floor, Lanai Ballroom, 735 Iwilei Road, Honolulu, Hawaii. At the special meeting, you will be asked to approve the merger agreement by and between Central Pacific and CB Bancshares.

The affirmative vote, in person or by properly executed proxy, of three-fourths of the shares of CB Bancshares common stock outstanding on the record date, is required to approve the merger agreement.

Special meeting of Central Pacific shareholders (Page 38).

The special meeting of Central Pacific shareholders will be held September 13, 2004 at 11:00 a.m., Hawaii Standard Time, at Dole Cannery, Mililani Ballroom, 735 Iwilei Road, Honolulu, Hawaii. At the special meeting, you will be asked to:

approve the merger agreement between Central Pacific and CB Bancshares, including the issuance of Central Pacific common stock to shareholders of CB Bancshares,

approve an amendment to Central Pacific's articles of incorporation to increase the number of authorized shares of common stock of Central Pacific,

approve the Central Pacific Financial Corp. 2004 Stock Compensation Plan, and

approve the Central Pacific Financial Corp. 2004 Annual Executive Incentive Plan.

The affirmative vote, in person or by properly executed proxy, of three-fourths of the shares of Central Pacific common stock outstanding on the record date, is required to approve the merger agreement. The affirmative vote, in person or by properly executed proxy, of two-thirds of the shares of Central Pacific common stock outstanding on the record date, is required to approve the amendment to

Central Pacific's articles of incorporation. The affirmative vote, in person or by properly executed proxy, of a majority of the shares represented at the meeting, is required to approve the 2004 Stock Compensation Plan and the 2004 Annual Executive Incentive Plan.

Composition of the board of directors and officers of Central Pacific following the merger (Page 96).

After the merger, the board of directors of the combined company will consist of all nine current Central Pacific directors and six current CB Bancshares directors.

Clint Arnoldus, currently Chairman of the board of directors, Chief Executive Officer and President of Central Pacific, will serve as Chief Executive Officer of the combined company. Ronald Migita, currently Chief Executive Officer and President of CB Bancshares, will serve as non-executive Chairman of the board of directors of the combined company. Other executive officers of both Central Pacific and CB Bancshares will be offered positions at the combined company.

Stock ownership by directors and executive officers of CB Bancshares and Central Pacific and vote required (Pages 36 and 39).

As of July 19, 2004, directors, executive officers and affiliates of CB Bancshares owned and were entitled to vote 3.4% of CB Bancshares' outstanding common stock, including shares held in the CB Bancshares Employee Stock Ownership Plan, and the vote required for approval of the merger agreement is the affirmative vote of at least three-fourths of CB Bancshares' outstanding common stock. We currently expect that CB Bancshares' executive officers will vote their shares in favor of approving the merger agreement, although none of them has entered into any agreement obligating them to do so.

As of July 19, 2004, directors, executive officers and affiliates of Central Pacific owned and were entitled to vote 4.7% of Central Pacific's outstanding common stock, including shares held in the Central Pacific 401(k) Retirement Savings Plan, and the vote required for approval of the merger agreement is the affirmative vote of at least three-fourths of Central Pacific's outstanding common stock. The vote required for approval of the amendment to Central Pacific's articles of incorporation is the affirmative vote of two-thirds of Central Pacific's outstanding common stock. The vote required for approval of the 2004 Stock Compensation Plan and the 2004 Annual Executive Incentive Plan is the affirmative vote of a majority of Central Pacific common stock represented at the special meeting. We currently expect that Central Pacific's executive officers will vote their shares in favor of the merger, although none of them has entered into any agreement obligating them to do so.

One of CB Bancshares' largest shareholders, TON Finance, B.V., which owns and is entitled to vote approximately 8.6% of CB Bancshares' outstanding shares, has entered into an agreement with CB Bancshares agreeing to vote those shares in a manner consistent with the recommendation of the CB Bancshares board of directors on all matters voted upon by CB Bancshares shareholders.

NYSE listing (Page 87).

If we complete the merger, existing CB Bancshares shareholders will be able to trade the shares of Central Pacific they receive in the merger on the NYSE.

The merger agreement (Page 88).

The merger agreement is attached as Annex A to this joint proxy statement-prospectus. We encourage you to read the merger agreement in its entirety. It is the most important legal document governing the merger.

Conditions to the merger (Page 93).

The merger will be completed only if several conditions are satisfied or, if permissible, waived. The conditions include:

approval of the merger agreement by the holders of three-fourths of the outstanding shares of each of Central Pacific and CB Bancshares;

all regulatory approvals required to complete the merger having been obtained and all statutory waiting periods having expired;

no governmental authority having enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order which is in effect and prohibits or makes illegal the consummation of the merger; and

the accuracy of the representations and warranties made by Central Pacific and CB Bancshares, provided that, subject to limited exceptions, no representation or warranty will be deemed untrue or deemed to be breached as a consequence of any fact, event or circumstance unless the fact, event or circumstance, taken individually or with other facts or events, has had or is reasonably likely to have a material adverse effect on CB Bancshares or Central Pacific, as the case may be.

We cannot be certain when (or if) the conditions to the merger will be satisfied or that the merger will be completed.

Termination (Page 95).

Central Pacific and CB Bancshares can agree to terminate the merger agreement without completing the merger, and either company can terminate the merger agreement if any of the following occurs:

the other party breaches any of its representations, warranties, covenants or agreements contained in the merger agreement and fails to or is unable to timely cure such breach, provided that, subject to limited exceptions, a representation or warranty is not deemed to have been breached as a consequence of any fact or event unless such fact or event, individually or taken with other facts and events, has had or is reasonably likely to have a material adverse effect on CB Bancshares or Central Pacific, as the case may be;

either party's shareholders do not approve the merger;

the other party's board of directors withdraws or materially and adversely modifies its recommendation to its shareholders to approve the merger, recommends a competing acquisition proposal or negotiates for more than five days with a third party regarding a competing acquisition proposal;

the merger is not completed by September 30, 2004; or

a required governmental approval is denied.

Termination fee (Page 95).

CB Bancshares has agreed to pay Central Pacific a termination fee equal to \$12,520,000 under certain circumstances. In general, the termination fee is due if there is a competing acquisition proposal for CB Bancshares, the merger agreement is thereafter terminated for specified reasons and within 18 months following termination of the merger agreement, CB Bancshares is merged with another company or there is an acquisition of a substantial portion of CB Bancshares' assets, deposits or voting stock or CB Bancshares enters into a definitive agreement for such a transaction.

The rights of Central Pacific shareholders differ from those of CB Bancshares shareholders. (Page 115)

Upon completion of the merger, many CB Bancshares shareholders will become shareholders of Central Pacific. The following table summarizes some of the material differences between the current rights of Central Pacific shareholders and CB Bancshares shareholders.

	Central Pacific	CB Bancshares
Removal of Directors	Removal without cause permitted, by the affirmative vote of 80% of outstanding shares	Removal with cause only, by the affirmative vote of a majority of outstanding shares
Special Meetings of Shareholders	May be called at any time by the president, the chairman of the board of directors or a majority of the board of directors, or demanded by holders of 10% of Central Pacific's common stock	May be called at any time by the president, the chairman of the board of directors or the board of directors, or by a shareholder of shareholders owning not less than 25% of CB Bancshares' common stock

There are dissenters' rights in connection with the merger (Page 123).

If the merger is consummated, shareholders of CB Bancshares and Central Pacific will have certain rights under the Hawaii Business Corporation Act to dissent and to receive payment in cash of the fair value of their shares. Shareholders who perfect such rights by complying with the procedures set forth in Sections 414-352 and 414-354 of the Hawaii Business Corporation Act will be paid their corporation's estimate of the fair value of the dissenting shareholder's shares. Section 414-341 defines "fair value" as the value of the shares immediately before the effectuation of the corporate action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the corporate action unless exclusion would be inequitable.

Pursuant to Section 414-359, if the dissenter is not satisfied with their corporation's payment or offer of payment, the dissenter may estimate the fair value of his or her shares and demand payment of the dissenter's estimate. If a demand for payment under Section 414-359 remains unsettled, CB Bancshares or Central Pacific, as the case may be, must commence a proceeding in a Hawaii circuit court pursuant to Section 414-371 and petition the court to determine the fair value of the shares and accrued interest, or pay each dissenter whose demand remains unsettled the amount of the demand. In determining the fair value of the shares, the court may appoint appraisers to receive evidence and recommend a decision on the question of fair value. Each dissenter made a party to the proceeding would be entitled to judgment for the amount, if any, by which the court finds the fair value of the dissenter's shares, plus interest, exceeds the amount paid by CB Bancshares or Central Pacific, as the case may be.

A copy of Part XIV of the Hawaii Business Corporation Act, which contains the sections described above, is provided in Annex B of this joint proxy statement-prospectus.

**SELECTED UNAUDITED PRO FORMA
CONDENSED COMBINED FINANCIAL INFORMATION**

The Selected Unaudited Pro Forma Condensed Combined Financial Information set forth below is based upon the historical financial statements of Central Pacific and CB Bancshares adjusted to give effect to the merger. The pro forma financial information for the year ended December 31, 2003 has been developed from (a) the audited consolidated financial statements of Central Pacific contained in its Annual Report on Form 10-K for the year ended December 31, 2003, which is incorporated by reference in this joint proxy statement-prospectus, and (b) the audited consolidated financial statements of CB Bancshares contained in its Annual Report on Form 10-K for the year ended December 31, 2003, which is incorporated by reference in this joint proxy statement-prospectus. The pro forma financial information as of and for the three months ended March 31, 2004 is derived from Central Pacific's and CB Bancshares' unaudited financial statements contained in their Quarterly Reports on Form 10-Q for the quarterly period ended March 31, 2004, which are incorporated by reference in this document.

The final determination and allocation of the purchase price paid for the merger may differ from the amounts assumed in the Selected Unaudited Pro Forma Condensed Combined Financial Information set forth below.

The Selected Unaudited Pro Forma Condensed Combined Financial Information is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations or the consolidated financial position of Central Pacific would have been had the merger occurred on the dates assumed, nor is it necessarily indicative of future consolidated results of operations or financial position.

The Selected Unaudited Pro Forma Condensed Combined Financial Information does not include the realization of cost savings from operating efficiencies, synergies or other restructurings resulting from the merger, nor does it reflect the costs to be incurred to integrate the two companies.

The Selected Unaudited Pro Forma Condensed Combined Financial Information should be read in conjunction with the separate historical consolidated financial statements and accompanying notes of Central Pacific and CB Bancshares that are incorporated by reference in this joint proxy statement-prospectus and the Unaudited Pro Forma Condensed Combined Financial Information beginning on page 25.

Selected Unaudited Pro Forma Condensed Combined Financial Information
(Dollars in thousands, except per share data)

	As of March 31, 2004	
	<hr/>	
Selected Balance Sheet Data		
Total assets	\$	4,348,384
Net loans		2,734,068
Total deposits		3,113,845
Shareholders' equity		526,373
Basic book value per share	\$	18.83
Shares outstanding		27,948

	Quarter ended March 31, 2004	Year ended December 31, 2003
	<hr/>	<hr/>
Selected Operating Data		
Total interest income	\$ 53,627	\$ 210,084
Total interest expense	10,757	44,794
	<hr/>	<hr/>
Net interest income	42,870	165,290
Provision for loan losses	800	7,880
	<hr/>	<hr/>
Net interest income after provision for loan losses	42,070	157,410
Total other operating income	11,356	39,120
Total other operating expense	29,678	122,802
	<hr/>	<hr/>
Income before income taxes	23,748	73,728
Income taxes	7,297	23,951
	<hr/>	<hr/>
Net income	\$ 16,451	\$ 49,777
	<hr/>	<hr/>
Basic earnings per share from continuing operations	\$ 0.59	\$ 1.79
Diluted earnings per share from continuing operations	\$ 0.57	\$ 1.74
Weighted average basic shares outstanding	27,934	27,859
Weighted average diluted shares outstanding	28,638	28,615

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION
Central Pacific Financial Corp.

The following selected consolidated financial information for Central Pacific has been derived from, and is qualified by reference to, the audited consolidated financial statements and notes thereto contained in Central Pacific's Annual Reports on Form 10-K for the years ended December 31, 2003, 2002, 2001, 2000 and 1999, and the unaudited consolidated financial statements and notes thereto contained in Central Pacific's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2004, and March 31, 2003, which were filed with the SEC. See "Where Can I Find More Information?" on page 128 for information on where these documents are available. You should read this summary financial information together with the financial statements and notes thereto referred to above.

Selected Consolidated Financial Information
(Dollars in thousands, except per share data)

	As of or For the Three Months Ended March 31,					As of or For the Year Ended December 31,
	2004	2003	2003	2002	2001	
Consolidated statements of income data:						
Total interest income	\$ 27,612	\$ 27,873	\$ 110,231	\$ 118,462	\$ 129,873	
Total interest expense	4,911	5,467	20,178	29,483	51,421	
Net interest income	22,701	22,406	90,053	88,979	78,452	
Provision for loan losses	300		700	1,000	3,000	
Net interest income after provision for loan losses	22,401	22,406	89,353	87,979	75,452	
Total other operating income	3,911	3,665	15,834	15,282	14,113	
Total other operating expense	14,528	13,055	55,578	55,023	50,683	
Income before income taxes	11,784	13,016	49,609	48,238	38,882	
Income taxes	3,874	4,440	15,669	14,955	10,177	
Net income	\$ 7,910	\$ 8,576	\$ 33,940	\$ 33,283	\$ 28,705	

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

A:

St. Martin's shareholders have the right to assert appraisal rights with respect to Home pay the fair value of their shares of St. Martin common stock under applicable law. If the value may be more or less than the value a St. Martin shareholder would receive if he or she exercised perfect appraisal rights, a St. Martin shareholder must give written notice of his, her or its shares to St. Martin before the vote is taken on the merger at the Special Meeting.

6

TABLE OF CONTENTS

not vote in favor of the merger. Louisiana law requires shareholders to follow certain procedures to perfect their rights to appraisal. Please see "The Merger — Appraisal Rights" for more information on the provisions provided in Annex D. Shareholders of Home do not have appraisal rights.

Q:

When do you expect to complete the merger?

A:

Home and St. Martin expect to complete the merger in the fourth quarter of 2011. However, we cannot assure you when or if the merger will be completed. Among other things, we must first obtain the approvals being sought from shareholders of each of Home and St. Martin at their respective meetings.

Q:

What happens if the merger is not completed?

A:

If the merger is not completed, holders of St. Martin common stock will not receive any consideration in connection with the merger, and St. Martin will remain an independent company. Home will remain a Bank. In addition, if the merger is not completed, St. Martin will not pay the special dividend to St. Martin.

If the merger agreement is terminated in certain circumstances, a termination fee will be payable to Home. Please see "The Merger Agreement — Termination Fee" beginning on page 10 for more information on the circumstances under which a termination fee will be required to be paid.

Q:

Should I send my St. Martin share certificates with my proxy card or before the Special Meeting?

A:

No. You should NOT send your St. Martin share certificates with your proxy card to the Special Meeting. Home, through its appointed exchange agent, will send St. Martin shareholders their share certificates in exchange for their share certificates for the stock merger consideration.

Q:

Are there any risks that I should consider in deciding whether to vote for the appraisal rights related proposals?

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

A:

Yes. You should read and carefully consider the risk factors set forth in the section on page 32 of this joint proxy statement/prospectus. You also should read and carefully consider the information contained in the documents that are incorporated by reference into this joint proxy statement/prospectus entitled "Where You Can Find More Information" beginning on page 139 of this joint proxy statement/prospectus.

Q:

Whom should I call with questions about the special meetings, the proposals or the merger?

A:

Home shareholders: If you have additional questions about the merger, need assistance with voting your shares of Home common stock, or need additional copies of this joint proxy statement/prospectus, enclosed proxy card, please contact Joseph B. Zanco, Chief Financial Officer, Home Bancshares, Inc., at 394-7816.

St. Martin shareholders: If you have additional questions about the merger, need assistance with voting your shares of St. Martin common stock, or need additional copies of this joint proxy statement/prospectus, enclosed proxy card, please contact Guy M. Labbé, Chief Executive Officer, St. Martin Bancshares, Inc., at 394-7816.

7

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus that is important to you. You should read carefully the entire document and the additional documents we refer you to in order to fully understand the merger agreement contemplated thereby, including the merger, the proposals to be considered and discussed at the meetings of Home Bancorp, Inc. and St. Martin Bancshares, Inc., respectively, and the voting procedures for the special meetings of shareholders. For more information, see “Additional Information” on page 139. Each item included in this summary refers to the page number where that subject is discussed in more detail.

The Parties to the Merger

Home Bancorp, Inc.
503 Kaliste Saloom Road
Lafayette, Louisiana 70508
(337) 237-1960

Home Bancorp, Inc., a Louisiana corporation, is a bank holding company whose principal subsidiary, Home Bank, is a national bank headquartered in Lafayette, Louisiana with 28 full-service branches. Home Bank’s primary business consists of attracting deposits from the general public, using such funds it borrows, to originate loans to its customers and invest in securities such as government securities and mortgage-backed securities. At June 30, 2017, Home had total assets of \$1.3 billion and shareholders’ equity of \$188.9 million.

Home’s common stock trades on the NASDAQ Global Select Market under the ticker symbol HMC. St. Martin Bancshares, Inc.

301 S. Main Street
St. Martinville, Louisiana
(337) 394-7800

St. Martin, a Louisiana corporation, is a bank holding company headquartered in St. Martinville, Louisiana. Its principal subsidiary, St. Martin Bank & Trust Company, is a Louisiana chartered non-member bank. St. Martin Bank is a community-oriented financial institution dedicated to serving the financial service needs of its customers within its market areas. St. Martin Bank is engaged primarily in the business of attracting deposits from the general public and using such funds to originate loans. At June 30, 2017, St. Martin had total assets of \$507.8 million and stockholders’ equity of \$59.3 million.

The Merger and the Merger Agreement (pages 48 and 75)

On August 23, 2017, Home and St. Martin entered into an Agreement and Plan of Merger, under which St. Martin will merge with and into Home, with Home surviving the merger. After the merger, the separate existence of St. Martin will terminate and St. Martin common stock will be cancelled. Also under the merger agreement, immediately following with the merger, St. Martin will merge with and into Home Bank, with Home Bank as the surviving entity in the bank merger. Completion of the merger is subject to certain conditions, including approval of the merger agreement by shareholders of each company. We expect to complete these mergers during the fourth quarter of 2017 or the first quarter of 2018. A copy of the Agreement and Plan of Merger is attached to this joint proxy statement/prospectus as Annex A and is incorporated by reference herein. In the Merger, St. Martin Shareholders Will Receive Shares of Home Common Stock. The merger agreement provides for the merger of St. Martin with and into Home Bank. Home Bank shareholders will receive 9.2839 shares of Home common stock for each share of St. Martin common stock immediately prior to the merger. Home will not issue any fractional shares of Home common stock to St. Martin shareholders who would otherwise be entitled to a

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

fraction of a share of Home common stock upon the completion of the merger with one share, an amount in cash (rounded to the nearest cent) based on the average Home common stock price for the consecutive trading day period specified in the merger agreement. The merger agreement will pay a special cash distribution of \$94.00 per share to shareholders of St. Martin common stock upon the effectiveness of the merger.

Home common stock is listed on the NASDAQ Global Select Market under the symbol HME. St. Martin common stock is not listed on any national securities exchange or quoted on any interdealer quotation system. This table shows the closing sale prices of Home common stock on August 22, 2017, the last full trading day prior to the announcement of the merger agreement, and on October 20, 2017, the last trading day prior to the joint proxy statement/prospectus. This table also shows the implied value of the Home common stock on those dates by multiplying the closing price of Home common stock on those dates by the exchange ratio of 9.2839. Finally, the table shows the aggregate value of the merger consideration plus the value of the special cash distribution to be paid by Home to St. Martin common stock.

	Home Common Stock	Implied Value of Stock Merger Consideration for One Share of St. Martin Common Stock	Aggregate Implied Value of Stock Merger Consideration Plus Special Cash Distribution for One Share of St. Martin Common Stock
August 22, 2017	\$ 38.37	\$ 356.22	\$ 450.22
October 20, 2017	\$ 42.00	\$ 389.92	\$ 483.92

The merger agreement governs the merger. The merger agreement is included in Annex A. All descriptions in this summary and elsewhere in this joint proxy statement are qualified by reference to the merger agreement. Please refer to the merger agreement for a more complete understanding of the merger.

The values in the table above are illustrative only. The value of the stock merger consideration that a St. Martin shareholder actually receives will be based on the actual closing price on the NASDAQ Global Select Market of Home common stock upon completion of the merger, which is likely to be different than the implied value shown in the table. The Merger Is Intended to Be Tax-Free to St. Martin Shareholders as to the Shareholders' Right to Receive (page 85)

The merger is intended to be treated as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended, which we refer to as the Internal Revenue Code. One of the obligations of Home and St. Martin to complete the merger is that each of Home and St. Martin consult with its respective legal counsel to that effect.

It is expected that St. Martin shareholders will not recognize gain or loss for U.S. tax purposes on the exchange of their shares of St. Martin common stock for shares of Home common stock. However, with respect to any cash received by a St. Martin shareholder in lieu of fractional shares of Home common stock, the shareholder will recognize gain or loss for U.S. tax purposes.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

approve the termination of the St. Martin Shareholders' Agreement effective as of the date of the special meeting, and to approve a proposal to allow the St. Martin special meeting to be adjourned, if necessary, to allow for the solicitation of additional proxies in favor of approval of the merger agreement or other proposals. St. Martin shareholders may vote at the St. Martin special meeting if they owned shares of St. Martin common stock on business on October 17, 2017, which is the record date for the St. Martin special meeting. There were 207,552 shares of St. Martin common stock outstanding and entitled to vote. St. Martin shareholders are entitled to one vote for each share of St. Martin common stock owned on the record date.

As of the record date for the St. Martin special meeting, St. Martin directors and executive officers held 55,551 shares of St. Martin common stock, excluding shares that may be acquired through the exercise of stock options.

As of the record date for the St. Martin special meeting, Home, its subsidiaries, and their affiliates owned 2,396 shares of St. Martin common stock (excluding shares held by Home's agent).

St. Martin's Board of Directors Recommends That St. Martin Shareholders Vote "FOR" the Merger Agreement and "FOR" the Other Proposals to be Considered at the St. Martin Special Meeting. St. Martin's board of directors has approved the merger agreement and the transactions contemplated thereby, the merger, and unanimously recommends that St. Martin shareholders vote "FOR" the merger agreement, the approval of the termination of the St. Martin Shareholders' Agreement effective as of the date of the special meeting, and "FOR" the proposal to allow the St. Martin special meeting to be adjourned, if necessary, to allow for the solicitation of additional proxies in favor of the approval of the merger agreement and the other proposals.

Opinion of St. Martin's Financial Advisor (page 60)

At the August 23, 2017 meeting of the St. Martin board of directors, representatives of Raymond James Inc. (which we refer to as "Raymond James") rendered Raymond James's written opinion dated August 23, 2017, that, as of such date, the stock merger consideration, when combined with the cash distribution to be paid by St. Martin to its shareholders immediately prior to the merger, was fair, from a financial point of view, to such holders, based upon and subject to the assumptions and other matters considered in connection with the preparation of its opinion.

The full text of the written opinion of Raymond James, which sets forth, among other things, the assumptions and limitations on the scope of the review undertaken, is attached as an exhibit to this statement/prospectus and shareholders of St. Martin are encouraged to read it carefully. Raymond James provided its opinion for the information and assistance of the St. Martin board of directors (in its capacity as such) in connection with, and for purposes of, its consideration of the merger agreement and whether the merger consideration, when considered together with the special cash distribution to its shareholders immediately prior to the merger, as of the date of the opinion, was fair to the shareholders of St. Martin. The opinion of Raymond James did not address the merits of the merger agreement or the merger contemplated thereby. The Raymond James opinion does not constitute an advisory board or any holder of St. Martin common stock as to how the St. Martin board of directors or any other person should vote or otherwise act with respect to the merger or any other matter. St. Martin's Directors and Executive Officers Have Interests in the Merger that may differ from, or in addition to, those of St. Martin's shareholders. These interests may be

11

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

interests include, among others, the acceleration and lump sum payment of bene retirement plan (“SERP”) agreements with certain executive officers of St. Martin, option awards pursuant to the merger agreement, the entry into new employment the effective time of the merger, by certain executive officers of St. Martin, and insurance coverage by the surviving corporation for acts or omissions occurring include Home’s agreement to appoint, on or prior to the effective time of the me the board of directors of Home and Home Bank. The St. Martin board of directo interests, among other matters, in reaching its decisions to approve the merger a contemplated thereby and to recommend the approval of the merger agreement t entitled “The Merger — Interests of St. Martin’s Directors and Executive Offi joint proxy statement/prospectus for a more detailed description of these interes

Ownership of Home Common Stock Following the Merger (page [121](#))

It is currently expected that former shareholders of St. Martin as a group will rec Home common stock in the merger, which will constitute approximately 21% o outstanding immediately after completion of the merger. As a result, current sha approximately 79% of the outstanding shares of Home common stock immediat

St. Martin Shareholders Have Appraisal Rights in the Merger (page [71](#))

Under Louisiana law, record holders of St. Martin shares have the right to dema for the “fair value” of their shares of St. Martin common stock as determined by appraisal rights, St. Martin shareholders must follow exactly the procedures spe procedures are summarized in this joint proxy statement/prospectus. In addition Louisiana law is included as Annex D to this document. Failure to strictly comp loss of appraisal’ rights. The value determined in the appraisal process may be n shareholder would receive in the merger under the terms of the merger agreeme St. Martin Has Agreed When and How It Can Consider Third-Party Acquisition Home and St. Martin have agreed that St. Martin will not initiate, solicit, induce regarding certain acquisitions of St. Martin, its shares, or its businesses, take any acquisition proposal, or engage in related discussions, negotiations or enter into Martin may (1) provide information in response to a request from a person who proposal, subject to such person entering into a confidentiality agreement that is confidentiality agreement with Home, and (2) engage or participate in discussio makes such an unsolicited acquisition proposal, if, but only if, (A) St. Martin ha acquisition proposal that did not result from a breach of the merger agreement, (Martin’s board of directors determines, in good faith, after consultation with its the acquisition proposal constitutes or is reasonably likely to lead to a superior p contemplated by the merger agreement, (C) prior to furnishing or affording acce to St. Martin or any of its subsidiaries or otherwise relating to the unsolicited ac confidentiality agreement with terms no less favorable to St. Martin than those c between Home and St. Martin, and (D) the board of directors of St. Martin deter with and having considered the advice of its outside legal counsel, that the failur reasonably likely to violate its fiduciary duties under applicable laws. St. Martin of such determination within three business days after making such determinatio Additionally, prior to the approval of the merger agreement by St. Martin’s shar Martin’s board of directors that an unsolicited acquisition proposal constitutes a transactions contemplated by the merger agreement, the board of

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

directors of St. Martin may change its recommendation in favor of the merger agreement) if, prior to changing its recommendation, (1) St. Martin's board of directors, after consultation with its outside legal and financial advisors, that failure to change its recommendation is likely to be inconsistent with its fiduciary duties to St. Martin's shareholders, (2) St. Martin's board of directors intends to or may change its recommendation to accept or make an improved proposal, and (3) St. Martin's board of directors determines, after consultation with its outside legal and financial advisors, that the acquisition proposal constitutes a superior or improved proposal by Home. However, St. Martin may terminate the merger agreement at its discretion or a determination to accept the superior proposal.

Unless the merger agreement is terminated before the St. Martin special meeting, the merger agreement shall remain in effect and binding on all parties to the merger agreement to its shareholders.

Home Special Meeting Proposals: Required Vote; Treatment of Abstentions and Broker Non-Votes: Home merger proposal:

-

Standard: Approval of the Home merger proposal requires the affirmative vote of a majority of the outstanding shares of Home common stock entitled to be cast on the proposal.

-

Effect of abstentions and broker non-votes: If you fail to vote, mark "ABSTAIN" on your proxy card or bank or broker with respect to the Home merger proposal, it will have the same effect as a vote in favor of the proposal.

Home stock issuance proposal:

-

Standard: Approval of the Home stock issuance proposal requires the affirmative vote of a majority of the outstanding shares of Home common stock entitled to be cast on the proposal.

-

Effect of abstentions and broker non-votes: If you fail to vote, mark "ABSTAIN" on your proxy card or bank or broker with respect to the Home stock issuance proposal, it will have the same effect as a vote in favor of the proposal.

Home adjournment proposal:

-

Standard: Approval of the Home adjournment proposal requires the affirmative vote of a majority of the votes cast at the Home special meeting.

-

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card or fail to vote in person at the Home special meeting, or fail to instruct your bank or broker with respect to the Home adjournment proposal, you will not be deemed to have cast a vote with respect to the proposal.

For further information, see "The Home Special Meeting — Quorum; Vote Requirements; St. Martin Special Meeting Proposals: Required Vote; Treatment of Abstentions and Broker Non-Votes: St. Martin merger proposal:

-

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Standard: Approval of the St. Martin merger proposal requires the affirmative of the outstanding shares of St. Martin common stock entitled to be cast on the p

13

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

•

Effect of abstentions and broker non-votes: If you fail to vote or mark “ABSTAIN” on your proxy card for the St. Martin merger proposal, it will have the same effect as a vote “AGAINST” the proposal. If you do not vote and your shares are held by shareholders of record, and, accordingly, there will be no broker non-votes at the St. Martin special meeting.

St. Martin Shareholders’ Agreement proposal:

•

Standard: Approval of the St. Martin Shareholders’ Agreement proposal requires the affirmative vote of at least a majority of the outstanding shares of St. Martin common stock entitled to vote at the St. Martin special meeting.

•

Effect of abstentions and broker non-votes: If you fail to vote or mark “ABSTAIN” on your proxy card for the St. Martin Shareholders’ Agreement proposal, it will have the same effect as a vote “AGAINST” the proposal. If you do not vote and your shares of St. Martin common stock are held by shareholders of record, and, accordingly, there will be no broker non-votes at the St. Martin special meeting.

St. Martin adjournment proposal:

•

Standard: Approval of the St. Martin adjournment proposal requires the affirmative vote of a majority of the votes cast at the St. Martin special meeting.

•

Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card for the St. Martin adjournment proposal, your vote in person at the St. Martin special meeting, with respect to the St. Martin adjournment proposal, will be deemed to have cast a vote with respect to the proposal it will have no effect on the adjournment proposal. If you do not vote and your shares of St. Martin common stock are held by shareholders of record, and, accordingly, there will be no broker non-votes at the St. Martin special meeting.

For further information, see “The St. Martin Special Meeting — Quorum; Voting Standards; and Other Matters That Must Be Satisfied or Waived for the Merger to Occur (page 83).” Currently, Home and St. Martin expect to complete the merger in the fourth quarter of 2011. The completion of the merger depends on a number of conditions being satisfied or, where legal requirements are not satisfied, include, among others:

•

the approval of the merger agreement by the requisite votes of shareholders of Home and St. Martin;

•

the receipt by each of Home and St. Martin of a legal opinion with respect to certain legal matters, including the consequences of the merger;

•

the absence of any law, statute, rule, regulation, order, decree, injunction or other governmental entity, which enjoins or prohibits completion of the transactions contemplated by the merger agreement.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

- the effectiveness of the registration statement of which this joint proxy statement covers the Home common stock to be issued in connection with the merger under the Securities Act of 1933 (or any order or proceedings initiated or threatened by the SEC or any state securities commission or any applicable state securities laws) for that purpose;
- the authorization for listing on the NASDAQ of the shares of Home common stock to be issued in connection with the merger;
- the exercise of appraisal rights by holders of St. Martin common stock not exceeding 10% of the outstanding shares of St. Martin;

14

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

- the absence of any change that individually or in the aggregate has a material adverse effect on Home or St. Martin;
- the truth and correctness of the representations and warranties of each other party to the merger agreement; and
- the performance by each party in all material respects of their obligations under the merger agreement, including the issuance of certificates from the other party to that effect.

We cannot be certain when, or if, the conditions to the merger will be satisfied or the merger will be completed.

Termination of the Merger Agreement (page 84)

The merger agreement can be terminated at any time prior to completion by mutual agreement of the Home and St. Martin boards of directors, or by either party individually, in the following circumstances:

- if the other party breaches the merger agreement in a way that would entitle the party seeking to terminate the merger agreement to terminate the merger agreement, unless the breach is capable of being cured by the other party (as defined in the merger agreement), and is actually cured within 30 days of notice of the breach;
- if the merger has not been completed by the termination date of March 31, 2018 and the merger agreement by that date is due to the breach of the merger agreement by the party seeking to terminate the merger agreement;
- if shareholders of either Home or St. Martin fail to approve the merger agreement;
- if there is any final, non-appealable order permanently enjoining or prohibiting the merger agreement, or if consent, registration, approval, permit or authorization is denied such that the merger agreement cannot be satisfied as of the closing date.

In addition, Home may terminate the merger agreement if St. Martin has received a superior proposal and St. Martin's board of directors has (1) entered into an acquisition agreement with respect to the merger, failed to make its recommendation or made its recommendation in a manner adverse to Home. Home also may terminate the merger agreement if St. Martin fails to comply with its obligations with respect to consideration and action upon alternative acquisition proposals. St. Martin also may terminate the merger agreement if St. Martin has received a superior proposal and St. Martin's board of directors determines to be a "superior proposal" and St. Martin's board of directors does not accept such superior proposal.

If the merger agreement is terminated, it will become void, and there will be no obligation to consummate the merger, except that (1) in the event of willful breach of the merger agreement, the party in breach shall be liable for any damages, costs and expenses, including without limitation, reasonable attorney's fees and costs, of the other party in connection with the enforcement of its rights under the merger agreement.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

merger agreement, including the payment of fees and expenses and the confidentiality of the termination and (3) under certain circumstances, a termination of the merger. Home a termination fee.

15

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Termination Fee (page 84)

St. Martin will be obligated to pay Home a termination fee of \$3,500,000 under

•

if the merger agreement is terminated by Home because St. Martin has received a recommendation of directors has (1) entered into an acquisition agreement with respect to the superior proposal, failed to make its recommendation or made its recommendation in a manner adverse to Home;

•

if the merger agreement is terminated by St. Martin because St. Martin has received a recommendation of board of directors has made a determination to accept the superior proposal; or

•

if St. Martin enters into a definitive agreement relating to an acquisition proposal that is superior to any of the following: (1) the termination of the merger agreement by Home due to a breach of the materiality standards provided in the merger agreement, of its representation and warranties under the merger agreement, or (2) the failure of St. Martin's shareholders to approve the merger agreement, public disclosure or public awareness of an acquisition proposal.

Regulatory Approvals Required for the Merger (page 71)

Each of Home and St. Martin has agreed to cooperate with the other and use all reasonable efforts to obtain all approvals and authorizations required to complete the transactions contemplated by the merger agreement, the merger and the bank merger. As of the date of this joint proxy statement/prospectus, the necessary approvals, authorizations or non-objections from the Office of the Comptroller of the Currency ("OCC"), the Louisiana Office of Financial Institutions (which we refer to as the "Louisiana Office of Financial Institutions"), the Federal Reserve System (which we refer to as the "Federal Reserve Board").

The Rights of St. Martin Shareholders Following the Merger Will Be Different

The rights of St. Martin shareholders will change as a result of the merger due to the changes in the governing documents. The rights of St. Martin shareholders are governed by Louisiana law, the Louisiana Code of Commerce and bylaws. Upon the completion of the merger, St. Martin shareholders will be governed by Home, as the continuing legal entity in the merger, and the rights of St. Martin shareholders will be governed by Home's articles and bylaws (but will continue to be governed by Louisiana law).

Risk Factors (page 32)

You should consider all the information contained in or incorporated by reference to this proxy statement/prospectus in deciding how to vote for the proposals presented herein. In particular, you should consider the factors described under "Risk Factors."

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA

Presented below for Home and St. Martin are comparative historical and unaudited pro forma financial data as of and for the year ended December 31, 2016, and as of and for the three months ended March 31, 2017. The information in the table is based on, and should be read together with, the historical financial information presented in its filings with the SEC and the historical financial information that is included in the financial statements included in this joint proxy statement/prospectus beginning at page F-1. For more information, see "Where Can Find More Information" beginning on page 139.

The unaudited pro forma information gives effect to the merger as if the merger had been completed as of June 30, 2017 in the case of the book value data, and as if the merger had been completed as of January 1, 2016 in the case of the earnings per share and the cash dividends data. The unaudited pro forma data includes the historical results of St. Martin into Home's consolidated financial statements, the estimated impact of fair value adjustments and other acquisition-related activities, and the impact of what would have occurred had the acquisition taken place on January 1, 2017 or June 30, 2017. The unaudited pro forma adjustments are based upon available information and the assumptions that Home and St. Martin management believe are reasonable. The unaudited pro forma data, which is based on the characteristics of the combined company under one set of assumptions, does not represent the results that would result as a consequence of the merger or consider any potential impacts of current and future revenues, expense efficiencies or asset dispositions, among other factors, nor the impact of market price changes. As a result, unaudited pro forma data are presented for illustrative purposes only and are not intended to predict or suggest future results. Upon completion of the merger, the operating results will be reflected in the consolidated financial statements of Home on a prospective basis.

	Home Historical	St. Martin Historical
For six months ended June 30, 2017:		
Earnings Per Share		
Basic earnings per share	\$ 1.36	\$ 19.78
Diluted earnings per share	\$ 1.31	\$ 19.40
Cash Dividends Per Share(1)	\$ 0.27	\$ 13.50
Book Value per common share as of June 30, 2017	\$ 25.53	\$ 285.53

The pro forma combined book value per share of Home is based upon the pro forma book value of Home equity for Home and St. Martin divided by the total pro forma common shares of Home and St. Martin shares at the exchange ratio of 9.2839.

	Home Historical	St. Martin Historical
For the year ended December 31, 2016:		
Earnings Per Share		
Basic earnings per share	\$ 2.34	\$ 4.34
Diluted earnings per share	\$ 2.25	\$ 3.94
Cash Dividends Per Share(1)	\$ 0.41	\$ 3.94

Edgar Filing: CENTRAL PACIFIC FINANCIAL CORP - Form S-4/A

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Book Value per common share as of December 31, 2016	\$ 24.47	\$ 2
---	----------	------

(1)

Pro forma combined dividends are based on Home's historical amounts.

17

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

(2)

Per equivalent St. Martin share was computed by multiplying the pro forma com
9.2839.

The pro forma combined book value per share of Home is based upon the pro fo
equity for Home and St. Martin divided by the total pro forma common shares o
Martin shares at the exchange ratio of 9.2839.

18

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

SELECTED FINANCIAL AND OTHER DATA OF HOME

The following summary presents selected consolidated financial data of Home as of and for the years ended December 31, 2016, 2015, 2014, 2013, and 2012. Home's audited financial statements contained in Annual Reports on Form 10-K filed with the SEC. The financial data as of and for the six months ended June 30, 2017 and 2016 are unaudited consolidated financial statements contained in Quarterly Reports on Form 10-Q filed with the SEC. The information as of and for the six months ended June 30, 2017 is unaudited and may not be representative of the results of operations for the six months ended June 30, 2017 due to normal recurring adjustments that are, in the opinion of Home's management, necessary for the interim periods presented. The results of operations for the six months ended June 30, 2017 are not indicative of the results to be achieved by Home for all of fiscal 2017 or for any other period.

	As of June 30,		As of December 31,	
	2017	2016	2016	2015
	(dollars in thousands)			
Selected Financial Condition Data:				
Total assets	\$ 1,574,181	\$ 1,545,049	\$ 1,556,732	\$ 1,551,900
Cash and cash equivalents	51,702	26,853	29,315	24,798
Interest-bearing deposits in banks	1,391	2,431	1,884	5,144
Investment securities:				
Available for sale	197,376	174,950	183,730	176,762
Held to maturity	13,201	13,530	13,365	13,927
Loans receivable, net	1,205,753	1,206,883	1,215,323	1,214,800
Deposits	1,309,237	1,225,004	1,248,072	1,244,200
Federal Home Loan Bank advances	67,493	135,079	118,533	125,153
Securities sold under repurchase agreements	—	—	—	—
Shareholders' equity	188,939	173,567	179,843	165,046

For the Years Ended Dec

Edgar Filing: CENTRAL PACIFIC FINANCIAL CORP - Form S-4/A

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

	For the Six Months Ending June 30,			
	2017	2016	2016	2015
	(dollars in thousands, except per share data)			
Selected Operating Data:				
Interest income	\$ 34,762	\$ 33,914	\$ 67,684	\$ 58,410
Interest expense	2,895	2,639	5,268	3,866
Net interest income	31,867	31,275	62,416	54,544
Provision for loan losses	457	1,900	3,200	2,071
Net interest income after provision for loan losses	31,410	29,375	59,216	52,473
Noninterest income	4,990	6,015	11,157	8,770
Noninterest expense	22,082	24,197	46,797	42,022
Income before income taxes	14,318	11,193	23,576	19,221
Income taxes	4,826	3,827	7,568	6,671
Net income	\$ 9,492	\$ 7,366	\$ 16,008	\$ 12,550
Earnings per share – basic	\$ 1.36	\$ 1.08	\$ 2.34	\$ 1.87
Earnings per share – diluted	\$ 1.31	\$ 1.04	\$ 2.25	\$ 1.79
Cash dividends per share	\$ 0.27	\$ 0.19	\$ 0.41	\$ 0.30

19

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

	As of or for the Six Months Ending June 30,		As of or For the Years E Ending	
	2017	2016	2016	2015
Selected Operating Ratios:(1)				
Average yield on interest-earnings assets (TE)	4.78%	4.74%	4.71%	4.75%
Average rate on interest-bearing liabilities	0.54	0.49	0.49	0.43
Average interest rate spread (TE)(2)	4.24	4.25	4.22	4.32
Net interest margin (TE)(3)	4.38	4.37	4.34	4.43
Average interest-earning assets to average interest-bearing liabilities	135.60	133.26	134.34	136.76
Noninterest expense to average assets	2.82	3.13	3.04	3.14
Efficiency ratio(4)	59.91	64.89	63.61	66.37
Return on average assets	1.22	0.95	1.04	0.94
Return on average equity	10.25	8.67	9.19	7.83
Common stock dividend payout ratio	20.61	18.27	18.22	16.76
Average equity to average assets	11.86	11.00	11.30	11.99
Asset Quality Ratios:(5)(6)				
Non-performing loans as a percent of total loans receivable	1.58%	1.82%	1.39%	0.71%
Non-performing assets as a percent of total assets	1.14	1.33	1.07	0.51
Allowance for loan losses as a percent of non-performing loans as of end of period	89.1	72.8	99.4	162.35
Allowance for loan losses as a percent of net loans as of end of period	1.40	1.33	1.38	1.15

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Capital Ratios:(5)(7)

Tier 1 risk-based capital ratio	13.86%	12.24%	12.91%	11.61%
Leverage capital ratio	10.45	9.34	9.94	8.74
Total risk-based capital ratio	14.98	13.22	13.96	12.43

(1)

With the exception of end-of-period ratios, all ratios are based on average monthly

(2)

Average interest rate spread represents the difference between the average yield rate on interest-bearing assets and the average interest rate paid on interest-bearing liabilities.

(3)

Net interest margin represents net interest income as a percentage of average interest income. Net interest margins are calculated using a marginal tax rate of 35%.

(4)

The efficiency ratio represents noninterest expense as a percentage of total revenue. The efficiency ratio is calculated as noninterest expense divided by total revenue less interest income and noninterest income.

(5)

Asset quality and capital ratios are end of period ratios.

(6)

Asset quality ratios represents legacy non-performing assets. At June 30, 2017 and 2016, Home also had, \$1.6 million, \$1.9 million, \$1.5 million, \$1.5 million, \$1.9 million, \$2.2 million, \$3.0 million, \$3.4 million, \$4.5 million and \$3.7 million, respectively, of acquired nonimpaired loans, which were on nonaccruing interest and which are not included in the table above. In addition, not included in the table above are \$2.2 million, \$3.0 million, \$3.4 million, \$4.5 million and \$3.7 million, respectively, of repossessed assets at June 30, 2017 and 2016 and December 31, 2016, 2015, 2014, 2013 and 2012, which are excluded from the asset quality ratios above. See page 25 of Home's 2016 Annual Report for the asset quality ratios including acquired nonimpaired assets, respectively. Nonperforming loans consist of nonaccruing loans and loans on nonaccruing interest. Nonperforming assets consist of nonperforming loans and repossessed assets on nonaccruing interest on all loans.

(footnotes continued on next page)

20

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

90 days or more past due. Repossessed assets consist of assets acquired through
of foreclosure. For additional information on Home's asset quality ratios see page
10-K for the year ended December 31, 2016, which is incorporated herein by refer
(7)

Capital ratios are for Home Bank only.

21

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

SELECTED FINANCIAL AND OTHER DATA OF ST. MARTIN

The following tables set forth certain summary historical consolidated financial periods indicated. The historical financial information as of and for the years ended for the selected ratios, is derived from the audited financial statements of St. Martin statement/prospectus. The historical financial information as of and for the year ended 2012, except for the selected ratios, is derived from the audited financial statements proxy statement/prospectus. The historical results of St. Martin may not be indicative. You should read the selected historical consolidated financial and operating data sections titled "Information about St. Martin — Management's Discussion and Analysis of Operations of St. Martin," as well as the consolidated financial statements of St. Martin elsewhere in this joint proxy statement/prospectus.

	Six Months Ended June 30,		As of and for the Year Ended	
	2017	2016	2016	2015
	(Unaudited)			
	(Dollars in thousands, except share and per share data)			
Income statement data				
Interest income	\$ 13,882	\$ 13,601	\$ 27,352	\$ 26,301
Interest expense	1,225	1,140	2,377	2,077
Net interest income	12,657	12,461	24,976	24,225
Provision for possible loan losses	510	298	1,277	1,032
Non-interest income	2,020	1,902	4,429	4,223
Non-interest expense	7,851	6,885	15,238	14,801
Income before income taxes	6,316	7,180	12,889	12,615
Income tax expense	—	—	—	—
Net income	6,316	7,180	12,889	12,615
Balance sheet data (period-end):				
Total assets	597,290	555,372	581,219	539,348
Loans	455,456	438,177	442,993	419,037
Allowance for loan losses	(6,088)	(5,702)	(5,756)	(5,620)
	57,556	56,459	51,788	49,901

Edgar Filing: CENTRAL PACIFIC FINANCIAL CORP - Form S-4/A

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Investment securities				
Total deposits	507,793	469,216	494,585	461,250
Other borrowed funds	25,128	26,055	27,244	23,183
Stockholders' equity	59,267	55,436	54,919	50,555
Per share data				
Earnings per share	30.43	34.60	62.10	60.78
Book value per common share	285.55	267.10	264.60	243.58
Dividends – common	2,802	2,906	7,524	7,783
Shares outstanding at end of period	207,552	207,552	207,552	207,552
Weighted average common shares outstanding	207,552	207,552	207,552	207,552

22

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

	Six Months Ended June 30, 2017		As of and for the 2016	
	(Unaudited)			
	(Dollars in thousands, except share and per			
Annualized performance ratios				
Return on average assets(1)	2.14%	2.60%	2.30%	2.33%
Return on average equity(1)	22.15	27.10	23.73	25.71
Net interest margin	4.52	4.76	4.69	4.81
Efficiency ratio(2)	53.49	47.94	51.82	52.00
Provision for loan losses to average loans	0.23%	0.14%	0.29%	0.23%
Asset quality ratios:				
Nonperforming assets to total assets	2.25%	2.48%	2.31%	1.94%
Nonperforming loans to total loans	2.85	3.00	3.01	2.47
Allowance for loan losses to nonperforming loans	46.89	43.43	43.17	54.33
Allowance for loan losses to total loans	1.34	1.30	1.30	1.34
Net charge-offs as a percentage of average total loans	0.06	0.08	0.20	0.05
Capital ratios (bank-level only):				
Tier 1 capital to average assets	9.36%	9.32%	9.07%	8.93%
Common equity tier 1 capital to risk-weighted assets	10.94	10.48	10.34	9.88
Tier 1 capital to risk-weighted assets	10.94	10.48	10.34	9.88
Total capital to risk-weighted assets	12.14	11.65	11.48	11.00

(1)

Average balances have been calculated on an average quarterly basis during the six months, as the case may be). Management of St. Martin does not believe that materially from average daily balances.

(2)

The efficiency ratio is calculated by dividing noninterest expense by the sum of income. The efficiency ratio is not on a fully taxable equivalent basis.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

23

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED

The Unaudited Pro Forma Combined Condensed Consolidated Financial Information is prepared using the acquisition method of accounting, giving effect to the merger. The Unaudited Pro Forma Combined Condensed Consolidated Statement of Financial Condition combines the historical information of Home and St. Martin for 2017 and assumes that the merger was completed on that date. The Unaudited Pro Forma Combined Condensed Consolidated Statements of Income combines the historical financial information of Home and St. Martin to the merger as if it had been completed as of the beginning of the periods presented. The Unaudited Pro Forma Combined Condensed Consolidated Financial Information is presented for illustrative purposes and is not necessarily indicative of the results of income or financial condition had the merger been completed as of the date above, nor is it necessarily indicative of the results of income in future periods or the results of income of the combined entities. The financial information should be read in conjunction with the accompanying notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Information. Reclassifications have been made to St. Martin historical financial information in order to conform to the format of financial information.

The proposed merger is targeted for completion in the fourth quarter of 2017 or earlier. We provide no assurance that the merger will be completed as anticipated. For purposes of the Unaudited Pro Forma Combined Condensed Consolidated Financial Information, the fair value of Home's common stock at the time of the merger was based on Home's closing stock price of \$42.52 as of June 30, 2017. The Unaudited Pro Forma Combined Condensed Consolidated Financial Information includes adjustments to record St. Martin's assets and liabilities at their respective fair values. The pro forma estimates based on available fair value information as of the date of the merger. Where noted, more recent information has been used to support estimated adjustments to the pro forma information.

The pro forma adjustments are subject to change depending on changes in interest rates, foreign exchange rates, and liabilities and as additional information becomes available and additional analysis is completed. The purchase price for the merger will be determined after it is completed and after the fair value of St. Martin's tangible and identifiable intangible assets has been determined. Increases or decreases in the estimated fair values of the net assets at the time of the merger will affect the purchase price allocated to goodwill and other assets and liabilities and may impact the pro forma adjustments in yield and/or amortization of the adjusted assets or liabilities. Any adjustments in yield and/or amortization of the adjusted assets or liabilities may impact the pro forma equity, including results of operations from June 30, 2017 through the date the merger is completed. The purchase price allocation, which may include the recording of a lower or higher purchase price, may be materially different from the unaudited pro forma adjustments. We anticipate that the merger will provide the combined company with financial benefits, including cost savings or opportunities to earn additional revenue and other benefits, which may or suggest future results. It also does not necessarily reflect what the historical results would have been had Home and St. Martin been combined during these periods. The Unaudited Pro Forma Combined Condensed Consolidated Financial Information should be read in conjunction with the historical consolidated financial statements and notes of Home and St. Martin herein by reference and those of St. Martin, which appear elsewhere in this document.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS
COMBINED CONDENSED CONSOLIDATED PRO FORMA STATEMENT
FINANCIAL CONDITION

(Unaudited)

At June 30, 2017

(Dollars in Thousands, Except Per Share Data)

	Home	St. Martin	A
Assets			
Cash and cash equivalents	\$ 53,093	\$ 61,601	S
Investments AFS	197,376	60,102	
Investments HTM	13,201	—	
Mortgages held for sale	4,298	—	
Loans and Leases	1,218,763	455,469	
Allowance for loan and lease losses	(13,010)	(6,088)	
Net loans	1,205,753	449,381	
Premises and equipment	38,533	6,174	
Bank owned life insurance	20,390	8,163	
Other assets	41,537	11,869	
Total assets	\$ 1,574,181	\$ 597,290	S
Liabilities			
Deposits:			
Noninterest-bearing	\$ 306,674	\$ 168,906	S
Interest-bearing	1,002,564	338,887	
Total deposits	1,309,238	507,793	
FHLB advances	67,493	22,478	
Other borrowings	—	2,650	
Other liabilities	8,511	5,102	
Total liabilities	1,385,242	538,023	
Stockholders' Equity			
Preferred stock	—	—	
Common stock	74	208	
Additional paid in capital	80,766	5,369	
Common stock acquired by benefits plans	(4,129)	—	
Retained earnings	112,111	54,532	
Accumulated other comprehensive income	117	(842)	
Total shareholders' equity	188,939	59,267	
Total liabilities and shareholders' equity	\$ 1,574,181	\$ 597,290	S
Book value per share	\$ 25.53	\$ 285.55	
Tangible book value per share	\$ 23.85	\$ 253.26	

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

The accompanying notes are an integral part of these pro forma statements.

*

Assumes that the merger was completed on June 30, 2017 utilizing the acquisition value adjustments for loans, investments securities, core deposit intangibles, determined by information obtained from Home and St. Martin. Actual fair value determined by a third party specialist, engaged by Home, as of the merger completion date.

(1)

The \$20.6 million reflects the special cash distribution of \$94.00 per share payable immediately prior to the closing of the merger, the net cash out for 4,000 stock options and the estimated cash out for fractional shares of Home common stock.

(footnotes continued on next page)

25

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

(2)

Estimated fair value adjustment of \$386,000 on investments.

(3)

Estimated fair value adjustment on the acquired loan portfolio of (\$7.1 million) were evaluated to estimate the fair market value of the acquired loans. This adjustment was applied to St. Martin's loan portfolio.

(4)

In accordance with purchase accounting guidance, St. Martin's \$6.1 million allowance for doubtful accounts, 1.31% of portfolio loans, has been eliminated.

(5)

Estimated fair value adjustment of \$718,000 on the carrying value of the St. Martin's

(6)

Estimated fair value adjustment for acquired repossessed assets of (\$110,000).

(7)

Reversal of \$6.4 million of St. Martin's goodwill from two previous acquisitions to \$46.6 million created with this acquisition.

Purchase Price

Value of Home common stock to be issued

Cash consideration for St. Martin common stock

Cash consideration for St. Martin stock options and fractional shares

Purchase price as of August 22, 2017

St. Martin's net assets:

St. Martin's stockholders' equity

Costs paid by St. Martin prior to closing, including estimated quarterly dividends

St. Martin's stockholders' equity, net of transaction costs

Fair value adjustments:

Securities

Loans

Premises and equipment

Goodwill

Core deposit intangible

Other assets

Interest-bearing deposits

FHLB advances

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Tax effect of fair value adjustment
Total adjustments of net assets acquired
Fair value of assets acquired
Estimated goodwill

(8)

Reversal of \$259,000 of St. Martin's core deposit intangible asset from two prior periods. The deposit intangible created with this acquisition of \$4.6 million.

(9)

The adjustment is for estimated deferred tax asset of \$1.6 million on the transaction and a corresponding adjustment on other assets of (\$1.3 million).

(10)

Estimated fair value adjustment of \$240,000 for acquired certificates of deposit and similar instruments.

(11)

Estimated fair value adjustment of \$225,000 for acquired Federal Home Loan Bank of Hawaii similar instruments.

(footnotes continued on next page)

26

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

(12)

Represents \$4.7 million estimate of St. Martin's quarterly dividend obligation in St. Martin's obligations of \$3.0 million as a result of the merger and Home's obligations of \$1.7 million as a result of the merger.

(13)

Represents the elimination of St. Martin's common stock of \$208,000 plus Home's common stock with a par value of \$0.01.

(14)

Represents the elimination of St. Martin's additional paid in capital of \$5.4 million and Home's par value on the issuance of 1,926,858 shares of common stock based on a market price of \$39.15 as of August 22, 2017.

(15)

Represents the elimination of St. Martin's retained earnings of \$54.5 million plus Home's retained earnings of \$1.4 million net of taxes, of \$1.4 million.

(16)

Represents the elimination of St. Martin's accumulated other comprehensive loss of \$1.4 million.

27

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS
UNAUDITED COMBINED CONDENSED CONSOLIDATED PRO FORMA
STATEMENT OF INCOME

(Unaudited)

For the Six Months Ended June 30, 2017

(Dollars in Thousands, Except Per Share Data)

	For the Six Months Ended	
	Home	St. Martin
Interest income:		
Loans, including fees	\$ 32,411	\$ 13,234
Investment securities	2,143	501
Other investments and deposits	208	275
Total interest income	34,762	14,010
Interest expense:		
Deposits	2,142	992
Federal Home Loan Bank advances	753	184
Other borrowings	—	49
Total interest expense	2,895	1,225
Net interest income	31,867	12,785
Provision for loan losses	457	510
Net interest income after provision for loan losses	31,410	12,275
Noninterest income:		
Service fees and charges	1,927	1,200
Bank card fees	1,450	674
Gain on sale of loans, net	616	—
Income from bank-owned life insurance	240	96
(Loss) gain on the closure or sale of assets, net	(104)	—
Loss on sale of securities, net	—	(1)
Other income	861	185
Total noninterest income	4,990	2,154
Noninterest expense:		
Compensation and benefits	13,668	4,353
Occupancy	2,492	1,008
Marketing and advertising	514	239
Data processing and communication	2,149	882
Professional services	413	320
Forms, printing and supplies	291	170
Franchise and shares tax	394	216
Regulatory fees	635	176

Edgar Filing: CENTRAL PACIFIC FINANCIAL CORP - Form S-4/A

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Foreclosed assets, net	(160)	61
Other expenses	1,686	689
Total noninterest expense	22,082	8,114
Income before income taxes	14,318	6,315
Income taxes	4,827	2,210(6)
Net income	\$ 9,491	\$ 4,105

28

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

	For the Six Months Ended June 30,	
	Home	St. Martin
Earnings per share – basic	\$ 1.36	\$ 19.78
Earnings per share – diluted	\$ 1.31	\$ 19.40
Weighted average common shares outstanding:		
Basic	6,954,348	207,552
Diluted	7,220,762	211,552

The accompanying notes are an integral part of these pro forma statements.

(1)

Assumes the merger with St. Martin was completed at the beginning of the period.

(2)

These pro forma acquisition adjustments reflect the amortization/accretion for the acquisition adjustments related to loans, investments, deposits and borrowings on the life of the related assets or liabilities which are 12.0 years, 15.0 years, deposits 30 years.

(3)

Represents the estimated depreciation for the market value adjustment for office equipment on 39 years.

(4)

Represents amortization of \$4.6 million core deposit intangible on an accelerated basis.

(5)

Home expects to incur approximately \$1.4 million, on an after-tax basis, in total non-interest expenses in connection with the proposed merger. Non-interest expenses do not reflect anticipated costs savings.

(6)

St. Martin files as a S-Corporation for income tax purposes therefore the adjustments are calculated at Home's statutory income rate of 35.0%.

(7)

Reflects the tax impact of the pro forma acquisition adjustments at Home's statutory income rate of 35.0%.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

For the Year Ended December 31, 2016

(Dollars in Thousands, Except Per Share Data)

	Year Ended December 31,	
	Home	St. Martin
Interest income:		
Loans, including fees	\$ 63,732	\$ 26,700
Investment securities	3,676	936
Other investments and deposits	276	243
Total interest income	67,684	27,879
Interest expense:		
Deposits	3,701	1,857
Federal Home Loan Bank advances	1,567	121
Other borrowings	—	399
Total interest expense	5,268	2,377
Net interest income	62,416	25,502
Provision for loan losses	3,200	1,277
Net interest income after provision for loan losses	59,216	24,225
Noninterest income:		
Service fees and charges	4,061	2,247
Bank card fees	2,603	1,222
Gain on sale of loans, net	1,770	—
Income from bank-owned life insurance	482	201
Gain on the closure or sale of assets, net	596	7
Gain on sale of securities, net	—	181
Other income	1,645	539
Total noninterest income	11,157	4,397
Noninterest expense:		
Compensation and benefits	27,634	8,794
Occupancy	5,255	1,867
Marketing and advertising	1,063	444
Data processing and communication	4,967	1,560
Professional services	983	560
Forms, printing and supplies	623	311
Franchise and shares tax	821	385
Regulatory fees	1,317	376
Foreclosed assets, net	140	65
Other expenses	3,994	1,372

Edgar Filing: CENTRAL PACIFIC FINANCIAL CORP - Form S-4/A

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Total noninterest expense	46,797	15,734
Income before income taxes	23,576	12,888
Income taxes	7,568	4,511(6)
Net income	\$ 16,008	\$ 8,377

30

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

	Year Ended December 31, 2015	
	Home	St. Martin
Earnings per share – basic	\$ 2.34	\$ 40.36
Earnings per share – diluted	\$ 2.25	\$ 39.60
Weighted average common shares outstanding:		
Basic	6,842,437	207,552
Diluted	7,107,374	211,552

The accompanying notes are an integral part of these pro forma statements.

(1)

Assumes the merger with St. Martin was completed at the beginning of the period.

(2)

These pro forma acquisition adjustments reflect the amortization/accretion for the acquisition adjustments related to loans, investments, deposits and borrowings on the life of the related assets or liabilities which are 12.0 years, 15.0 years, deposits 30 years.

(3)

Represents the estimated depreciation for the market value adjustment for office equipment over 39 years.

(4)

Represents amortization of \$4.6 million core deposit intangible on an accelerated basis.

(5)

Home expects to incur approximately \$1.4 million, on an after-tax basis, in total non-interest expenses in connection with the proposed merger. Non-interest expenses do not reflect anticipated cost savings of \$1.4 million. Home will also remove \$560,000 of non-recurring merger-related cost in the period ending December 31, 2015, related to Bancorp, Inc. acquisition in September 2015.

(6)

St. Martin files as a S-Corporation for income tax purposes therefore the adjustments are calculated at Home's statutory income rate of 35.0%.

(7)

Reflects the tax impact of the pro forma acquisition adjustments at Home's statutory income rate of 35.0%.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

RISK FACTORS

In addition to general investment risks and the other information contained in our proxy statement/prospectus, including the matters addressed under the heading “Forward-Looking Statements,” and the matters discussed under the caption “Risk Factors” in our 10-K for the fiscal year ended December 31, 2016 filed by Home, you should carefully read the Risk Factors section of this joint proxy statement/prospectus in deciding how to vote on the proposals presented in this joint proxy statement/prospectus.

Risk Factors Related to the Merger

Because the market price of Home common stock will fluctuate, St. Martin shareholders may receive a lower market value of the Home common stock they will receive in the merger.

Upon completion of the merger, each share of St. Martin common stock will be converted into Home common stock in a stock merger consideration consisting of shares of Home common stock. The number of shares of Home common stock constituting the stock merger consideration may vary from the closing price of Home common stock as of the date the parties initially announced the merger, on the date that this joint proxy statement/prospectus is filed with the SEC to St. Martin shareholders, on the date of the special meeting of the St. Martin shareholders to approve the merger, and thereafter. Any change in the market price of Home common stock after the date of the special meeting of the St. Martin shareholders will affect the market value of the stock merger consideration. Accordingly, at the time of the special meeting of the St. Martin shareholders, St. Martin shareholders will not know or be able to calculate the market value of the stock merger consideration that St. Martin shareholders will receive in the merger. St. Martin is not permitted to terminate the merger agreement or re-solicit the vote of St. Martin shareholders in the event of changes in the market prices of Home’s stock. Stock prices may change as a result of changes in the general market and economic conditions, changes in Home’s and St. Martin’s results of operations, business prospects, and regulatory considerations. Many of these factors are beyond the control of St. Martin and Home. You should obtain current market quotations for shares of Home common stock.

The market price of Home common stock following the completion of the merger may be different from those currently affecting the shares of Home or St. Martin.

Upon completion of the merger, holders of St. Martin common stock will become holders of Home common stock. Home’s business and operations differ in certain important respects from that of St. Martin. The operations of the combined company and the market price of Home common stock may be affected by factors different from those currently affecting the independent operations of Home and St. Martin.

For a discussion of the business of St. Martin, see “Information about St. Martin” in our proxy statement/prospectus, the business of Home and of certain factors to consider in connection with that business, and the factors referred to by reference in this joint proxy statement/prospectus and referred to under “What You Should Know” beginning on page 139.

St. Martin and Home will be subject to business uncertainties and contractual obligations. Uncertainty about the effect of the merger on employees and customers may have a negative effect on Home. These uncertainties may impair St. Martin’s or Home’s ability to attract, retain, and motivate key employees, if the merger is consummated, and could cause customers and others that have business relationships with St. Martin to seek to terminate or change their existing business relationships with St. Martin. These uncertainties may be challenging during the pendency of the merger, as certain employees may depart prior to the completion of the merger, or future roles with the combined company. If key employees depart prior to the completion of the merger, Home may be adversely affected. In addition, the merger agreement restricts St. Martin from pursuing other specified actions until the merger occurs without the consent of Home. This may restrict St. Martin from pursuing attractive business opportunities that may arise prior to the completion of the merger.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Please see “The Merger Agreement — Covenants and Agreements” beginning covenants to which St. Martin is subject.

The success of the merger and integration of Home and St. Martin will depend on The success of the merger will depend on a number of factors, including, without

•

Home’s ability to integrate the branches acquired from St. Martin Bank in the m

•

Home’s ability to limit the outflow of deposits held by its new customers in the and to successfully retain and manage interest-earning assets (i.e., loans) acquir

•

Home’s ability to control the incremental non-interest expense from the branche manner that enables it to maintain a favorable overall efficiency ratio;

•

Home’s ability to retain and attract the appropriate personnel to staff the branch

•

Home’s ability to earn acceptable levels of interest and non-interest income, inc acquired from St. Martin Bank.

Integrating the two companies will be an operation of substantial size and exper market and economic conditions or government actions affecting the financial in also likely divert Home’s management’s attention and resources. No assurance o successfully integrate the operations of St. Martin, and the integration process o the disruption of ongoing business, or inconsistencies in standards, controls, pro Home’s ability to maintain relationships with clients, customers, depositors and benefits of the merger. Home may also encounter unexpected difficulties or cost adversely affect its earnings and financial condition, perhaps materially. Additio operation of the branches acquired from St. Martin will not adversely affect Ho be able to achieve results in the future similar to those achieved by its existing b able to manage the growth resulting from the merger effectively.

The merger agreement limits St. Martin’s ability to pursue alternatives to the me The merger agreement includes provisions that limit St. Martin’s ability to pursu to acquire all or a significant part of St. Martin. Subject to certain specified exce Martin’s ability to discuss, facilitate or commit to competing third-party acquisi fee would be payable by St. Martin to Home under certain circumstances, gener Martin to pursue an alternative transaction. These provisions could discourage a have an interest in acquiring all or a significant part of St. Martin from consider were prepared to pay consideration with a higher per share value than that propo shareholders in the merger, or might result in a potential competing acquiror pro acquire St. Martin than it might otherwise have proposed to pay.

If the conditions to the merger are not met or waived, the merger will not occur. Specified conditions in the merger agreement must be satisfied or waived in ord shareholder approval of the proposals being submitted to shareholders of each o

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

special meetings. Home and St. Martin cannot assure you that each of the conditions are not satisfied or waived, the merger will not occur or will be delayed. If the merger does not occur, the intended benefits of the merger to be lost and could adversely affect the value of

33

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

The merger may be completed even though Home or St. Martin experiences adverse effects. In general, either Home or St. Martin may refuse to complete the merger if the effect on its business prior to the closing of the merger. However, certain types of adverse effects on Home or St. Martin would not prevent the merger from going forward, even if they have adverse effects on Home or St. Martin, including the following:

- changes in laws and regulations affecting banks or financial institutions or their interpretations thereof by courts or governmental entities, if such changes do not adversely affect the affected company;
- changes in GAAP or regulatory accounting principles generally applicable to financial institutions or companies, if such changes do not have a disproportionate impact on the affected company;
- actions and omissions of Home or St. Martin with the prior written consent of the other party to the merger agreement;
- changes or effects from the announcement of the merger agreement and the transition to the new company, including compliance by the parties with the merger agreement on the business, financial and legal matters of the parties;
- changes in national or international political or social conditions including the occurrence of hostilities, the occurrence of any military or terrorist attack upon or within the United States or its possessions or diplomatic or consular offices or upon any military installation, or any other event in the United States, if such changes do not have a disproportionate impact on the affected company;
- changes in economic, financial market, or geographic conditions in general, including changes in interest rates or markets or changes in interest rates; if such changes do not have a disproportionate impact on the affected company;
- any legal action asserted or other actions initiated by any St. Martin or Home shareholder in violation of the merger agreement; and
- any failure, in and of itself, of Home or St. Martin to meet any internal projections or forecasts.

In addition, either Home or St. Martin could waive the closing condition related to the effect on the other party and the merger would be completed even if a material adverse effect would otherwise allow a party to terminate the merger agreement or refuse to consummate the merger. If the merger is not consummated by March 31, 2018, either Home or St. Martin may terminate the merger.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Either Home or St. Martin may terminate the merger agreement if the merger has not been completed by the specified date, unless the failure of the merger to be completed has resulted from the material breach of the merger agreement to perform its obligations.

Termination of the merger agreement or failure to complete the merger could result in significant consequences to St. Martin and/or Home. If the merger agreement is terminated or the merger is not completed for any reason, St. Martin's or Home's value may be adversely affected by the failure to pursue other potentially beneficial opportunities due to the efforts of the management teams on the merger, without realizing any of the anticipated benefits. Additionally, if the merger agreement is terminated, the value of St. Martin's or Home's stock may be lower than that the current value reflects a market assumption that the merger will be completed.

34

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

If the merger agreement is terminated and St. Martin's board of directors seeks a new merger, St. Martin shareholders cannot be certain that St. Martin will be able to find a purchaser at a price higher than the price Home has agreed to pay in the merger. Furthermore, under the merger agreement, St. Martin is obligated to pay Home a termination fee of \$3,500,000 if the merger agreement is terminated. Please see "The Merger Agreement — Termination of the Merger Agreement" beginning on page 84.

Certain of St. Martin's directors and executive officers have interests in the merger. St. Martin's shareholders generally.

St. Martin's shareholders should be aware that St. Martin's directors and executive officers have arrangements that are different from, or in addition to, those of St. Martin's shareholders. These arrangements may create potential conflicts of interest. St. Martin's board of directors has considered these interests, among other matters, when making its decision to approve the merger agreement. St. Martin's board of directors recommends that St. Martin's shareholders approve the merger agreement.

For a more complete description of these interests, please see "The Merger — Interests of St. Martin's Directors and Executive Officers in the Merger" beginning on page 68.

The unaudited pro forma combined condensed consolidated financial information presented in this document is preliminary and the actual financial condition and results of operations of Home and St. Martin may differ materially.

The unaudited pro forma combined condensed consolidated financial information presented in this document is for illustrative purposes only and are not necessarily indicative of what Home's financial condition and results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma combined condensed consolidated financial information reflects adjustments, which are based on the St. Martin identifiable assets acquired and liabilities assumed at fair value and the purchase price allocation reflected in this document is preliminary, and final adjustments will be made upon the actual purchase price and the fair value of the assets and liabilities of St. Martin at the time of the merger. Accordingly, the final acquisition accounting adjustments may differ from the adjustments reflected in this document.

Please see "Unaudited Pro Forma Combined Condensed Consolidated Financial Information" beginning on page 100 for more information regarding these financial statements.

The shares of Home common stock to be received by St. Martin shareholders will have certain rights that are different from the shares of St. Martin common stock currently held by the shareholders. The rights associated with St. Martin common stock are different from the rights associated with Home common stock in certain significant respects. Upon completion of the merger, St. Martin shareholders' rights as shareholders will be governed by the articles of incorporation and bylaws of Home. Please see "Comparative Rights of Shareholders" beginning on page 122 for a comparison of the rights of St. Martin common stock with Home common stock.

St. Martin shareholders will have a reduced ownership and voting interest in Home upon completion of the merger and will exercise less influence over management.

St. Martin shareholders currently have the right to vote in the election of directors of St. Martin. Upon completion of the merger, St. Martin shareholders will have a reduced percentage ownership of Home that is smaller than such shareholders' current ownership of St. Martin. The percentage ownership of Home will be based on the number of shares of Home and St. Martin common stock outstanding on the date of completion of the merger.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

expected to be issued by Home in the merger, the former shareholders of St. Martin will receive Home common stock in the merger constituting approximately 21% of the shares of Home common stock outstanding immediately following completion of the merger. As a result, current holders of St. Martin common stock will have significantly less influence on the management and policies of Home than they had as holders of St. Martin.

The merger may fail to qualify as a tax-free reorganization under the Internal Revenue Code. The merger of Home and St. Martin has been structured to qualify as a tax-free reorganization under the Internal Revenue Code. The closing of the merger is conditioned upon the receipt of tax opinions from the tax advisor of each of Home and St. Martin, each dated as of the effective date of the merger on the basis of facts, representations and assumptions set forth or referred to in that opinion (collectively, the "Tax Opinions," which are included as exhibits to the proxy statement/prospectus and the certificates of officers of St. Martin and Home) which state that, assuming the facts and representations contained in certificates of officers of St. Martin and Home) which are true and correct as of the effective date of the merger, the merger constitutes a tax-free reorganization under the Internal Revenue Code. The tax opinions to be delivered in connection with the merger will be subject to the review of the Internal Revenue Service, referred to as the IRS, or the courts, and neither Home nor St. Martin can guarantee that the IRS will issue a ruling in favor of the IRS with respect to the United States federal income tax consequences of the merger. If the merger is not completed, Home and St. Martin will have incurred substantial expenses in connection with the merger. If the merger is not completed, Home and St. Martin will have incurred substantial expenses in connection with the merger.

See "Material United States Federal Income Tax Consequences of the Merger" for a discussion of the federal income tax consequences of the transaction.

If the merger is not completed, Home and St. Martin will have incurred substantial expenses in connection with the merger.

Each of Home and St. Martin has incurred and will incur substantial expenses in connection with the merger, including the costs of printing and mailing this joint proxy statement/prospectus, and all SEC filing fees in connection with the merger. The completion of the merger depends on the satisfaction of a number of conditions, including the approval of the merger agreement by shareholders of each of Home and St. Martin at their respective meetings. Neither Home nor St. Martin can guarantee that these conditions will be satisfied. Home and St. Martin would have to recognize these expenses without realizing any benefit. Such expenses could have an adverse impact on Home's and/or St. Martin's financial performance on a stand-alone basis.

Neither of the fairness opinions received by the respective boards of directors of Home and St. Martin in connection with the merger has been updated to reflect changes in circumstances since the dates of the fairness opinions. The opinions rendered by BSP, dated August 22, 2017, and by Raymond James, dated August 22, 2017, were based on the information available to each advisor as of such date. Neither opinion has been updated to reflect changes in circumstances that may occur or may have occurred after the date on which such opinion was delivered. Such changes include changes in the financial condition and prospects of Home or St. Martin, changes in general market and economic conditions, and changes in the price of shares of Home common stock beyond the control of Home and St. Martin. Any such changes may alter the relationship between the price of shares of Home common stock by the time the merger is completed. The completion of the merger will be completed or as of any date other than the date of such opinions. Home and St. Martin intend that either BSP's or Raymond James' opinion be updated as a condition to the completion of the merger. Home and St. Martin intend to request that the respective fairness opinions be updated to reflect changes in circumstances. The updated fairness opinions are attached to this joint proxy statement/prospectus as exhibits. For a description of the opinion that Home received from its financial advisor, please see "Financial Advisor," beginning on page 52. For a description of the opinion that St. Martin received from its financial advisor, please see "The Merger — Opinion of St. Martin's Financial Advisor."

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

36

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Risks Relating to Home's Business Following the Merger

Combining the two companies may be more difficult, costly or time-consuming. Home and St. Martin have historically operated and, until the effective time of the merger, operated independently. The success of the merger will depend, in part, on Home's ability to integrate St. Martin's business into its own. To realize these anticipated benefits, after the effective date of the merger, Home will need to integrate St. Martin's business into its own. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistent policies that adversely affect the combined company's ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger. The loss of key employees or the loss of Home's ability to successfully conduct its business in the markets in which St. Martin operates could have an adverse effect on Home's financial results and the value of its common stock. If the integration process, the anticipated benefits of the merger may not be realized fully or may be realized later than expected. As with any merger of financial institutions, there also may be a risk that St. Martin will lose current customers or cause current customers to remove their accounts or their business to competing financial institutions. Integration efforts between the two companies will require management attention and resources. These integration matters could have an adverse effect on St. Martin during this transition period and for an undetermined period after consummation of the merger. Home may fail to realize the cost savings estimated for the merger.

Home estimates that it will achieve cost savings from the merger when the two companies are fully integrated. While Home continues to be comfortable with these expectations as of the date of this proxy statement, it is possible that the estimates of the potential cost savings could turn out to be less than anticipated. The actual integration may result in additional and unforeseen expenses, and the cost savings plan may not be realized. Actual growth and cost savings, if achieved, may be lower than anticipated and may take longer to achieve than anticipated. If Home is not able to adequately address the integration matters, it may be unable to successfully integrate Home's and St. Martin's operations or to realize the anticipated benefits of the two companies.

Risks Relating to Home's Business

You should read and consider risk factors specific to Home's business that will apply to the merger. These risks are described in the section entitled "Risk Factors" in Home's proxy statement for its fiscal year ended December 31, 2016 and in other documents incorporated by reference into this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" for the location of information incorporated by reference into this joint proxy statement/prospectus.

37

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this joint proxy statement/prospectus and herein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, expectations or predictions of future performance, conditions relating to Home and St. Martin, and the possible effects of the proposed merger. These forward-looking statements include statements with respect to Home's and St. Martin's business goals, expectations, anticipations, estimates and intentions, that are subject to significant risks and uncertainties, and are subject to change based on various factors (some of which are beyond Home's and St. Martin's control). The words "could," "should," "would," "will," "believe," "anticipate," "estimate," "expect," "intend" and similar words identify forward-looking statements.

In addition to factors previously disclosed in the reports filed by Home with the SEC, and in this joint proxy statement/prospectus, the following factors, among others, could cause actual results to differ from the plans, objectives, expectations, estimates and intentions expressed in such reports:

- the ability to satisfy closing conditions to the merger, including approval by shareholders on the expected terms and schedule;
- delay in closing the merger;
- difficulties and delays in integrating the St. Martin business or fully realizing the benefits of the merger;
- business disruptions following the merger;
- revenues following the merger may be lower than expected;
- deposit attrition, operating costs, customer loss and business disruption following the merger, limitation, difficulties in maintaining relationships with employees, may be greater than expected;
- the strength of the United States economy in general and the strength of the local economy in St. Martin conduct their operations;
- the effects of, and changes in, trade, monetary and fiscal policies and laws, including those of the Federal Reserve Board;
- the downgrade, and any future downgrades, in the credit rating of the U.S. Government;
-

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

inflation, interest rate, market and monetary fluctuations;

- the timely development of and acceptance of new products and services and the
and services by users, including the features, pricing and quality compared to competitors;
- the willingness of users to substitute competitors' products and services for Home's;
- the success of Home in gaining regulatory approval of its products and services;
- the impact of changes in laws and regulations applicable to financial institutions
(banking, securities and insurance);
- technological changes;
- additional acquisitions;
- changes in consumer spending and saving habits;

38

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

- the nature, extent, and timing of governmental actions and reforms, which may be implemented by legislative or regulatory actions; and
- the success of Home at managing the risks involved in the foregoing.

Some of these risks and uncertainties are discussed herein, including under the heading "Risk Factors" in Home's 2016 Form 10-K for the year ended December 31, 2016, as updated subsequently filed Form 10-Ks with the SEC from time to time.

All subsequent written and oral forward-looking statements concerning the properties of Home attributable to directors of Home or St. Martin or any person acting on their behalf are qualified by the cautionary statements contained or referred to within this joint proxy statement. These statements speak only as of the date on which such statements are made. Home does not intend to update any forward-looking statement to reflect events or circumstances after the date of such statement or to reflect the occurrence of unanticipated events. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this proxy statement/prospectus or incorporated by reference therein should not put undue reliance on any forward-looking statements.

Home and St. Martin caution that the foregoing list of important factors is not exhaustive and should not place undue reliance on these forward-looking statements, which reflect Home's current expectations as of the date of this joint proxy statement/prospectus.

39

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

THE HOME SPECIAL MEETING

This section contains information from Home for Home shareholders about the statement/prospectus is being mailed to each Home shareholder, on or about October 17, 2017. In addition to the proxy statement/prospectus, Home shareholders are also receiving a notice of the meeting and a form of proxy that Home's board of directors is soliciting for use at the Home special meeting and any adjournments or postponements thereof.

Date, Place and Time of the Home Meeting

The Home special meeting will be held on Tuesday, December 5, 2017, at 10:00 a.m. in the boardroom of Lafayette, 111 Heymann Boulevard, Lafayette, Louisiana.

This joint proxy statement/prospectus also serves as a prospectus in connection with the Home common stock to St. Martin shareholders upon completion of the merger.

Matters to Be Considered at the Home Special Meeting

At the Home special meeting, Home shareholders will vote on the following matters:

- the Home merger proposal;
- the Home stock issuance proposal; and
- the Home adjournment proposal.

Recommendation of Home's Board of Directors

Home's board of directors has approved the merger agreement and the transaction contemplated by the merger and the issuance of shares of Home's common stock in the merger, and urges Home shareholders to vote "FOR" the Home merger proposal, "FOR" the Home stock issuance proposal, and "FOR" the Home adjournment proposal.

Record Date for the Home Special Meeting

Home's board of directors has fixed the close of business on October 17, 2017 as the record date for the Home special meeting. Home shareholders entitled to receive notice of and to vote at the Home special meeting as of the record date are entitled to vote at the Home special meeting. As of the record date, there were 7,300,000 shares of Home common stock were issued and outstanding and held by approximately 73,000 Home shareholders, each share entitled to one vote on each matter considered and voted on at the Home special meeting. The record date for the Home special meeting is the record date for the Home common stock held of record at the close of business on the record date.

Quorum; Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Home common stock entitled to vote at the Home special meeting is necessary for the Home special meeting to be validly held. For purposes of determining the presence of a quorum, abstentions and non-votes will be counted as present for the purpose of determining whether a quorum is present.

Home merger proposal:

- Standard: Approval of the Home merger proposal requires the affirmative vote of a majority of the outstanding shares of Home common stock entitled to be cast on the proposal.

•

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Effect of abstentions and broker non-votes: If you fail to vote, mark "ABSTAIN" on the ballot or bank or broker with respect to the Home merger proposal, it will have the same effect as a vote in favor of the proposal.

40

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Home stock issuance proposal:

-

Standard: Approval of the Home stock issuance proposal requires the affirmative majority of the outstanding shares of Home common stock entitled to be cast on

-

Effect of abstentions and broker non-votes: If you fail to vote, mark “ABSTAIN” on your proxy card or bank or broker with respect to the Home stock issuance proposal, it will have the effect of a non-vote on the proposal.

Home adjournment proposal:

-

Standard: Approval of the Home adjournment proposal requires the affirmative majority of the votes cast at the Home special meeting.

Effect of abstentions and broker non-votes: If you mark “ABSTAIN” on your proxy card, vote in person at the Home special meeting, or fail to instruct your bank or broker to vote on the Home adjournment proposal, you will not be deemed to have cast a vote with respect to the proposal.

As of the record date for the Home special meeting, Home directors and executive officers owned approximately 929,282 shares (excluding shares that may be acquired upon the exercise of options) of the outstanding shares of Home common stock entitled to vote at the Home special meeting.

As of the record date for the Home special meeting, St. Martin, its subsidiaries, and its affiliates owned an aggregate of 1,260 shares of Home common stock (other than shares held by an agent).

Solicitation of Proxies for the Home Special Meeting

The expense of soliciting proxies for Home’s special meeting will be paid by Home. Home employees may solicit proxies personally, by telephone, by e-mail and by facsimile. Home employees will not receive any additional compensation for such solicitation activities. It is important that any shares of Home common stock you hold be represented at the Home special meeting. If you do not plan to attend the Home special meeting, Home’s board of directors asks that you take the time to vote prior to the Home special meeting by completing, signing, and returning your proxy card as soon as possible in the enclosed postage-paid envelope, by calling the toll-free number, or by the Internet as described in the instructions included with your proxy card. If you attend the Home special meeting to vote in person, your proxy may be revoked at that time. Additional methods of solicitation are described in the enclosed proxy card.

Voting at the Home Special Meeting

Home shareholders are entitled to one vote on each matter to be considered and voted upon at the Home special meeting. Each share of Home common stock held of record at the close of business on the record date for the Home special meeting will be entitled to one vote at the Home special meeting.

Each copy of this joint proxy statement/prospectus delivered to Home shareholders will include a proxy card with instructions for voting. If you hold stock in your name as a shareholder, you may vote by returning the proxy card and return the proxy card accompanying this joint proxy statement/prospectus, marked as directed, to the Home special meeting. You may also vote your shares through the Internet or by telephone. Applicable deadlines for voting through the Internet or by telephone are set forth in the enclosed proxy card. To ensure your representation at the special meeting, Home recommends that you attend the special meeting. You can always change your vote at the special meeting.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

41

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

If you appropriately mark, sign and return the enclosed proxy in time to be voted, the proxy will be voted in accordance with your instructions marked on the proxy card. If you do not specify a vote on a particular matter, the proxy will be voted in accordance with the instructions marked on the proxy card by Home shareholders that are executed but do not specify a vote on a particular matter. The merger agreement, “FOR” approval of the Home stock issuance proposal and the adjournment of the Home special meeting, if necessary. No matters other than those stated in the statement/prospectus are anticipated to be presented for action at the Home special meeting or postponement of the Home special meeting. However, if other business properly comes before the persons named as proxies on the Home proxy card will, in their discretion, vote on their own judgment.

If you hold your Home stock in “street name” through a bank, broker or nominee, you should ask the nominee how to vote in accordance with the instructions you have received from the bank, broker, bank, or other nominee may allow you to deliver your voting instructions to the bank, broker, bank, or other nominee. Banks, brokers and other nominees are not allowed to exercise their voting discretion on matters determined to be “non-routine,” without specific instructions from the bank, broker, bank, or other nominee holds your shares of Home common stock in “street name,” you should ask the bank, broker, bank, or other nominee how to vote your shares of Home common stock if you provide instructions on how to vote on the proxy form sent to you by your broker, bank or other nominee with this joint proxy statement. None of the Home proposals are routine matters and, as a result, if your bank, broker, bank, or other nominee holds your shares of Home common stock in “street name,” you should ask the bank, broker, bank, or other nominee how to vote your shares of Home common stock if you provide instructions on how to vote on the proxy form sent to you by your broker, bank or other nominee with this joint proxy statement. None of the Home proposals are routine matters and, as a result, if your bank, broker, bank, or other nominee holds your shares of Home common stock in “street name,” you should ask the bank, broker, bank, or other nominee how to vote your shares of Home common stock if you provide instructions on how to vote on the proxy form sent to you by your broker, bank or other nominee with this joint proxy statement.

Signing and returning the enclosed proxy will not affect a Home shareholder’s right to attend and vote in person. If you attend the Home special meeting and wish to vote in person, you must revoke your proxy in time. Please note, however, that simply attending the Home special meeting will not revoke your proxy; you must cast a new vote at the Home special meeting in order to revoke your proxy. If you are a Home shareholder whose shares are not registered in your own name, you will need to obtain a power of attorney from the bank, broker, nominee or other holder of record in order to vote in person at the Home special meeting.

Revocation of Proxies for the Home Special Meeting
A Home shareholder who has submitted a proxy may revoke it at any time before the Home special meeting by (i) giving written notice of revocation to Home’s Corporate Secretary, (ii) executing a new proxy bearing a later date, (iii) voting again by telephone or the Internet at the Home special meeting and voting in person. Please note, however, that simply attending the Home special meeting will not revoke your previously-submitted proxy; you must cast a new vote at the Home special meeting. For more information on written notices of revocation and other communications with respect to revocation of proxies, please contact Home as follows: Richard J. Bourgeois, Corporate Secretary, Home Bancorp, 1000 Poydras Street, New Orleans, Louisiana 70508.

THE HOME PROPOSALS

Approval of Merger Agreement

Home is asking its shareholders to approve the merger agreement. Home shareholders should read the statement/prospectus carefully and in its entirety, including the Annexes, for more information on the merger agreement, the merger and the issuance of shares of Home common stock. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Appendix A. Home’s board of directors unanimously recommends that Home shareholders vote in favor of the merger agreement.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Approval of the Issuance of shares of Home common stock in the Merger
Under Louisiana law, shareholders of a corporation must approve any issuance of shares of the corporation in consideration other than cash or cash equivalents, and (ii) is in an amount equal to 10% of the value of the corporation's outstanding shares immediately prior to the transaction. Home is issuing approximately 1,927,000 shares of its common stock in the merger to shareholders in consideration. The shares will not be issued in exchange for cash or cash equivalents. The shares in the merger will constitute approximately 26.0% of the voting power of Home immediately prior to the merger. Accordingly, shareholder approval of the shares in the merger is required under Louisiana law. In order to complete the merger, approval of the Home stock issuance proposal by Home's board of directors unanimously recommends that Home shareholders vote in favor of the issuance proposal.

Home Adjournment Proposal

The Home special meeting may be adjourned to another time or place, if necessary, to facilitate the solicitation of proxies if necessary to obtain additional votes in favor of approval of the Home stock issuance proposal.

If, at the Home special meeting, the number of shares of Home common stock present at the meeting for approval of the merger agreement or the Home stock issuance proposal is insufficient to approve the merger agreement, Home intends to move to adjourn the Home special meeting in order to solicit additional votes. Home may ask its shareholders to vote on the Home adjournment proposal, but not the Home stock issuance proposal, as the case may be.

In this proposal, Home is asking its shareholders to authorize the persons named in the proposal on a discretionary basis to vote in favor of adjourning the Home special meeting to a later date and to solicit additional proxies, including the solicitation of proxies from Home shareholders. Home's board of directors unanimously recommends that Home shareholders vote in favor of the proposal, if necessary or appropriate, of the meeting to permit the solicitation of additional proxies for approval of the merger agreement and/or the Home stock issuance proposal, as the case may be.

43

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

THE ST. MARTIN SPECIAL MEETING

This section contains information from St. Martin for St. Martin shareholders about the joint proxy statement/prospectus is being mailed to each St. Martin shareholder, with this joint proxy statement/prospectus, St. Martin shareholders are also receiving St. Martin shareholders and a form of proxy that St. Martin's board of directors is soliciting for the special meeting and at any adjournments or postponements thereof.

Date, Place and Time of the St. Martin Meeting

The St. Martin special meeting will be held on Tuesday, December 5, 2017, at 4:00 p.m. at the St. Martin Bank, 301 South Main Street, St. Martinville, Louisiana.

This joint proxy statement/prospectus also serves as a prospectus in connection with the offering of common stock to St. Martin shareholders upon completion of the merger.

Matters to Be Considered at St. Martin Special Meeting

At the special meeting, St. Martin shareholders will vote on:

- the St. Martin merger proposal;
- the St. Martin Shareholders' Agreement proposal; and
- the St. Martin adjournment proposal.

Recommendation of St. Martin's Board of Directors

St. Martin's board of directors has approved the merger agreement and unanimously recommends that St. Martin shareholders vote "FOR" the St. Martin merger proposal, "FOR" approval of the St. Martin adjournment proposal.

Record Date for the St. Martin Special Meeting

St. Martin's board of directors has fixed the close of business on October 17, 2017, as the record date for the St. Martin special meeting. St. Martin shareholders entitled to receive notice of and to vote at the St. Martin special meeting are the shareholders of record as of the record date are entitled to vote at the St. Martin special meeting. As of the record date, 207,552 shares of St. Martin common stock were issued and outstanding and each share of St. Martin common stock is entitled to one vote on each matter considered and voted on at the special meeting. One share of St. Martin common stock held of record at the close of business on the record date is entitled to one vote.

Quorum; Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of St. Martin common stock entitled to vote at the St. Martin special meeting is required for the St. Martin special meeting. For purposes of determining the presence of a quorum, the purpose of determining whether a quorum is present.

St. Martin merger proposal:

- Standard: Approval of the St. Martin merger proposal requires the affirmative vote of a majority of the outstanding shares of St. Martin common stock entitled to be cast on the proposal.

• Effect of abstentions and broker non-votes: If you fail to or vote, mark "ABSTAIN" on the proxy card, your abstention will have no effect as a vote "AGAINST" the proposal. All shares of St. Martin common stock held of record at the close of business on the record date are entitled to be cast on the proposal.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

accordingly, there will be no broker non-votes at the St. Martin special meeting.

44

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

St. Martin Shareholders' Agreement proposal:

-

Standard: Approval of the St. Martin Shareholders' Agreement proposal requires at least a majority of the outstanding shares of St. Martin common stock.

-

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, your vote in person at the St. Martin special meeting, with respect to the St. Martin Shareholders' Agreement proposal, will have the same effect as a vote "AGAINST" the proposal. All shares of St. Martin common stock of record, and, accordingly, there will be no broker non-votes at the St. Martin special meeting.

St. Martin adjournment proposal:

-

Standard: Approval of the St. Martin adjournment proposal requires the affirmative vote of a majority of the votes cast at the St. Martin special meeting.

-

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, your vote in person at the St. Martin special meeting, with respect to the St. Martin adjournment proposal, will be deemed to have cast a vote with respect to the proposal and it will have no effect on the outcome of the St. Martin special meeting. All shares of St. Martin common stock are held by shareholders of record, and, accordingly, there will be no broker non-votes at the St. Martin special meeting.

As of the record date for the St. Martin's special meeting, St. Martin directors and certain of their affiliates owned approximately 55,551 shares, or 26.8%, (excluding shares that may be acquired through the exercise of options) of the outstanding shares of St. Martin common stock entitled to vote at the St. Martin special meeting. Upon St. Martin's entry into the merger agreement, St. Martin's directors entered into a voting and support agreement with Home, among other things, the directors to vote in favor of the approval of the merger agreement at the St. Martin special meeting. The St. Martin directors who executed the voting and support agreement owned approximately 27.2% of the outstanding shares, of St. Martin common stock.

As of the record date for the St. Martin special meeting, Home, its subsidiaries, and certain of their affiliates owned 2,396 shares, or 1.15%, of St. Martin common stock (excluding shares held by Home or agent). All of such shares of St. Martin common stock were owned by Mr. Maraist, a director of Home and Home Bank. In addition to Mr. Maraist, certain of his relatives and certain of his affiliates owned an additional 17,267 shares, or 8.32%, of St. Martin common stock. Mr. Maraist and certain of his relatives and affiliates owned of such shares owned by other family members and family interests.

Solicitation of Proxies for the St. Martin Special Meeting

The expense of soliciting proxies for St. Martin's special meeting will be paid by Home. Home, its subsidiaries, and employees may solicit proxies personally, by telephone, by e-mail and by facsimile. Home, its subsidiaries, and employees will not receive any additional compensation for such solicitation activities. It is important that any shares of St. Martin common stock you hold be represented at the St. Martin special meeting. Whether or not you plan to attend the St. Martin special meeting, St. Martin's best interests require that all holders of St. Martin common stock take the time to vote prior to the St. Martin special meeting. If you are unable to attend the St. Martin special meeting, returning the enclosed proxy card as soon as possible in the enclosed postage-paid envelope, by mail, by telephone, by number or by using the Internet as described in the instructions included with your proxy card, will ensure that your vote is counted at the St. Martin special meeting and wish to vote in person, your proxy may be revoked.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

revoking a proxy are described below.

Voting at the St. Martin Special Meeting

St. Martin shareholders are entitled to one vote on each matter to be considered at a special meeting for each share of St. Martin common stock held of record at the close of business on the record date of the St. Martin special meeting. You may also vote your shares through the Internet or by telephone. Applicable deadlines for voting through the Internet or by telephone are set forth in the proxy statement.

45

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Each copy of this joint proxy statement/prospectus delivered to St. Martin share proxy card with instructions for voting. Shareholders of St. Martin should complete accompanying this joint proxy statement/prospectus, regardless of whether they plan to attend the special meeting. To ensure your representation at the special meeting, St. Martin recommends you plan to attend the special meeting. You can always change your vote at the special meeting. If you appropriately mark, sign and return the enclosed proxy in time to be voted, the shares represented by the proxy will be voted in accordance with your instructions delivered by St. Martin shareholders that are executed but do not specify a vote. Approval of the merger agreement, "FOR" approval of the Shareholders' Agreement and the adjournment of the St. Martin special meeting, if necessary. No matters other than those set forth in the proxy statement/prospectus are anticipated to be presented for action at the St. Martin special meeting or adjournment or postponement of the St. Martin special meeting. However, if other matters are presented at the St. Martin special meeting, the persons named as proxies on the St. Martin proxy card will vote on such matters in their best judgment.

Signing and returning the enclosed proxy will not affect a St. Martin shareholder's right to attend the special meeting and vote in person. If you attend the St. Martin special meeting and wish to revoke your proxy, your proxy will be revoked at that time. Please note, however, that simply attending the St. Martin special meeting does not revoke a previously-submitted proxy; you must cast a new vote at the St. Martin special meeting. **Revocation of Proxies for the St. Martin Special Meeting**

A St. Martin shareholder who has submitted a proxy may revoke it at any time before the special meeting by (i) giving written notice of revocation to St. Martin's Corporate Secretary, (ii) submitting to St. Martin a duly executed proxy bearing a later date, (iii) voting again by telephoning St. Martin at the St. Martin special meeting and voting in person. Please note, however, that simply attending the special meeting will not revoke a previously-submitted proxy; you must cast a new vote at the special meeting to revoke your prior vote. All written notices of revocation and other communications should be addressed to St. Martin proxies should be addressed to St. Martin as follows: Guy M. Labbé, Bancshares, Inc., 301 S. Main Street, St. Martinville, Louisiana 70582.

46

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

THE ST. MARTIN PROPOSALS

Approval of Merger Agreement

St. Martin is asking its shareholders to approve the merger agreement. St. Martin proxy statement/prospectus carefully and in its entirety, including the Annexes, the merger agreement and the merger. A copy of the merger agreement is attached to the proxy statement/prospectus as Annex A.

St. Martin's board of directors unanimously recommends that St. Martin shareholders approve the merger agreement.

St. Martin Shareholders' Agreement Proposal

Currently, all shareholders of St. Martin have entered into the Amended and Restated Shareholders' Agreement of August 8, 2006, with St. Martin. Under the terms of the Shareholders' Agreement, St. Martin common stock may transfer his or her shares of stock except to another shareholder who is a "qualified transferee" defined in the Shareholders' Agreement, or to certain "eligible shareholders," as defined in the Shareholders' Agreement, only after satisfying certain procedural requirements. Home is not an "eligible shareholder" under the Shareholders' Agreement. The transfer restrictions in the Shareholders' Agreement apply to all shares of St. Martin common stock. The exchange of shares of St. Martin common stock for shares of Home common stock will be effected by transfer by operation of law. In order to avoid any doubt that the proposed exchange of shares of St. Martin common stock for the merger consideration under the terms of the merger agreement may be effected in compliance with the Shareholders' Agreement, the St. Martin board of directors is asking its shareholders to approve the Shareholders' Agreement, effective as of the date that the merger closes. If the Shareholders' Agreement would remain in place notwithstanding the vote of St. Martin shareholders, the Shareholders' Agreement Proposal.

St. Martin's board of directors unanimously recommends that St. Martin shareholders approve the Shareholders' Agreement, effective as of the closing date of the merger.

St. Martin Adjournment Proposal

The St. Martin special meeting may be adjourned to another time or place, if necessary, to facilitate the solicitation of proxies if necessary to obtain additional votes in favor of approval of the merger agreement and/or approval of the Shareholders' Agreement proposal.

If, at the St. Martin special meeting, the number of shares of St. Martin common stock voted in favor of approval of the merger agreement and/or approval of the Shareholders' Agreement proposal is less than the number of shares of St. Martin common stock needed to approve either proposal, St. Martin intends to move to adjourn the St. Martin special meeting to solicit additional proxies. In that event, St. Martin will ask its shareholders to vote on the St. Martin Adjournment Proposal to approve the merger agreement and/or the Shareholders' Agreement proposal. In this proposal, St. Martin is asking its shareholders to authorize the persons named on the proxy card on a discretionary basis to vote in favor of adjourning the St. Martin special meeting for the purpose of soliciting additional proxies, including the solicitation of proxies from shareholders who have previously voted.

St. Martin's board of directors unanimously recommends that St. Martin shareholders approve the St. Martin Adjournment Proposal, if necessary or appropriate, of the meeting to permit the solicitation of additional proxies in favor of the merger agreement and/or the Shareholders' Agreement proposal, as the case may be.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

THE MERGER

Terms of the Merger

Each of the Home's and St. Martin's respective board of directors has approved the merger of St. Martin with and into Home and immediately thereafter, the merged entity will be Home Bank.

In the merger, each share of St. Martin common stock issued and outstanding in the merger, except for shares of St. Martin common stock held by shareholders who are Louisiana law and certain shares held by Home or St. Martin, will be converted into Home common stock, par value \$0.01 per share. No fractional shares of Home common stock will be issued in connection with the merger.

Also under the terms of the merger agreement, immediately prior to the completion of the merger, a special cash distribution of \$94.00 per share, or approximately \$19.5 million in cash, will be paid to St. Martin.

Shareholders of both Home and St. Martin are being asked to approve, among other things, "The Merger Agreement" for additional and more detailed information regarding the merger, including information about conditions to the completion of the merger and amendments to the merger agreement.

Background of the Merger

From time to time, the board of directors and management of St. Martin have periodically reviewed strategic plans for St. Martin and St. Martin Bank with a view to enhancing shareholder value. Among other things, the business and regulatory environment facing financial institutions, in particular, as well as ways to enhance St. Martin's competitive position. On occasion, in response to inquiries regarding its willingness to consider an acquisition by, or affiliation with, another financial institution with its fiduciary obligations to its shareholders, the board of directors of St. Martin has periodically reviewed such inquiries in light of St. Martin's strategic plans, the nature of the offer and the financial institution's organization, and other considerations and factors deemed relevant by the board of directors. In November 2016, senior management and representatives of the board of directors of St. Martin would be prudent to undertake a review of the various strategic options available to St. Martin, including an independent institution or entering into a strategic merger with a similarly sized financial institution. In the ensuing months, senior management and representatives had preliminary conversations with a nationally recognized investment banking firm with significant experience in advising financial institutions on acquisitions, regarding the overall market and pricing for acquisition transactions, and the process for completing such a transaction.

The executive committee of the board of directors continued its deliberations regarding the merger of St. Martin with and into Home through the first quarter of 2017 and engaged in additional discussions regarding these matters. In the context of these discussions, Raymond James evaluated the financial condition, competitive position and future prospects of St. Martin and discussed the possibility of St. Martin to contact a select number of financial institutions on a confidential basis in order to explore the possibility of a business combination transaction with St. Martin. Raymond James also conducted due diligence on which, based on its experience and knowledge, it believed were potential candidates for a business combination with St. Martin. Following the further deliberations of the Executive Committee of St. Martin, St. Martin engaged Raymond James to assist and advise the company regarding the merger. Thereafter, the executive committee, with guidance from Raymond James, selected the financial institution to contact regarding a potential business combination with St. Martin.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Raymond James, with the assistance of management of St. Martin, prepared a confidential memorandum containing certain basic information about the company to be provided to the institutions. Home expressed some interest in exploring a transaction. In order to receive the confidential information, Home provided additional, more extensive due diligence materials regarding St. Martin, the potential for Home to enter into a non-disclosure agreement. Of the 11 institutions contacted, 9 expressed interest in entering into a non-disclosure agreement, of which 6 were executed. Following a review of the materials made available, Home and one other company submitted non-binding written indications of interest on May 23, 2017. A third party (“Company C”) verbally indicated an interest in St. Martin’s proposal because of timing considerations. However, Company C requested that Home provide a date regarding a potential business combination if St. Martin was unable to agree to a non-disclosure agreement. Other companies that executed non-disclosure agreements elected not to submit an indication of interest and removed themselves from the process.

On May 25, 2017, the executive committee of St. Martin held a special meeting to discuss the proposal received and consider whether to pursue negotiations regarding a potential business combination. Home received such a transaction and continue to operate on an independent, stand-alone basis. Home’s proposal by St. Martin from Home was for a transaction in which shareholders of St. Martin would receive \$435.00 per share for each share of St. Martin common stock, or approximately 75% of the then-current value of Home stock, in a mix of 75% Home stock and 25% cash. Home submitted an indication of interest which proposed a transaction consisting of a cash payment of \$396.00 per share to \$409.00 per share, or \$83.0 million and \$85.8 million in the amount of 25% of the then-current value of Company B stock, in an all stock transaction.

Following a presentation by Raymond James of the indications of interest received from Home to the committee, the committee authorized Raymond James to attempt to negotiate to a final agreement. As a result of these negotiations, Home, on May 25, 2017, indicated that it was revisiting the offer with a consideration of \$470.00 per share for each share of St. Martin common stock. Home’s revised offer, an aggregate based on the then-current value of Home stock, in a mix of 80% Home stock and 20% cash, reflected a higher per share consideration to St. Martin shareholders in exchange for the cash consideration price payable in cash. Additionally, the revised offer included the possibility of a special distribution to its shareholders prior to closing in lieu of an equivalent amount of cash. In 2017, Home and St. Martin executed the revised indication of interest, which included the possibility of a special distribution. During the months of June, July and early August, each party conducted extensive negotiations, which included among other things an evaluation of the other party’s operations, materials, and financials. The two parties held discussions with selected members of the executive management team of Home. As a result of these discussions and in light of the fluctuations of Home stock trading prices, the parties discussed various items related to the structure of the merger consideration, including the manner in which cash would be issued to St. Martin in the merger transaction. In August 2017, a draft of the definitive merger agreement was issued and the two sides began negotiations towards a final agreement that would be made available to the shareholders. As a result of these negotiations, the parties agreed that the portion of the merger consideration to be paid to St. Martin would be restructured such that it would be payable by St. Martin immediately prior to closing. Home would provide a special distribution in the amount of \$94.00 per share of St. Martin common stock. The amount of cash to be distributed to shares issuable to St. Martin common shareholders by Home as a result of the merger would be \$94.00 per share of St. Martin common stock.

On August 22, 2017, the Home board of directors met to consider approval of the merger agreement contemplated by the merger agreement, including the merger and the issuance of cash to St. Martin in the stock merger consideration. Representatives of BSP and Silver, Freedman, Taffel & Associates, LLP participated in the meeting. All directors of Home were present other than Mich

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

and Paul J. Blanchet, III. Mr. Maraist and certain other members of his family a
Mr. Blanchet is a

49

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

partner in the accounting firm that audits St. Martin's financial statements, Broussard, the appearance of a conflict of interest, Messrs. Maraist and Blanchet recused themselves from discussion or consideration of the potential merger with St. Martin. At the August 22, 2017 meeting, the directors reviewed a copy of the current draft of the merger agreement which contained the following terms: (i) St. Martin would merge with and into Home with Home surviving the merger, (ii) St. Martin Bank would merge with and into Home Bank, (iii) the exchange ratio would be one share of Home common stock for each outstanding share of St. Martin common stock or an aggregate of 1,927,000 shares of Home common stock in the merger, (iv) Home would appoint representatives to the Home and Home Bank boards of directors and (v) Home Bank would enter into employment agreements with the employees of St. Martin Bank, effective as of the effective time of the merger. At the special meeting, the members of the board reviewed the material terms of the proposed merger agreement and related documents with the Home board of directors. Each member of the board had the opportunity to discuss and ask questions of Home's financial statements and the terms of the merger agreement and such related documents. At this special meeting, the Home board of directors reviewed with the Home board of directors BSP's financial analysis of the exchange ratio and the Home board of directors. On August 22, 2017, to the Home board of directors to the effect that, as of such date, based on the assumptions made, procedures followed, matters considered and limitations and conditions stated therein, as described in such opinion, the stock merger consideration and the payment of cash to the shareholders of St. Martin as provided in the merger agreement, fair, from a financial point of view. After the Home board of directors' discussions, and review and discussion among the members of the Home board of directors, the Home board of directors, based on the factors described under "The Merger — Home's Reasons for the Merger; Recommendation of the Home Board of Directors," the Home board of directors, by unanimous vote of the members present, approved the merger of St. Martin was advisable and in the best interests of Home and approved the merger agreement and the transactions contemplated thereby, including the issuance of shares of Home common stock to the shareholders of St. Martin. The board of directors of St. Martin met on August 23, 2017 to review and discuss the merger agreement and the transactions contemplated by the merger agreement. Also present at the meeting were Raymond James and Fenimore, Kay, Harrison & Ford, LLP, St. Martin's outside legal counsel, a law firm that advises and advises financial institutions. At the meeting, Raymond James delivered a presentation on the merger transaction, as well as its opinion that the merger consideration, taking into account the cash distribution, per share pre-closing cash distribution, was fair from a financial point of view to the shareholders of St. Martin. The St. Martin board of directors also received the presentation of Fenimore, Kay, Harrison & Ford, LLP, of the merger agreement and the other merger-related legal documents, as well as a presentation on the legal processes required to complete the transaction. After deliberation, the merger agreement was approved by the members of the board of directors of St. Martin present and executed later that day. The Home board of directors' Home's Reasons for the Merger and Recommendation of the Home Board of Directors. Home believes that the acquisition of St. Martin provides an excellent opportunity to expand its business in south Louisiana. In approving the merger agreement, Home's board of directors generally supporting its decision to enter into the merger agreement:

- its understanding of Home's business, operations, financial condition, earnings and prospects, including each of Home's Louisiana markets that they operate in;
- the complementary nature of the respective customer bases, products and skills of Home and St. Martin and the opportunities to obtain synergies as products are distributed over a broader customer base.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

- the expectation that the merger will result in a combined entity with assets in excess of \$1 billion, constituting the third largest bank headquartered in Louisiana;
- the scale, scope, strength and diversity of operations, product lines and delivery channels that St. Martin could achieve;

50

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

- the expectation that the merger will result in approximately \$5.1 million in annual savings (approximately 32% reduction in St. Martin's non-interest expense) following the integration of the two companies;
- the anticipated pro forma financial impact of the merger on the combined company, including the expected increase in Home's earnings per share once full efficiencies are realized and estimated to be achieved within an earn-back period of less than 3.5 years, in each case taking into consideration the impact of the merger;
- the participation of two of St. Martin directors in the combined company and the terms of the merger agreements with three of St. Martin's executive officers, which the Home board believes increases the likelihood of realizing the strategic benefits that Home expects to derive from the merger;
- Home's successful track record of creating shareholder value through acquisitions, its ability to successfully integrating acquired businesses and retaining key personnel, and Home's ability to be able to integrate St. Martin with Home successfully;
- the financial analyses of BSP, presented on August 22, 2017, as well as the related financial analyses presented in 2017, to the Home board of directors as to the fairness of the exchange ratio of 9 shares of Home common stock to be distributed to be paid by St. Martin to its shareholders under the terms of the merger agreement, in the Home's view, to Home, which financial analyses and opinion were based on and subject to the same assumptions, matters followed, matters considered and limitations and qualifications on the review under the terms of the section of this joint proxy statement/prospectus entitled "The Merger — Opinion of the Home Board of Directors";
- the fact that Home's shareholders will have a chance to vote on the merger;
- the review by Home's board of directors, with the assistance of Home's legal counsel, Home Legal Services, LLP, of the terms of the merger agreement;
- its understanding of the current and prospective environment in which Home operates, including the current and local economic conditions, the competitive environment for financial institutions, the consolidation in the financial services industry, and the future growth prospects and business development opportunities; and
- the likelihood that Home will obtain the regulatory approvals it needs to complete the merger.

The foregoing discussion of the information and factors considered by Home's board of directors is not exhaustive, but includes the material factors considered by the Home board of directors.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

not consider it practicable, and did not attempt, to quantify or otherwise assign weights to different information and factors. Home's board of directors viewed its determination as being based on the information and the factors presented to and considered by it. In addition, individual directors may have placed different weights to different information and factors.

For the reasons set forth above, the Home board of directors determined that the transactions contemplated by the merger agreement, including the merger and the issuance of shares to the shareholders of St. Martin in the merger, are advisable and in the best interests of Home. The Home board of directors, pursuant to the merger agreement, to approve the merger and the transactions contemplated by it, and to approve the merger agreement and the Home stock issuance proposal.

The Home board of directors unanimously recommends that Home shareholders approve the merger proposal and the other proposals to be considered at the Home special meeting. It should be noted that this explanation of the Home board of directors' reasoning is forward-looking information that is forward-looking in nature, and therefore should be read in light of the cautionary heading "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 51.

51

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Opinion of Home's Financial Advisor

Home retained BSP on an exclusive basis to render financial advisory and investment banking services to Home. BSP delivered its written opinion to the Board of Directors of Home as to the fairness, from a financial point of view, of the merger consideration to be paid under the terms of the merger agreement. BSP is an investment bank providing financial advisory and investment banking services to financial institutions and corporations in connection with bank-related business combinations. No limitations were imposed by Home upon BSP's opinion.

At the August 22, 2017, meeting at which the Home board of directors considered the merger, BSP delivered its written opinion that, as of such date, the merger consideration was fair, from a financial point of view.

The full text of BSP's opinion is attached as Annex B to this joint proxy statement/prospectus. This section describes the procedures followed, assumptions made, matters considered, and qualifications relied upon by BSP in rendering its opinion. The description of the opinion set forth below is not intended to be a summary of the opinion. We urge you to read the entire opinion carefully in connection with the merger.

The opinion speaks only as of the date of the opinion. The opinion was directed only to the fairness, from a financial point of view, of the merger consideration. In the disclosure in this section of this joint proxy statement/prospectus, the term "merger consideration" as used by BSP in its fairness opinion, means the aggregate of (i) the stock merger consideration to be exchanged for each outstanding share of St. Martin common stock, (ii) the cash to be paid per shares payable by St. Martin to its shareholders immediately prior to the merger, and (iii) the cash to be paid to holders of outstanding options to acquire shares of St. Martin common stock. It is not intended to provide a decision to engage in the merger or any other aspect of the merger and is not a recommendation as to how such shareholder should vote with respect to the merger or any other matter. For purposes of the opinion and in connection with its review of the proposed transaction, BSP reviewed the following:

1. Reviewed the terms of the merger agreement;
2. Participated in discussions with St. Martin's management and representatives concerning St. Martin's asset quality and regulatory standing, capital position, historical and current earnings, and St. Martin's and Home's future financial performance;
3. Reviewed St. Martin's audited financial statements for the years ended December 31, 2016 and 2015, and unaudited financial statements for the quarters ended March 31, 2017 and June 30, 2017;
4. Reviewed Home's audited financial statements for the years ended December 31, 2016 and 2015, and unaudited financial statements for the quarters ended March 31, 2017 and June 30, 2017;
5. Reviewed certain financial forecasts and projections of St. Martin, prepared by its management, relating to cost savings and related transaction expenses expected to result from the Merger.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

6.

Analyzed certain aspects of St. Martin's financial performance and condition and compared with similar data of publicly traded companies we deemed similar to the St. Mar

7.

Reviewed historical trading activity of Home and management's projections for

52

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

8.

Compared the proposed financial terms of the merger with the financial terms of acquisition transactions, involving acquired companies that we deemed to be relevant.

9.

Performed such other analyses and considered such other information, financial, economic and market criteria as we deemed relevant.

BSP assumed and relied, without independent verification, upon the accuracy and completeness of other information provided to it by Home, St. Martin, and each company's respective financial statements in the evaluation of allowances for loan losses and has not independently verified such allowances. BSP assumed that such allowances of Home and St. Martin at June 30, 2017 were adequate and consistent with applicable law, regulatory policy and sound banking practice as of that date. BSP was not retained to, and did not, conduct a physical inspection of any of the properties of Home or St. Martin. BSP did not make any independent evaluation or appraisal of the assets, liabilities or cash flows of Home or St. Martin with any such evaluation or appraisal, and did not review any individual credit files or other information based on economic, market and other conditions as in effect on, and the information contained in, any of the same. BSP expressed no opinion on matters of a legal, regulatory, tax or accounting nature as set forth in the merger agreement, to be consummated. No opinion was expressed as to whether the transaction might be more favorable to Home than the merger.

BSP, as part of its investment banking business, is regularly engaged in the valuation of companies and various other financial services companies in connection with mergers and acquisitions, placements of securities, and valuations for other purposes. In rendering its fair market value opinion to the Home board of directors, BSP was not retained to, and did not, conduct a physical inspection of any of the properties of Home or St. Martin.

BSP's opinion is limited to the fairness, from a financial point of view, of the proposed merger and the terms of the Merger Agreement and does not address the ability of the merger to be consummated, the conditions precedent contained in the merger agreement, or the likelihood of the merger being consummated. Although BSP was retained on behalf of the Home board of directors, BSP's opinion is not intended to advise to any director of Home as to how such director or any shareholder should vote on the merger. Based upon and subject to the foregoing and based on BSP's experience as investment banker, and the analyses described above, and other factors deemed relevant, BSP rendered its opinion that the fair market value of the consideration paid is fair to Home, from a financial point of view.

The following is a summary of material analyses performed by BSP in connection with its fair market value opinion to the directors on August 22, 2017. The summary does not purport to be a complete description of all the analyses performed by BSP but summarizes the material analyses performed and presented in connection with its fair market value Financial Analysis. In rendering its opinion, BSP performed a variety of financial analyses. The following is a complete description of all the analyses underlying BSP's opinion or the presentation of the same to the directors, but is a summary of the material analyses performed and presented by BSP. The analyses are presented in tabular format. In order to fully understand the financial analyses, the reader should refer to the accompanying text. The tables alone do not constitute a complete description of the analyses performed. A fairness opinion is a complex process involving subjective judgments as to the appropriateness of the methods of financial analysis and the application of those methods to the particular circumstances. Such a process is necessarily susceptible to a partial analysis or summary description. BSP believes that a fairness opinion is a complex process involving subjective judgments as to the whole and that selecting portions of the factors and analyses to be considered without regard to the whole, or attempting to ascribe relative weights to some or all such factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, is not representative of the evaluation process underlying its opinion. Also, no company included in the summary of material analyses included in this summary of material analyses.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

below is identical to Home or St. Martin, and no transaction is identical to the m
comparable companies or transactions involves complex considerations and jud
53

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

differences in financial and operating characteristics of the companies and other trading values or merger transaction values, as the case may be, of Home and St. Martin are being compared. In arriving at its opinion, BSP did not attribute any particular weight to any of the factors considered. Rather, BSP made qualitative judgments as to the significance and materiality of each factor and did not form an opinion as to whether any individual analysis or factor (positive or negative) supported or failed to support its opinion; rather, BSP made its determination as to the overall fairness of the merger consideration on the basis of its experience and professional judgment after considering all of the factors taken as a whole.

In performing its analysis, BSP also made numerous assumptions with respect to economic conditions and various other matters, many of which are beyond the control of the companies. The analyses performed by BSP are not necessarily indicative of actual values or future performance, and may be significantly more or less favorable than suggested by such analyses. BSP prepared such analyses in connection with rendering its opinion and presented such analyses to Home's board of directors and St. Martin's board of directors. The values of companies do not purport to be appraisals or necessarily reflect the values at which securities may actually be sold. Such estimates are inherently subject to uncertainty and may vary from actual values. Accordingly, BSP's analysis does not necessarily reflect the value of Home common stock or St. Martin common stock at the prices at which Home common stock or St. Martin common stock may be sold at the time of the merger. A number of factors taken into consideration by Home's board of directors in making its decision to enter into the merger agreement and should not be viewed as determinative of the merger consideration. The analyses presented to the board of directors or management with respect to the fairness of the merger.

Summary of Merger Consideration and Implied Transaction Metrics. Under the merger agreement, each share of St. Martin common stock outstanding prior to the merger will be converted into one share of Home common stock and immediately prior to closing, each St. Martin share of common stock will receive a cash distribution in the amount of \$94.00 per share payable by St. Martin. BSP has summarized the implied transaction value of St. Martin's financial information as of June 30, 2017, in the table below:

	Fixed Exchange Ratio			
Exchange Ratio	9.2839	9.2839	9.2839	9.2839
HBCP Price at Announcement	\$ 37.50	\$ 38.50	\$ 40.00	\$ 40.50
Implied Stock Consideration Per Share	\$ 348.15	\$ 357.43	\$ 371.36	\$ 376.00
Cash Consideration Per Share	\$ 94.00	\$ 94.00	\$ 94.00	\$ 94.00
Implied Total Transaction Value Per Share	\$ 442.15	\$ 451.43	\$ 465.36	\$ 470.00
Implied Total Transaction Value(1) (\$mm)	\$ 92.9	\$ 94.8	\$ 97.7	\$ 98.7
Implied P/TBV (6/30/17)	174.6%	178.2%	183.7%	185.6%

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Implied P/TBV (6/30/17)(2)	176.7%	180.4%	185.9%	187.7%
Implied P/'17 Earnings	11.3x	11.5x	11.9x	12.0x
Premium/Core Deposits (6/30/17)	8.0%	8.4%	9.0%	9.2%

(1)
Total transaction value is fully diluted

(2)
Fully diluted to include options cash out

Saint Martin 2017Q2 TBV of \$52.565mm

Saint Martin 2017 tax-affected earnings estimate of \$8.122mm

Saint Martin 2017Q2 Core Deposits estimate of \$491mm

As part of its analysis, BSP reviewed 3 groups of selected merger and acquisition Profitability Peer Group, the Capital Peer Group and the Geographic Peer Group

54

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

The Profitability Group consisted of transactions announced between August 1, 2015 and August 1, 2016, with total assets between \$450 million and \$800 million and last twelve months earnings before taxes greater than 0.80% (adjusted for S-Corp targets) at announcement:

Buyer	Seller
National Commerce Corp.	FirstAtlantic Financial Holdings, Inc.
Veritex Holdings, Inc.	Liberty Bancshares, Inc.
Heritage Financial Corp.	Puget Sound Bancorp, Inc.
United Community Banks, Inc.	Four Oaks Fincorp, Inc.
Glacier Bancorp, Inc.	Columbine Capital Corp.
SmartFinancial, Inc.	Capstone Bancshares, Inc.
First Busey Corp.	Mid Illinois Bancorp, Inc.
Simmons First National Corp.	Hardeman County Investment Company, Inc.

The Capital Group consisted of transactions announced between August 1, 2016 and August 1, 2017, with total assets between \$450 million and \$800 million and a tangible common equity yield of 7.50% and 10.50% at announcement:

Buyer	Seller
Veritex Holdings, Inc.	Liberty Bancshares, Inc.
Heritage Financial Corp.	Puget Sound Bancorp, Inc.
United Community Banks, Inc.	Four Oaks Fincorp, Inc.
Glacier Bancorp, Inc.	Columbine Capital Corp.
SmartFinancial, Inc.	Capstone Bancshares, Inc.
Riverview Financial Corp.	CBT Financial Corp.
Nicolet Bankshares, Inc.	First Menasha Bancshares, Inc.
CenterState Banks, Inc.	Platinum Bank Holding Company
First Commonwealth Financial Corp.	DCB Financial Corp

The Geographic Group consisted of transactions announced between August 1, 2017 and August 1, 2018, with total assets between \$400 million and \$1 billion and headquartered in the states of Louisiana, Mississippi, Oklahoma, Tennessee or Texas:

Buyer	Seller
National Commerce Corp.	FirstAtlantic Financial Holdings, Inc.
CenterState Banks, Inc.	Sunshine Bancorp, Inc.
Veritex Holdings, Inc.	Liberty Bancshares, Inc.
State Bank Financial Corp.	AloStar Bank of Commerce
SmartFinancial, Inc.	Capstone Bancshares, Inc.
CenterState Banks, Inc.	Gateway Financial Holdings of Florida, Inc.
Simmons First National Corp.	Hardeman County Investment Company, Inc.
CenterState Banks, Inc.	Platinum Bank Holding Company
Home BancShares, Inc.	Giant Holdings, Inc.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Using the latest publicly available information prior to the announcement of the following transaction metrics for each selected merger transaction group: transaction price to tangible book value, transaction price to total assets and tangible book value. We compared the indicated transaction multiples for the merger to the 25th percentile of each merger transaction group.

55

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

	Transaction Value/ LTM Earnings		Assets
	(x)	Tangible Book (%)	(%)
Saint Martin Implied Merger Value (\$mm)	\$ 164.7	\$ 94.1	\$ 98.3
Profitability Peer Group – Median	19.8	180.9	16.3
Profitability Peer Group – 25th Percentile	17.9	176.1	16.3
Profitability Peer Group – 75th Percentile	24.0	196.8	20.3
Capital Peer Group – Median	21.0	179.1	16.3
Capital Peer Group – 25th Percentile	16.3	164.7	14.4
Capital Peer Group – 75th Percentile	22.4	194.2	16.3
Geographic Peer Group – Median	22.6	177.0	16.3
Geographic Peer Group – 25th Percentile	19.6	163.7	16.3
Geographic Peer Group – 75th Percentile	24.9	182.3	20.3

Implied Merger Value based on median of the median peer groups and the following assumptions:

LTM Earnings of \$7.833mm (normalized with 35% tax rate)

TBV of \$52.565mm

Total Assets of \$597.278mm

Core Deposits of \$491mm

Sources: S&P Global Market Intelligence.

BSP performed an analysis that estimated the net present value per share of Home Bancshares of America (HBA) assuming Home performed in accordance with management projections through 2021. The analysis assumed that Home would earn \$2.58 per share in 2018, \$2.66 per share in 2019, and \$2.74 per share in 2021. To approximate the terminal trading value of a share of Home common stock, the analysis applied price to 2021 earnings per share multiples ranging from 13.0x to 19.0x and tangible book value per share multiples ranging from 140% to 200%. The terminal value was calculated using different discount rates ranging from 10.0% to 14.0%, which were chosen to represent required rates of return of holders or prospective buyers of Home common stock. The analysis indicated an imputed range of values per share of Home common stock of \$27.64 to \$44.95 when applying multiples of earnings per share and \$27.64 to \$44.95 when applying multiples of tangible book value.

Discount Rates	Terminal Trading Tangible Book Multiples			
	140%	160%	180%	200%
10%	\$ 32.25	\$ 36.48	\$ 40.71	\$ 44.95
11%	\$ 31.01	\$ 35.08	\$ 39.14	\$ 43.20
12%	\$ 29.83	\$ 33.74	\$ 37.64	\$ 41.54
13%	\$ 28.71	\$ 32.46	\$ 36.21	\$ 39.96
14%	\$ 27.64	\$ 31.24	\$ 34.85	\$ 38.45

56

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Terminal Trading Earnings Multiples

Discount Rates	13.0	15.0	17.0	19.0
10%	\$ 26.50	\$ 30.18	\$ 33.85	\$ 37.52
11%	\$ 25.49	\$ 29.02	\$ 32.55	\$ 36.07
12%	\$ 24.53	\$ 27.92	\$ 31.31	\$ 34.69
13%	\$ 23.62	\$ 26.87	\$ 30.13	\$ 33.38
14%	\$ 22.74	\$ 25.87	\$ 29.00	\$ 32.13

BSP then performed an analysis that estimated the net present value per share of the combined company based on the expected impact of the merger, including initial fair value balance sheet and earnings as projected by BSP in consultation with both parties. To approximate the terminal value of the combined company's common stock at December 31, 2021, BSP applied price to earnings multiples ranging from 13.0x to 19.0x and price to December 31, 2021 tangible book value multiples ranging from 140% to 200%. The terminal values were then discounted to present values using discount rates ranging from 10% to 14.0%, which were chosen to reflect different assumptions regarding required rates of return for potential buyers of the combined company's common stock. As illustrated in the following table, the range of values per share of the combined company's common stock as of July 31, 2021, was \$28.08 to \$45.68 when applying multiples of earnings per share and \$28.08 to \$45.68 when applying multiples of tangible book value.

Terminal Trading Tangible Book Multiples

Discount Rates	140%	160%	180%	200%
10%	\$ 32.77	\$ 37.07	\$ 41.38	\$ 45.68
11%	\$ 31.51	\$ 35.64	\$ 39.77	\$ 43.91
12%	\$ 30.31	\$ 34.28	\$ 38.25	\$ 42.22
13%	\$ 29.17	\$ 32.98	\$ 36.80	\$ 40.61
14%	\$ 28.08	\$ 31.74	\$ 35.41	\$ 39.08

Terminal Trading Earnings Multiples

Discount Rates	13.0	15.0	17.0	19.0
10%	\$ 31.80	\$ 36.28	\$ 40.77	\$ 45.26
11%	\$ 30.57	\$ 34.88	\$ 39.19	\$ 43.50
12%	\$ 29.41	\$ 33.55	\$ 37.69	\$ 41.83
13%	\$ 28.31	\$ 32.28	\$ 36.26	\$ 40.23
14%	\$ 27.25	\$ 31.07	\$ 34.89	\$ 38.71

Conclusion. Based on the results of the various analyses described above, BSP believes that the amount to be paid under the terms of the merger agreement is fair, from a financial point of view. The opinion expressed by BSP was based upon market, economic and other relevant information available as of the date of the opinion. Events occurring after the date of the opinion, not limited to, changes affecting the securities markets, the results of operations and the liabilities of Home or St. Martin, could materially affect the assumptions used in the analyses.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

As described above, BSP's opinion was among the many factors taken into consideration in making its determination to approve the merger agreement. For purposes of this report, all respects material to its analyses:

- the merger will be consummated in accordance with the terms of the merger agreement and any amendment of any term, condition or agreement thereof;

- the representations and warranties of each party in the merger agreement and in the documents referred to in the merger agreement are true and correct;

- each party to the merger agreement and all related documents will perform all obligations to be performed by such party under such documents;

- all conditions to the completion of the merger will be satisfied without any waiver;

- in the course of obtaining the necessary regulatory, contractual or other consents, restrictions, including any divestiture requirements, termination, or other payment obligations, will not be imposed that will have a material adverse effect on the future results of operations of the combined entity or the contemplated benefits of the merger.

BSP cannot provide assurance as to when or if all of the conditions to the merger will be waived by the appropriate party. As of the date of this joint proxy statement/proxy statement, any of these conditions will not be satisfied.

Compensation to BSP. BSP was engaged as financial advisor to Home in connection with the Merger. Under the terms of the engagement agreement, Home agreed to pay BSP certain fees in connection with the Merger, of which was paid upon signing of the engagement letter, \$150,000 of which was paid to BSP under the agreement ("Progress Fee"). Upon closing of the transaction, BSP will be paid \$150,000. Home has agreed to indemnify BSP and its directors, officers and employees from liability for the Merger and to hold BSP harmless from any losses, actions, claims, damages, expenses or costs incurred in connection with decisions made in good faith and in the best interest of Home. During the year period ending December 31, 2011, associated with the Merger, BSP did not provide advisory services to Home which were not previously provided. BSP never provided financial advisory services to St. Martin.

St. Martin's Reasons for the Merger and Recommendation of the St. Martin Board of Directors. The St. Martin board of directors has unanimously approved the merger agreement and the merger and recommends that the shareholders of St. Martin vote "FOR" approval of the merger agreement contemplated by the merger agreement.

The terms of the merger agreement, including the consideration to be paid to St. Martin, were the result of arm's length negotiations between representatives of St. Martin and representatives of Home. The St. Martin board of directors approved the merger agreement and the merger and recommend the merger agreement. The St. Martin board of directors evaluated the merger agreement and the terms of the merger agreement. St. Martin's management, as well as its legal and financial advisors, and considered the following material factors, which are not presented in order of priority:

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

-
- its familiarity with and review of information concerning the business, results of condition, competitive position and future prospects of St. Martin and Home;
 - the current and prospective environment in which St. Martin operates, including conditions and the interest rate environment, increased operating costs resulting compliance mandates, the competitive environment for banks, thrifts and other increased regulatory burdens on financial institutions generally, evolving trends consolidation in the banking industry and in the financial services industry, and St. Martin's potential for growth, development, productivity, profitability and st

58

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

- the complementary aspects of St. Martin’s and Home’s respective businesses, in coverage, business orientation and compatibility of the companies’ management
- the results that St. Martin could expect to obtain if it continued to operate independent of Home, as compared with the value of the merger and St. Martin’s belief that a merger with Home would allow St. Martin shareholders to receive a better value for their investment in a combined company that would have better future prospects than St. Martin on a stand-alone basis or through other strategic alternatives;
- the limited liquidity that St. Martin shareholders have with respect to their investment in St. Martin common stock, and the fact that shareholders of St. Martin will receive more liquidity in the form of Home common stock, which is publicly traded on the NASDAQ, which would be expected to provide increased liquidity of their investment;
- the financial presentation of Raymond James and the opinion of Raymond James dated as of the date of such opinion, and subject to the assumptions, limitations and qualifications of such opinion, that the merger consideration to be received by the holders of St. Martin common stock, including the pre-closing cash distribution, was fair, from a financial point of view, to the holders of St. Martin common stock. (“Opinion of St. Martin’s Financial Advisor,” beginning on page 60)
- the treatment of the merger as a “reorganization” within the meaning of Section 368(b)(1)(B) of the Internal Revenue Code with respect to St. Martin common stock exchanged for Home common stock in the merger;
- the fact that the pre-closing special cash distribution would generally not be taxable to the holders of St. Martin common stock for federal income tax purposes;
- the ability of Home to pay the aggregate merger consideration without a financial covenant and to obtain financing to close the transaction;
- the terms of the merger agreement and the presentation of St. Martin’s legal advice regarding the merger agreement;
- the regulatory and other approvals required in connection with the merger and the fact that all such approvals to complete the merger will be obtained within a reasonable time and without undue delay;
-

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

the fact that a merger with a larger holding company would provide the opportunity to increase efficiencies of operations and enhance the development of new products;

-

the agreement of Home to provide certain benefits to St. Martin employees.

The St. Martin board of directors also considered potential risks and potentially material risks in connection with its deliberations of the proposed transaction, including the following:

-

the challenges of combining the businesses, assets and workforces of two financial institutions;

-

the potential risk of diverting management focus and resources from other strategic matters while working to implement the merger;

-

the risks and costs to St. Martin if the merger is not completed;

-

the fact that the merger consideration, a large component which consists of shares of Home, may not provide the same certainty of value to St. Martin shareholders compared to a transaction in which cash consideration is used;

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

- the potential for a decline in the value of Home common stock — whether before or after the merger — reducing the value of the consideration received by St. Martin’s shareholders;
- the potential for unintended delays in the regulatory approval process;
- the fact that the merger agreement prohibits St. Martin from soliciting acquisitions, making exceptions, engaging in negotiations concerning or providing nonpublic information regarding an acquisition proposal, and the fact that St. Martin would be obligated to pay a termination fee under the merger agreement under certain circumstances;
- the fact that some of St. Martin’s directors and executive officers have other financial interests as St. Martin shareholders, including financial interests that are affected by the merger arrangements with St. Martin and/or prospective compensation arrangements with St. Martin; interests would be affected by the merger;
- the requirement that St. Martin conduct its business in the ordinary course and in the best interests of St. Martin’s business before completion of the merger, which may delay or prevent St. Martin from pursuing opportunities that may arise before completion of the merger;
- the risk that the anticipated benefits of the merger, including the realization of synergies, may not be realized or may take longer than expected to be realized; and
- the possible effects of the pendency or completion of the transactions contemplated by the merger agreement, any suit, action or proceeding initiated in respect of the merger.

The foregoing discussion of the factors considered by the St. Martin board of directors does not include, but does include the material factors considered by the St. Martin board of directors, but does not include the material factors considered by the St. Martin board of directors. In addition, all members of the St. Martin board of directors may have given different weights to different factors. In addition, all members of the St. Martin board of directors entered into voting agreements requiring them to vote their shares of St. Martin common stock in favor of the merger agreement and the merger.

St. Martin’s Board of Directors unanimously recommends that holders of St. Martin common stock vote in favor of the merger agreement and the transactions contemplated by the merger agreement.

Opinion of St. Martin’s Financial Advisor

St. Martin retained Raymond James as its financial advisor on April 13, 2017. Pursuant to the merger agreement, the board of directors requested that Raymond James deliver its opinion as to the fairness of the merger agreement to be reviewed by the holders of St. Martin’s outstanding shares of common stock. In the proxy statement/prospectus, the term “Common Share Transaction Consideration” means the aggregate of the merger consideration together with the cash consideration to be received by St. Martin’s shareholders in connection with the merger.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

paid by St. Martin to its shareholders immediately prior to consummation of the agreement).

At the August 23, 2017 meeting of the St. Martin board of directors, representative written opinion to the St. Martin board, dated August 23, 2017, that, as of such qualifications, assumptions and other matters considered in connection with the Share Transaction Consideration to be received by the holders of St. Martin's ordinary shares pursuant to the merger agreement was fair, from a financial point of view, to such as Raymond James assumed, with St. Martin's consent, that the Common Share Transaction Consideration was \$457.44 per share.

60

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

The full text of the written opinion of Raymond James is attached as Annex C to this document and is incorporated by reference herein. The summary of the opinion of Raymond James is qualified in its entirety by reference to the full text of such written opinion. Holders of Home common stock are urged to read the opinion carefully in its entirety. Raymond James's opinion specifically states that Raymond James's opinion does not reflect any developments that may occur or be announced after the date of this opinion and prior to the completion of the merger.

Raymond James provided its opinion for the information of the St. Martin board of directors (in its full capacity as such) in connection with, and for purposes of, its consideration of the merits of whether the Common Share Transaction Consideration to be received by the holders of Home common stock was fair, from a financial point of view, to such holders as of the date of such opinion. Raymond James did not address any other term or aspect of the merger agreement or the merger. Raymond James was not requested to, and did not, make any recommendation to the St. Martin board of directors as to the amount of the consideration to be paid to the shareholders of St. Martin, which was determined through negotiations between the parties. The Raymond James opinion did not and does not constitute a recommendation to any shareholder considering the execution of a shareholder voting agreement. The Raymond James opinion does not constitute a recommendation to the St. Martin board or to any holder of St. Martin common stock or to any such shareholder or any other person should vote or otherwise act with respect to the merger. Raymond James did not express any opinion as to the likely trading range of Home common stock following the opinion, which may vary depending on numerous factors that generally impact the market for Home common stock, including the financial condition of Home at that time. Raymond James also does not express any opinion as to the financial condition of Home common stock relative to its historical or future financial condition or results of operations. Home consented to the inclusion of this summary in this document.

In connection with its review of the proposed merger and the preparation of its opinion, Raymond James did the following things:

- reviewed the financial terms and conditions as stated in the draft agreement and the financial statements of Home and St. Martin as of August 23, 2017 (the "Draft Agreement");
- reviewed certain information related to the historical, current and future operations of Home and St. Martin made available to Raymond James by St. Martin, including, but not limited to, the projections by the management of St. Martin relating to St. Martin for the periods ending December 31, 2021 and December 31, 2022, as approved for Raymond James's use (the "St. Martin Projections");
- reviewed St. Martin's recent public filings and certain other publicly available information regarding St. Martin;
- reviewed historical financial, operating and other information regarding St. Martin;
- reviewed the financial and operating performance of St. Martin and compared it to the performance of other companies Raymond James deemed to be relevant;
- considered the publicly available financial terms of certain transactions that Ray

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

- reviewed the current and historical market prices and trading volume for the ST. market prices of the publicly traded securities of certain other companies that R
- conducted such other financial studies, analyses and inquiries and considered su Raymond James deemed appropriate;

61

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

- reviewed a certificate addressed to Raymond James from a member of senior management of St. Martin, and, among other things, the accuracy of the information, data and other materials (financial statements, projections and otherwise discussed with, Raymond James by or on behalf of St. Martin; and

- discussed with members of the senior management of St. Martin certain information and data, and any other matters which Raymond James deemed relevant to its inquiry.

With St. Martin's consent, Raymond James assumed and relied upon the accuracy of the information, data and other materials supplied by or on behalf of St. Martin, or otherwise reviewed by or discussed with St. Martin. Raymond James did not undertake any duty or responsibility to, nor did Raymond James, independently verify the accuracy of the information. Raymond James did not make or obtain an independent appraisal of the assets of St. Martin. Raymond James is not an expert in generally accepted accounting principles and procedures, and is not an expert specifically regarding the evaluation of loan portfolios for purposes of assessing the adequacy of reserves; accordingly, Raymond James assumed that such allocations were adequate to cover such losses. With respect to the St. Martin Projections provided to or otherwise reviewed by or discussed with Raymond James, Raymond James assumed that the St. Martin Projections and such other information and data were based on reasonable assumptions reflecting the best currently available estimates and judgments of management of St. Martin. Raymond James relied upon the assurances of St. Martin to advise Raymond James promptly if the information provided became inaccurate, misleading or was required to be updated during the course of the merger. Raymond James expressed no opinion with respect to the St. Martin Projections or the assumptions underlying the St. Martin Projections. Raymond James assumed that the final form of the merger agreement would be substantially similar to the form reviewed by Raymond James and that the merger would be consummated in accordance with the merger agreement without waiver of or amendment to any of the conditions thereto and without the need for Transaction Consideration. Furthermore, Raymond James assumed, in all respects, that the representations and warranties of each party contained in the merger agreement would be true and that each party will perform all of the covenants and agreements required to be performed by it under the merger agreement. Raymond James assumed that the conditions precedent in the merger agreement will not be waived. Raymond James assumed that it would not conduct independent verification, that (i) the merger would be consummated in a manner that complies with all applicable international, federal and state statutes, rules and regulations, and (ii) all necessary consents and approvals necessary for the consummation of the merger would be obtained. Raymond James assumed that no restrictions or conditions would be imposed or amendments, modifications or waivers would be required of St. Martin, St. Martin Bank or St. Martin that would be material to its analysis of the merger. Raymond James expressed no opinion as to the underlying business decision to consummate the merger, or the consequences of the merger, or the availability or advisability of any alternative courses of action. Raymond James' opinion is limited to the fairness, from a financial point of view, of the Common Stock to be received by the holders of St. Martin common stock. Raymond James expressed no opinion as to the reasons (legal, business, or otherwise) that may support the decision of St. Martin to consummate the merger. Furthermore, no opinion, counsel or interpretation was provided by Raymond James that require legal, accounting or tax advice. Raymond James relied, with the consent of St. Martin, on the fact that St. Martin was assisted by legal, accounting and tax advisors, and, with the consent of St. Martin, on the accuracy and completeness of the assessments by St. Martin and its advisors of the merits of the merger. Raymond James' matters with respect to St. Martin and the merger, including, without limitation, the merger, the reorganization under the provisions of Section 368(a) of the Internal Revenue Code

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

statements have been prepared in accordance with GAAP.

In formulating its opinion, Raymond James considered only the Common Share
by the holders of common stock of St. Martin, and Raymond James did not cons
fairness of the amount or nature of any compensation to be

62

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

paid or payable to any of St. Martin's or St. Martin Bank's officers, directors or in connection with the merger whether relative to the Common Share Transaction. Raymond James was not requested to opine as to, and its opinion did not express an opinion on, the following things: (1) the fairness of the merger to the holders of any class of securities, created by St. Martin, or to any other party, except and only to the extent expressly set forth in the merger agreement; (2) the fairness of the merger to any one class or group of St. Martin's or any other party or constituents vis-à-vis any other class or group of St. Martin's or such other party or constituents (including, without limitation, the allocation of any consideration to be received by any one class or groups of security holders or other constituents). Raymond James expressed no opinion on the merger on the solvency or viability of St. Martin or Home or the ability of St. Martin to meet its obligations when they come due.

The financial analyses summarized below include information presented in tabular format and do not constitute a complete description of the financial analyses. Accordingly, Raymond James' summary of its analyses must be considered as a whole and that selecting portions of the summary focusing on the information presented below in tabular format, without considering the narrative description of the financial analyses, including the methodologies and assumptions used, could create an incomplete or potentially misleading view of the process underlying the analyses. Otherwise noted, the following quantitative information, to the extent that it is based on historical data that existed on or before August 22, 2017 (the last trading day before the date of the merger) is not necessarily indicative of current market conditions.

Material Financial Analyses

The following summarizes the material financial analyses reviewed by Raymond James and its directors at its meeting on August 23, 2017, which material was considered by the Board of Directors. No company or transaction used in the analyses described below is identical or similar to the contemplated merger. Raymond James adjusted the earnings multiples and earnings per share for corporations for taxes using a 35% tax rate, including the earnings multiples and earnings per share. Selected Companies Analysis. Raymond James analyzed the relative valuation of the following bank holding companies, banks, and thrifts headquartered in the Southeast Region (Alabama, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia) and the following states (Louisiana, New Mexico, Oklahoma, Texas, and Utah) with the following characteristics: (i) a return on average assets for the last twelve months between 6.0% and 12.0%; (ii) a return on average assets for the last twelve months less than 6.0%; (iii) a ratio of tangible common equity to tangible assets between 6.0% and 12.0%; (iv) a return on assets ratio ("NPAs/Assets") less than 3.00%. The aforementioned financial characteristics were used as a subsidiary if consolidated data was unavailable, and the financial characteristics were used for the period reported as of August 22, 2017. Raymond James excluded mutual holding companies, mergers, companies traded on the grey market, and companies with a three month trading volume of less than 100 shares. The selected companies that Raymond James deemed relevant

- Chesapeake Financial Shares, Inc.

- F & M Bank Corp.

- Eagle Financial Services, Inc.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

- Coastal Banking Company, Inc.
- Virginia National Bankshares Corporation
- Benchmark Bankshares, Inc.
- Bank of South Carolina Corporation

63

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

- Southeastern Banking Corporation
- Farmers Bankshares, Inc.
- Truxton Corporation
- Touchmark Bancshares, Inc.
- Century Next Financial Corporation

Raymond James calculated various financial multiples for each selected public company as of the close on August 22, 2017 compared to (i) tangible book value (“TBV”) per share and (ii) earnings per share (“EPS”) for the most recent LTM period reported. All financial multiples that were more than two standard deviations away from the unadjusted mean were considered outliers. For the purposes of comparison, LTM EPS for St. Martin was tax-effected at 35% prior to the Transaction. The results of the selected public companies analysis are summarized below:

	SUMMARY PRICING MULTIPLES	
	Price/ TBV per Share	LTM EPS
75th Percentile	135%	13.6x
Mean	128%	12.3x
Median	128%	12.7x
25th Percentile	119%	11.2x
Implied Transaction Metric	181%	12.1x

Furthermore, Raymond James applied the 75th percentile, mean, median and 25th percentile for each of the metrics to St. Martin’s actual and projected financial results to determine the Implied Common Share Transaction Consideration. Raymond James then compared those implied values to the Transaction Consideration of \$457.44. For purposes of comparison, LTM EPS for St. Martin was tax-effected at 35% prior to the Transaction. The results of the implied common share transaction consideration analysis are summarized below:

IMPLIED COMMON
SHARE
TRANSACTION
CONSIDERATION
Price/

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

	TBV per Share	LTM EPS
75th Percentile	\$ 341.19	\$ 512.77
Mean	\$ 323.02	\$ 464.23
Median	\$ 323.73	\$ 477.94
25th Percentile	\$ 302.20	\$ 422.78
Common Share Transaction Consideration	\$ 457.44	\$ 457.44

Selected Transactions Analysis. Raymond James also analyzed publicly available regional transactions announced since August 22, 2015 involving banks and thrifts headquartered in the Southeast and Southwest Regions with (i) total assets between \$1 billion and \$5 billion, (ii) LTM return on average assets between 1.00% and 2.00%, (iii) tangible common equity to total assets between 8.0% and 12.0%, and (iv) NPAs/Assets of less than 3.0%. Raymond James also analyzed national transactions announced since August 22, 2016 involving company targets headquartered in the United States with (i) total assets between \$1 billion and \$5 billion, (ii) LTM return on average assets between 1.00% and 2.00%, (iii) tangible common equity to total assets between 8.0% and 12.0%, and (iv) NPAs/Assets to total assets of less than 3.0%. Total assets for the transactions were based on the most recent quarterly period reported as of the announcement of

64

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

the transaction. Both regional and national selected transaction analyses exclude (i) transactions with cumulative disclosed deal value or key financial information; (ii) transactions with cumulative deal value exceeding 100%; (iii) investor recapitalizations; (iv) mergers of equals; (v) transactions in which the buyer acquires 50% of the buyer's most recently reported total assets; and (vi) transactions in which the seller was acquired in the last twelve month period prior to the announcement of the transaction. The seller's acquisition date (or transaction announcement dates shown) used in the analyses included:

Regional:

•

Acquisition of Cache Holdings, Inc. by Equity Bancshares, Inc. (07/17/2017)

•

Acquisition of Eastman National Bancshares, Inc. by Equity Bancshares, Inc. (07/17/2017)

•

Acquisition of First Partners Financial, Inc. by Progress Financial Corporation (07/17/2017)

•

Acquisition of NBG Bancorp, Inc. by State Bank Financial Corporation (04/05/2016)

•

Acquisition of CBS Financial Corporation by Charter Financial Corporation (12/31/2015)

National:

•

Acquisition of Cache Holdings, Inc. by Equity Bancshares, Inc. (07/17/2017)

•

Acquisition of Eastman National Bancshares, Inc. by Equity Bancshares, Inc. (07/17/2017)

•

Acquisition of Mid Illinois Bancorp, Inc. by First Busey Corporation (03/13/2016)

•

Acquisition of First Partners Financial, Inc. by Progress Financial Corporation (07/17/2017)

•

Acquisition of Arlington Bank by First Merchants Corporation (01/25/2017)

•

Acquisition of TFB Bancorp, Inc. by Glacier Bancorp, Inc. (11/15/2016)

•

Acquisition of Valley Commerce Bancorp by CVB Financial Corp. (09/22/2016)

•

Acquisition of Commercial Bancshares, Inc. by First Defiance Financial Corp. (09/22/2016)

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Raymond James examined valuation multiples of transaction value compared to (i) quarter TBV per share; (ii) most recent LTM Net Income; and (iii) core deposits (greater than \$100,000). All financial multiples — TBV, LTM Net Income, and core deposits — that were far away from the unadjusted mean were considered not meaningful. Raymond James compared the median and 25th percentile relative valuation multiples of the selected transactions to the 75th percentile, mean, median and 25th percentile relative valuation multiples of the industry and core deposits and adjusted those values for outstanding stock options to acquire the implied Common Share Transaction Consideration. For purposes of comparison, the implied consideration was tax-effected at 35% prior to calculating the Implied Transaction Metric, and the implied Common Share Transaction Consideration using net income was also tax-effected at a 35% tax rate. Raymond James compared the implied values to the Common Share Transaction Consideration of \$457.44. The results are summarized below:

Regional Transactions:

	SUMMARY TRANSACTION MULTIPLES		
	Deal Value/		
	TBV	LTM Net Income	Premium/ Core Deposits
75th Percentile	176%	14.8x	10.0%
Mean	177%	13.2x	10.2%
Median	165%	14.0x	9.7%
25th Percentile	160%	11.6x	9.4%
Implied Transaction Metric	181%	12.1x	9.3%

65

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

	IMPLIED COMMON SHARE TRANSACTION CONSIDERATION		
	Deal Value/		
	TBV	LTM Net Income	Premi Core I
75th Percentile	\$ 440.80	\$ 550.14	\$ 40
Mean	\$ 443.42	\$ 492.16	\$ 47
Median	\$ 414.64	\$ 520.30	\$ 40
25th Percentile	\$ 400.99	\$ 432.54	\$ 45
Common Share Transaction Consideration	\$ 457.44	\$ 457.44	\$ 45

National Transactions:

	SUMMARY TRANSACTION MULTIPLES		
	Deal Value/		
	TBV	LTM Net Income	Premium/ Core Deposits
75th Percentile	173%	17.8x	10.7%
Mean	164%	15.2x	9.8%
Median	168%	14.9x	9.7%
25th Percentile	156%	13.7x	9.2%
Implied Transaction Metric	181%	12.1x	9.3%

	IMPLIED COMMON SHARE TRANSACTION CONSIDERATION		
	Deal Value/		
	TBV	LTM Net Income	Premi Core I
75th Percentile	\$ 433.09	\$ 662.30	\$ 40
Mean	\$ 411.38	\$ 566.72	\$ 40
Median	\$ 421.00	\$ 552.63	\$ 40
25th Percentile	\$ 392.01	\$ 508.34	\$ 40
Common Share Transaction Consideration	\$ 457.44	\$ 457.44	\$ 45

Discounted Cash Flow Analysis. Raymond James analyzed the discounted present value of projected cash flows for the years ending December 31, 2017 through December 31, 2022, based on the assumptions of St. Martin's management. Raymond James used tangible common equity in excess of intangible assets at the end of each projection period for free cash flow.

Raymond James's discounted cash flow analysis was based on the St. Martin Projections, Raymond James used calendar year 2022 adjusted net income and calendar year 2022 applied multiples to both calendar year 2022 adjusted net income and calendar year 2022

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

income in order to derive a range of terminal values for St. Martin in 2022. The adjusted net income ranged from 12.0x to 16.0x. Raymond James selected a range based upon the long-term average of the price-to-earnings multiple of selected similar public companies. The terminal multiples applied to calendar year 2022 from 125% to 150%. Raymond James selected a range of terminal price-to-tangible current multiples for similar public companies.

The projected free cash flows and terminal values were discounted to present value at 17.0%. The resulting range of equity values was adjusted for outstanding stock and common stock and divided by the number of diluted shares outstanding in

66

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

order to arrive at a range of present values per share of St. Martin common stock, the Company compared the values derived in the discounted cash flow analyses and compared them to the Company's book value. The results of the discounted cash flow analysis are summarized below:

	Implied Common Share Transaction Consideration (Price-to-earnings terminal multiple)	Implied Share Transaction Consideration (Price-to- book value terminal r
Maximum	\$ 566.35	\$ 372.9
Minimum	\$ 431.67	\$ 315.4
Common Share Transaction Consideration	\$ 457.44	\$ 457.4

In connection with its analyses, Raymond James considered and discussed with the Company's management the results of its discounted cash flow analyses would be affected by changes in the underlying assumptions used in the discounted cash flow analysis is a widely used valuation methodology, but the results are highly dependent upon the numerous assumptions that must be made, and the results are subject to change in values or future results.

Additional Considerations. The preparation of a fairness opinion is a complex process and the analysis or summary description. Raymond James believes that its analyses must be based on a complete review of all relevant information, including selecting portions of its analyses, without considering the analyses taken as a whole. In the process underlying its opinion. In addition, Raymond James considered the results of its analyses, but rather made qualitative judgments as to the relative assign relative weights to any of the analyses, but rather made qualitative judgments as to the relative weight of each analysis and factor, so the ranges of valuations resulting from any particular analysis should be construed to be the view of Raymond James as to the actual value of St. Martin. In performing its analyses, Raymond James made numerous assumptions with respect to the Company's business, economic and regulatory conditions and other matters, many of which may change over time. The analyses performed by Raymond James are not necessarily indicative of actual results which might be achieved, all of which may be significantly more or less than the results of the analyses. Such analyses were provided to the St. Martin board of directors (solely for informational purposes) and were prepared solely as part of the analysis of Raymond James of the fairness, of the proposed Common Share Transaction Consideration to the holders of common stock of St. Martin. The analyses should be appraisals or to reflect the prices at which companies may actually be sold, and are subject to uncertainty. The opinion of Raymond James was one of many factors taken into account by the St. Martin board of directors in making its determination to approve the merger. Neither Raymond James' opinion nor the analyses above should be viewed as determinative of the St. Martin board of directors' or the Company's decision with respect to St. Martin, Home, or the merger. Raymond James provided advice to the Company, but Raymond James did not, however, determine the amount of consideration, recommend the amount of consideration to the St. Martin board of directors or recommend that any specific amount of consideration be appropriate consideration for the merger. St. Martin placed no limits on the scope of the analyses expressed, by Raymond James.

The Raymond James opinion was necessarily based upon market, economic, financial and other conditions existing and disclosed to it as of August 22, 2017, and any material changes in market conditions may affect the opinion of Raymond James, but Raymond James does not intend to update or reaffirm that opinion. Raymond James relied upon and assumed, without independent

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

no change in the business, assets, liabilities, financial condition, results of operation, or other information concerning St. Martin since the respective dates of the most recent financial statements and reports provided to Raymond James that would be material to its analyses or its opinion, or any other facts that would make any of the information reviewed by Raymond James incorrect or misleading in any respect.

67

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Except as described below, during the two years preceding the date of Raymond James' merger with Home Bank, Raymond James has not been engaged by or otherwise performed services for St. Martin or Home Bank. St. Martin paid Raymond James a retainer upon execution of the engagement letter and with the delivery of its opinion, St. Martin paid Raymond James, upon delivery of its banking fee. St. Martin will also pay Raymond James a customary fee for advisory services in connection with the merger, all of which is contingent upon the closing of the merger. St. Martin will also reimburse Raymond James expenses incurred in connection with its services, including the fees and expenses of Raymond James against certain liabilities arising out of its engagement.

Raymond James is actively involved in the investment banking business and regularly issues securities and investment securities in connection with public offerings, private placements, buy-outs and other financial transactions. In the ordinary course of business, Raymond James may trade in the securities of Home Bank and for the accounts of its customers and, accordingly, may at any time hold a long position in the securities of Home Bank.

Raymond James may provide investment banking, financial advisory and other services to Home Bank or other participants in the merger in the future, for which Raymond James may receive compensation. Interests of St. Martin's Directors and Executive Officers in the Merger

In considering the recommendation of the St. Martin board of directors with respect to the merger, Home Bank shareholders should be aware that certain persons, including the directors and executive officers, have interests in the merger that are in addition to their interests as shareholders of St. Martin Bank. The board of directors was aware of these interests as well as others and considered them in connection with the transactions contemplated thereby.

New Employment Agreements. In connection with the execution of the merger, Home Bank entered into new employment agreements with Messrs. Paul Durand, the current President of St. Martin Bank, Messrs. Jeffrey, a Senior Vice President and Commercial Loan Officer of St. Martin Bank and Messrs. Petree, President and Commercial Lender of St. Martin Bank, with each agreement to be entered into subject to the agreement provided that the executive continues to remain employed by St. Martin until completion of the merger. The new agreements are for a one-year term for Mr. Durand and a two-year term for each of Messrs. Jeffrey and Petree. Pursuant to the new employment agreements, Mr. Durand will serve as Business Development Manager of Home Bank on a full-time basis at an annual base salary of \$105,000, and Messrs. Jeffrey and Petree will continue to serve as Senior Commercial Relationship Manager of Home Bank at an annual base salary of \$100,000, \$100,000 and \$100,000, respectively. Mr. Durand will also receive a \$10,000 signing bonus and will be entitled to a bonus of 10% of his base salary. Messrs. Jeffrey and Petree will receive grants of restricted stock of \$100,000, \$100,000 and \$100,000, respectively, which grants will vest over five years beginning on the one-year anniversary of the merger. In addition, Messrs. Jeffrey and Petree will be entitled to participate in all employee benefit plans that are provided to similarly situated employees of Home Bank.

Each of the employment agreements provide that the Supplemental Executive Retirement Plan of Home Bank will be terminated and the officer will receive a lump sum payment equal to the value of his or her SERP benefits within 20 days following the effective date of the merger. See "Supplemental Executive Retirement Plan" in the proxy statement. In the event that, prior to the expiration of the term of Mr. Durand's new employment agreement, the employment of Mr. Durand for other than cause, disability, retirement or death, then Home Bank will pay to Mr. Durand a lump sum equal to one times his base salary in a lump sum. In the event that, prior to the expiration of the term of the employment agreements with Messrs. Jeffrey and Petree, Home Bank terminates the employment of Mr. Jeffrey or Mr. Petree for other than cause, disability, retirement or death or the officer terminates his or her employment as defined in the

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

agreements, then Home Bank shall (1) make a lump sum cash severance payment equal to the officer's base salary for the remaining term of the agreement or one times his base salary, whichever is greater, to the officer and his dependents with life, health, accident, disability and other group term life insurance for the officer, until the earlier of 12 months following the date of termination or the date of the officer's employment by another employer that entitles him to substantially similar coverage; (2) Messrs. Durand, Jeffrey and Petree each agreed to (1) not become a director, officer, partner, or become a shareholder, member, partner or other owner of, any corporation, partnership, joint venture, commercial, community or retail banking business in any of the following parishes: St. Martin, Acadia, Jefferson, Davis, Vermillion, Calcasieu and Iberia, except through the acquisition of the outstanding common stock of any such competing business, (2) not engage in the sale or distribution of any financial institution products or services to any customer of St. Martin on the date the merger agreement was executed, who becomes a customer of Home Bank on the date of the merger, or who is a customer of Home or any of its subsidiaries after the merger, and (3) not solicit for employment or offer employment to any officer or employee of Home Bank or any of its subsidiaries or take any action intended to cause any officer or employee of, or person or entity (including vendors) doing business with, Home or any of its subsidiaries to terminate such employment, and other than general solicitations through the media or solicitations of former employees of Home Bank, all non-solicit covenants are effective for 12 months following the effective date of the merger. The non-solicit covenants shall be in effect from the effective date of the merger for Messrs. Jeffrey and Petree.

Treatment of Outstanding Options. Under the terms of the merger agreement, all outstanding and unexercised at the time of the merger, whether or not vested, warrants and options of Home Bank will be either (a) paid in cash an amount equal to the fair market value of the underlying St. Martin common stock subject to such option at the closing and (ii) an amount equal to the fair market value of the underlying St. Martin common stock over the exercise price per share of such option, net of any cash which must be used to satisfy the exercise price and employment tax requirements, or (b) at the election of the option holder, a cash payment equal to the cash payment provided in clause (a), above, divided by \$40.50 and rounded up to the nearest whole number. As of the date of this joint proxy statement/prospectus, St. Martin had options outstanding for 4,000 shares of St. Martin common stock. Four officers of St. Martin, including Messrs. Durand, Jeffrey and Petree, have each acquired 1,000 shares of St. Martin common stock, in each case with an exercise price of \$40.50 per share. St. Martin Bank adopted a SERP effective May 1, 2012 and entered into participation agreements with five of its officers effective May 1, 2012 (including Messrs. Durand, Jeffrey and Petree) and with Guy Labbé, its Executive Vice President and Chief Financial Officer, on March 8, 2017. The participants are entitled to an annual benefit (payable monthly) with the annual benefits payable for life with 10 years guaranteed. A participant is eligible for a lump sum SERP benefit payable if there is a termination of employment prior to normal retirement age or a change in control. Mr. Durand is the only participant who has reached his specified age. Upon a change in control, each participant becomes fully vested in his SERP benefits. Following a separation from service, a lump sum payment equal to the discounted value of the participant's SERP benefits. Completion of the merger will constitute a change in control for purposes of the SERP and provide each of the participants with a lump sum payment equal to the value of the participant's SERP benefits within 20 days following the effective date of the merger, whether or not the participant remains employed by Home. Assuming the merger is completed, the value of the lump sum SERP benefits are currently estimated to range from \$209,000 to \$914,000. For more information regarding SERP benefits to be payable to St. Martin's named executive officers, see "Executive Compensation," below.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

69

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Golden Parachute Compensation. The following table sets forth the aggregate compensation that each of the three most highly compensated executive officers (and Jeffrey) would receive that is based on or otherwise relates to the merger, as

- The merger closes on December 31, 2017; and

- Messrs. Durand and Jeffrey each remain employed by Home Bank for the term described above.

Any changes in the above assumptions or estimates would affect the amounts shown. Executive officers are not entitled to any cash severance payments, perquisites/benefits. Columns with respect to such benefits have been omitted from the following table.

	Equity(1)	P N D C
Paul Durand, President	\$ —	
Guy Labbé, Executive VP, Chief Executive Officer and Chief Financial Officer	—	
Matthew Jeffrey, Senior VP and Commercial Loan Officer	277,000	

(1) Represents the value of the 1,000 unvested stock options held by Mr. Jeffrey, as of December 31, 2019. Assumes that Mr. Jeffrey receives such amount in a lump sum cash payment at the effective time of the merger. Pursuant to the merger agreement, Mr. Jeffrey (who also holds 1,000 unvested stock options to acquire St. Martin common stock) has the right to elect, at least 15 days before the merger, to have such option consideration converted into shares of Home common stock at the closing sales price of Home common stock on October 20, 2017, the closing sales price of Home's common stock was \$42.00. If Mr. Jeffrey elects not to exercise such option, the options will be canceled in exchange for a cash payment (or shares of Home common stock) to Mr. Jeffrey (or his estate or other designated holder) in connection with completion of the merger even if the optionee's employment is terminated. The cash payment is considered to be a single-trigger arrangement.

(2) Represents the estimated lump sum cash payments equal to the discounted present value of the executive's estimated lifetime SERP benefits. Because the lump sum payments will be made even if the executive's employment is terminated, the payments are considered to be a single-trigger arrangement.

(3) All of the amounts in this column are attributable to a single-trigger arrangement conditioned upon termination of the executive's employment. The amounts in this column exclude benefits under broad-based employee benefit plans such as St. Martin Bank's 401(k) plan. Also excludes any pro-rated bonuses that may be paid for services rendered.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Indemnification and Continued Director and Officer Liability Coverage. From the effective time of the merger, Home has agreed to indemnify and hold harmless each person who is now, or was, an officer or director or employee of St. Martin and to reimburse Home for damages or expenses incurred in connection with any claim, action, suit, proceeding or matter that existed or occurred at or before the effective time of the merger to the extent that Home provides for indemnification of its officers and directors. In addition, Home has agreed to provide liability insurance coverage for a period of three years following the effective time of the merger to officers of St. Martin immediately before the effective time of the merger under a policy of liability insurance policy currently maintained by St. Martin or policies of at least the same terms and conditions that are not less advantageous than the current policy, with

70

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

acts or omissions occurring prior to the effective time of the merger, except that premium expense greater than 100% of St. Martin's current annual directors' and Home determines to substitute "tail" policies with similar terms for St. Martin's to spend more than 250% of the annual cost currently expended by St. Martin w Board of Directors and Management of Home Following Completion of the Me Following completion of the merger and the bank merger, the directors and execu will be the directors and executive officers of Home and Home Bank immediate merger except as noted below.

The merger agreement provides that Home and Home Bank will increase the nu of their boards of directors and to elect, effective as of the effective time of the m St. Martin to fill the vacancies created by such increase. The two new directors s subject to Home's normal policies and procedures for director nominations. The one full three-year term, unless either of the new directors resigns, dies or is ren Trading Markets for Home and St. Martin Common Stock

Home's common stock trades on the NASDAQ Global Select Market under the is not listed on any national securities exchange or quoted on any interdealer qu common stock issuable to holders of St. Martin common stock in the merger wi Regulatory Approvals Required for the Merger

Each of Home and St. Martin has agreed to cooperate with the other and use all approvals and authorizations required to complete the transactions contemplated merger and the bank merger. As of the date of this joint proxy statement/prospec regulatory approvals, authorizations, and non-objections from the OCC, Federal Neither Home nor St. Martin is aware of any material governmental approvals o of the transactions other than those described above. It is presently contemplated approvals or actions are required, those approvals or actions will be sought. The additional approvals or actions will be obtained.

Voting and Support Agreements

In connection with St. Martin's entry into the merger agreement, St. Martin's di agreements whereby the directors, in their capacities as St. Martin shareholders, approval of the merger agreement at the St. Martin special meeting, among othe agreements, the directors of St. Martin have also agreed that, during the two-yea merger they will not, with certain exceptions, solicit the banking business of for certain specified parishes in south Louisiana, solicit for employment any employ of the bank merger, or make disparaging remarks about Home, Home Bank or a employees. The St. Martin directors who entered into the voting and support agr shares, or 27.2% of the outstanding shares, of St. Martin common stock.

The form of voting agreement is attached as Exhibit B to the merger agreement, statement/prospectus as Annex A.

Appraisal Rights

St. Martin shareholders will have the right to assert appraisal rights with respect be paid the fair value of their shares of St. Martin common stock under applicab consummation of the merger by Home as the surviving company following the appraisal rights, a St. Martin shareholder must

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

generally give written notice of his or her intent to demand payment for his or her shares if the merger is not approved or is approved and not taken on the merger at the St. Martin special meeting and must not vote in favor of the merger. The following information regarding the Louisiana statutory provisions is included in this joint proxy statement/prospectus. The following is only a summary of the rights of a St. Martin shareholder to demand payment for his or her shares. For a complete statement of law pertaining to appraisal rights under the Louisiana Business Corporation Act, you should consult the complete statement in its entirety by reference to the full text of the provisions of the Louisiana Business Corporation Act. For more information regarding appraisal rights, a copy of which is attached as Annex D hereto and incorporated into this proxy statement/prospectus, you should consult the Louisiana Business Corporation Act. If you are a St. Martin shareholder and you intend to exercise your appraisal rights under the Louisiana Business Corporation Act, you should consult the following summary and comply with all requirements of the Louisiana Business Corporation Act. You should also consult with your attorney. This joint proxy statement/prospectus incorporates by reference the financial statements of Home and the statements and latest available quarterly financial statements of Home (which are included in this proxy statement/prospectus under the heading "Where You Can Find More Information." No further notice of the events giving rise to the merger is being given to you by Home or St. Martin.

The Louisiana Business Corporation Act provides in detail the procedure a St. Martin shareholder must follow to exercise his or her appraisal rights. In summary, to exercise appraisal rights; a St. Martin shareholder must:

- must deliver to St. Martin before the vote on the St. Martin merger proposal is taken, written notice of such shareholder's intent to demand payment for his or her shares if the merger is not approved or is approved and not taken; and

- must not vote his or her shares of St. Martin common stock in favor of the merger at the St. Martin special meeting.

In other words, in order for a St. Martin shareholder to properly assert his or her appraisal rights, a St. Martin shareholder who votes in favor of the St. Martin merger proposal, and in all cases must give the required notice of intent to exercise appraisal rights. If the requirements will terminate, a shareholder's ability to exercise appraisal rights under the provisions of the Louisiana Business Corporation Act. Voting against the St. Martin merger proposal (either in person or by proxy) does not constitute an exercise of appraisal rights under Louisiana law; any shareholder of St. Martin who wishes to assert his or her appraisal rights must give the required notice of intent in order to exercise appraisal rights. As described in the proxy statement/prospectus under the heading "Special Meeting — Voting at the St. Martin Special Meeting," beginning on page 14, a shareholder who marks "FOR" on a proxy card but fails to provide instructions as to the manner in which shares are to be voted, or who marks "FOR" on a proxy card but fails to have voted in favor of the St. Martin merger proposal and will not be able to vote at the St. Martin special meeting, will not be able to exercise appraisal rights as long as such shareholder has given the required notice of intent to exercise appraisal rights. If you are a St. Martin shareholder and you intend to assert your appraisal rights, you should deliver your written notice of intent to exercise appraisal rights to St. Martin's corporate secretary at St. Martin's corporate office located at 70852 Louisiana 70852, or it may be hand delivered to St. Martin's corporate secretary at 70852 Louisiana 70852 (the voting on the St. Martin merger proposal begins). Notice of intent is effective only if it is received by St. Martin at its address prior to the St. Martin special meeting.

- when received by St. Martin at its address prior to the St. Martin special meeting; or
- five days after its deposit in the United States mail, as evidenced by the postmark, if the notice is sent by first class mail addressed to St. Martin at its address prior to the St. Martin special meeting; or

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

- on the date shown on the return receipt, if sent by registered or certified mail, re signed by or on behalf of St. Martin prior to the St. Martin special meeting.

72

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

If any St. Martin shareholder delivers a timely notice of intent to assert his or her appraisal rights in connection with the St. Martin merger proposal and the merger proposal is approved by St. Martin at a special meeting (or at any adjournment of the St. Martin special meeting) and by Home at a special meeting (or any adjournment of the Home special meeting), then, within ten days following the closing of the merger, Home, as the company surviving the merger, will send such shareholder a written appraisal notice by first-class mail, postage prepaid, to such shareholder's address shown in St. Martin's records as such shareholder has satisfied the requirements to exercise appraisal rights. The appraisal notice will contain a copy of the provisions of the Louisiana Business Corporation Act, pertaining to

- include a form to demand payment for shares of St. Martin common stock that will be payable upon the announcement to St. Martin shareholders and Home shareholders of the terms of the merger; and (ii) to certify whether he or she acquired beneficial ownership of his or her shares of St. Martin as of the announcement date, and (iii) require the shareholder to certify that the shareholder did not vote

- state where St. Martin share certificates must be deposited and the date by which they must be deposited;

- specify where the form described above must be sent and the date by which Home must receive the form, which date will be fewer than 40 nor more than 60 days after the date of mailing of the appraisal notice; and (iii) a demand appraisal will be waived unless the form is received by Home by such date;

- state Home's estimate of the fair value of the shares;

- state that, if requested in writing, Home will provide to the shareholder, within 10 days of the date the shareholder must receive the form, the number of shareholders who returned the form by the date specified in the appraisal notice and the shares owned by them; and

- state the date by which the notice to withdraw must be received, which date must be no later than the date by which Home must receive the form.

After receipt of the appraisal notice, any shareholder of St. Martin asserting his or her appraisal rights must deliver to Home a written payment demand and, in the case of certificated shares, deposit such shares with Home by the date set forth in and in accordance with the terms and conditions of the appraisal notice, whether he or she acquired beneficial ownership of his or her shares of St. Martin as of the announcement date. Otherwise, such shareholder will not be entitled to payment for such shares. If such shareholder was not the beneficial owner of his or her shares of St. Martin as set forth in the appraisal notice, Home may elect to withhold payment. If any shareholder does not certify beneficial ownership and deposits his or her share certificates as required, such shareholder will lose all rights as a St. Martin shareholder unless the payment demand is withdrawn within the time specified in the appraisal notice.

Within 30 days after the form is due, Home will pay St. Martin shareholders who have submitted a valid appraisal notice (provided that they have satisfied all requirements to exercise appraisal rights) the

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

value of his or her shares, plus interest accrued to the date of payment. Home's

-

a statement of Home's estimate of the fair value of the shares, which estimate must be included in the appraisal notice; and

-

a statement of the right to demand further payment if such shareholder is not satisfied. If a shareholder demands further payment within a specified time will be deemed acceptance of Home's estimate.

If a shareholder believes that the amount paid by Home, or the amount of Home's estimate of the fair value of after-acquired shares, as described above is less than the fair value of his or her shares, and that the interest due is incorrectly calculated, then such shareholder may notify

73

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Home in writing of his or her own estimate of the fair value of his or her shares, demand payment of such shareholder's estimate plus interest. A shareholder of after-acquired shares and who is dissatisfied with that offer must reject the offer estimate of the fair value of the shares plus interest. Failure to take any such action or offers payment for such shareholder's shares, will be deemed to constitute a demand payment and such shareholders shall be entitled only to the payment of If a shareholder takes all required actions and his or her demand for payment received within 60 days after receiving the payment demand and petition the appropriate court for the shares and accrued interest. If Home does not begin the action within the 60 days who asserts appraisal rights whose demand remains unsettled the amount demanded above, the court may appoint one or more persons as appraisers to receive evidence on the question of fair value. In addition, Home will make all shareholders who assert appraisal rights and unsettled parties to the proceeding. Each shareholder who asserts appraisal rights shall be served with a copy of the complaint and will be entitled to judgment for the amount of the fair value of his shares, plus interest, to exceed the amount paid by Home, or for after-acquired shares for which Home elected to withhold payment.

The court will determine the cost of any court proceeding, including reasonable expenses for appraisers appointed by the court. Those costs will be assessed against that some or all of the shareholders who assert appraisal rights acted arbitrarily, in demanding payment, in which event the court may assess costs against those shareholders and expenses of experts and counsel against Home if it finds that it did not substantially benefit the statutes, or against any party who acted arbitrarily, vexatiously or not in good faith in asserting appraisal rights. If the court finds that the services of counsel for any shareholder substantially benefit to other shareholders similarly situated, the court may award reasonable amounts awarded the shareholders who asserted appraisal rights who were benefited. Shareholders who assert appraisal rights must bring an action against Home to require it to pay the amount of the shares, plus interest and the shareholder is successful, the court will assess c

74

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

THE MERGER AGREEMENT

The following describes certain aspects of the merger, including certain material aspects of the following description of the merger agreement is subject to, and qualified in its entirety by the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A. We urge you to read the merger agreement and the legal document governing this merger.

Terms of the Merger

Each of the Home board of directors and the St. Martin board of directors has approved the merger, which provides for Home's acquisition of St. Martin and the merger of St. Martin Bank with and into Home Bank. Each share of Home common stock issued and outstanding immediately prior to completion of the merger will remain issued and outstanding in Home. Each share of St. Martin common stock issued and outstanding at the effective time of the merger (except for Company-Owned Stock, as defined below and shares of St. Martin common stock exercising their appraisal rights) will be converted into 9.2839 shares of Home common stock, plus cash (the "Merger Consideration." Company-Owned Stock means shares of St. Martin common stock held by Home immediately prior to the effective time of the merger (held in a fiduciary capacity or in connection with debts previously contracted). Shares of St. Martin common stock held as Company-Owned Stock immediately prior to the effective time of the merger will be issued in exchange for Company-Owned Stock. As of the effective time of the merger, Home does not own any shares of common stock of St. Martin. In addition to the stock merger consideration, the merger agreement provides that St. Martin will pay a special cash distribution of \$94.00 per share of St. Martin common stock at the time of the merger.

The Home articles of incorporation and bylaws of Home as in effect at the time of the merger and the Home articles of incorporation and bylaws of Home as the surviving entity after the completion of the merger provides that Home may change the method of effecting the merger. No such change will be made that would affect the merger consideration to be provided under the merger agreement, adversely affect the interests of Home's shareholders, or materially jeopardize or delay obtaining consents or regulatory approvals necessary for the satisfaction of a closing condition or otherwise adversely affect St. Martin or St. Martin's shareholders.

Closing and Effective Time of the Merger

The merger will be completed no later than the twentieth calendar day following the date of the closing of the merger, subject to the conditions to the merger discussed in this joint proxy statement/prospectus and such other date as may be agreed to in writing by the parties. See "— Conditions to the Merger" for more information. The merger will become effective on the date and time specified in the articles of merger filed with the Secretary of State of Louisiana. It is currently anticipated that the effective time of the merger will occur in the first quarter of 2018, but Home and St. Martin cannot guarantee when or if the merger will be completed.

Merger Consideration

As a result of the merger each St. Martin shareholder will have the right, with respect to the shares of St. Martin common stock held (excluding Company-Owned Stock and shares of St. Martin common stock exercising their appraisal rights), to receive 9.2839 shares of Home common stock. If the number of outstanding shares of Home common stock is changed as a result of a stock split, reverse stock split, recapitalization, reclassification or similar transaction prior to the effective time of the merger, a proportionate adjustment will be made to the exchange ratio.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Conversion of St. Martin Shares; Letter of Transmittal; Exchange of Certificates
The conversion of St. Martin common stock into the right to receive the stock merger consideration will occur automatically at the effective time of the merger. As soon as possible after the completion of the merger but in any event within five business days, the exchange agent will deliver to each St. Martin shareholder, with instructions on how to exchange certificates for stock merger consideration to be received in the merger pursuant to the merger agreement. If a certificate for St. Martin shareholders common stock has been lost, stolen or destroyed, a duplicate certificate for stock merger consideration properly payable under the merger agreement upon receipt of appropriate evidence as to the ownership of that certificate by the shareholder will be issued. Computershare, Inc., Home's transfer agent and registrar, will receive letters of transmittal for the stock merger consideration and perform the duties set forth in the merger agreement.

Withholding

Each of Home and the exchange agent will be entitled to deduct and withhold from the stock merger consideration payable to St. Martin shareholders such amounts as it is required to deduct and withhold under applicable law. If either of them withholds any such amounts, these amounts will be treated as if they had been paid to the shareholders from whom they were withheld.

Appraisal Rights

The shares of St. Martin stock that are held by a St. Martin shareholder who has exercised appraisal rights under applicable law will not be converted into, nor represent a right to receive, Home common stock. Such shareholder will be entitled to the rights granted by the Louisiana Business Code if the shareholder withdraws or loses his or her appraisal rights under the Louisiana Business Code. St. Martin common stock held by such shareholder will be converted into the right to receive stock merger consideration in accordance with the merger agreement. See "The Merger — Appraisal Rights."

Dividends and Distributions

Until St. Martin common stock certificates are surrendered for exchange, any dividends or distributions payable after the effective time of the merger with respect to Home common stock into which the St. Martin common stock may have been converted will accrue but will not be paid. Home will pay to former St. Martin shareholders any dividends or other distributions, without interest, only after they have surrendered their St. Martin common stock certificates.

Representations and Warranties

The merger agreement contains customary representations and warranties of Home and St. Martin regarding their respective businesses. The representations must be true and correct in accordance with the merger agreement, as of the date of the merger agreement and at the effective time of the merger and as of such time (except that representations and warranties that by their terms are to be true and correct as of the date of the merger agreement or some other date must be true and correct as of such date). The representations and warranties in the merger agreement do not survive the effective time of the merger.

Each of Home and St. Martin has made representations and warranties to the other party to the merger agreement:

- Home's corporate matters, including due organization and qualification;
- Home's capitalization;
- Home's authority relative to execution and delivery of the merger agreement and the absence of any legal, contractual, organizational documents or other obligations as a result of the merger;

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

76

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

- required governmental filings and consents;
- the timely filing of reports with governmental entities, and the absence of invest
- financial statements and the absence of undisclosed liabilities;
- tax matters;
- the absence of circumstances and events reasonably likely to have a material ad
- ownership of property and insurance coverage;
- legal proceedings;
- compliance with applicable law;
- employee matters, including employee benefit plans;
- brokers, finders and financial advisors;
- environmental matters;
- loan related matters;
- availability of corporate documents;
- related party transactions;
- the vote required of their respective shareholders to approve the merger;
-

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

receipt of a fairness opinion from their respective financial advisor;

- intellectual property and certain types of contracts;
- risk management instruments;
- information supplied; and
- investment securities and commodities.

St. Martin has also made additional representations and warranties to Home regarding leases, bank regulatory reports, deposits and its fiduciary or trust accounts. Home also has made representations and warranties to St. Martin regarding its c and the accuracy of its documents filed with the SEC and that the shares of Home merger will be duly authorized, validly issued, fully paid and non-assessable and The representations and warranties described above and included in the merger St. Martin to each other. These representations and warranties were made as of s qualifications and limitations agreed to by Home and St. Martin in connection w agreement (including by reference to information contained in disclosure schedu merger agreement), and may have been included in the merger agreement for th Home and St. Martin rather than to establish matters as facts. Accordingly, the r provisions of the merger agreement should not be read alone, but instead should information provided elsewhere in this joint proxy statement/prospectus and in t into this joint proxy statement/prospectus.

Covenants and Agreements

Each of Home and St. Martin has undertaken customary covenants that place re the effective time of the merger. In general, each of Home and St. Martin has ag the usual, regular and ordinary course of business, use commercially reasonable organization and assets and maintain its rights and

77

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

franchises, and voluntarily take no action that would materially and adversely affect the approvals required for the merger or materially affect its ability to perform its obligations. St. Martin has also agreed to promptly accrue and pay all expenses reasonably necessary in accordance with the terms of the merger agreement.

In addition, St. Martin has agreed that, with certain exceptions and except with respect to any action to be unreasonably withheld, conditioned or delayed), St. Martin will not, and will not, among other things, undertake the following extraordinary actions:

- declare or pay any dividends or distributions on its capital stock except the special cash dividends and distributions, prorated as appropriate through the date of the merger, based on its net income after merger-related expenses;
- repurchase, redeem or acquire any shares of its common stock, split, combine or reissue, issue, deliver or sell any shares of St. Martin capital stock or securities convertible into shares of St. Martin common stock or warrants or options with respect to St. Martin capital stock;
- amend its articles of incorporation or its bylaws;
- make any capital expenditures other than ordinary course expenditures or those for assets in good repair and are not in excess of the amount specified;
- enter into any new line of business;
- acquire, by merger, consolidation or purchase of a substantial equity interest in or otherwise, any material corporation or other business organization;
- take any action that would reasonably jeopardize or materially delay the receipt or consummation of the merger;
- take any action that may reasonably be expected to result in any of its representations or any of the conditions to the merger not being satisfied;
- change its accounting practices, except as required by GAAP or law, or enter into any agreement with respect to taxes;
- adopt, amend or terminate any employee benefit plan or adopt, amend or terminate any policy between St. Martin or St Martin Bank and any director, officer or employee;

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

- increase the compensation or fringe benefits of any director, officer or employee under any plan or agreement currently in effect;
- other than in the ordinary course of business consistent with past practice, sell, lease, dispose of, or agree to sell, lease, encumber, assign or otherwise dispose of, any real estate or agreements;
- other than in the ordinary course of business consistent with past practice, incur or pay out money, engage in any repurchase transactions, or guarantee or otherwise become a guarantor to a third party;
- change its existing deposit policy or incur deposit liabilities, other than deposit liabilities in the ordinary course of business consistent with past practice;
- accept any brokered deposits, other than reciprocal CDARs with respect to existing deposits;
- sell, purchase, enter into a lease, relocate, open or close any office or file any application with any regulatory agency;
- change any of its commercial or consumer loan policies, including credit underwriting policies, or exceptions thereto;

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

- purchase any mortgage loan servicing rights;
- create, renew, amend or terminate or give notice of a proposed renewal, amend or terminate any contract, agreement or lease for property or services;
- adopt a plan of liquidation or dissolution or fail to maintain in good standing its
- hire or appoint any new executive officer or director;
- settle or pay any uninsured legal action in an amount exceeding \$25,000;
- fail to conduct a Phase I environmental study before foreclosing on any parcel o
- acquire any non-agency mortgage-backed or related securities;
- fail to take any action required by any bank regulator;
- make any new loans in amounts exceeding \$1.0 million except for single-family the secondary market not exceeding \$1.2 million and variable rate commercial r
- subject to an aggregate limit of \$5.0 million, originate for portfolio any new si a term to maturity or interest rate adjustment date in excess of five years; or
- agree to do any of the foregoing.

St. Martin and its subsidiaries also agreed to take all steps required by any relevant law or regulation under any relevant agreement or other document to exempt or continue to exempt the merger agreement and the transactions contemplated by the merger agreement from the anti-takeover nature contained in St. Martin's or its subsidiaries' organizational documents, and to comply with any federal or state anti-takeover laws and regulations. St. Martin also has agreed to dissolve Home Bank and to transfer all of its managed assets held in trust accounts, in each case in connection with the merger.

Each of Home and St. Martin has agreed to additional covenants which include, but not limited to, to provide certain financial and regulatory information upon request and maintain certain records. Home has further agreed that Home will:

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

-
- take all reasonable action so that St. Martin employees continuing after the merger compensation and benefit plans to the same extent as similarly situated employees under the merger agreement;
 - for determining eligibility and vesting for certain Home employee benefit plans (for benefit accrual purposes) provide credit for meeting eligibility and vesting requirements for any employee of St. Martin or any predecessor of St. Martin;
 - honor the terms of all St. Martin compensation and benefit plans set forth in the merger agreement;
 - in the event of terminating the health plans of St. Martin, Home shall make available to the dependents health plans of Home on the same basis it provides coverage to Home employees under the merger agreement;
 - pay retention bonuses to certain employees of St. Martin as selected by Home and on the specified dates in such amounts as may be determined by Home after consultation with St. Martin.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

- indemnify, defend and hold harmless all current and former officers and directors arising out of the fact that such person is or was a director or officer of St. Martin in any matter of fact existing at or prior to the merger, to the fullest extent as would have been required under Louisiana law and under St. Martin's articles of incorporation and bylaws;
- in certain circumstances, make proper provision so that successors and assigns comply with the provisions set forth in these covenants;
- maintain, for three years following the merger, St. Martin's current directors' and officers' insurance covering the officers and directors of St. Martin with respect to matters occurring during the term of the merger. Home may substitute similar policies, and that Home is not required to spend more than the amount currently expended by St. Martin in order to obtain this insurance or, if Home does not obtain similar insurance on similar terms for St. Martin's existing insurance policies, it is not required to spend more than the amount currently expended by St. Martin with respect to such insurance;
- obtain approval for listing of the shares of its common stock on NASDAQ; and
- reserve a sufficient number of shares of its common stock.

The merger agreement also contains mutual covenants relating to the preparation and filing of the regulatory applications and the holding of the special meetings of Home and St. Martin, and access to information and public announcements with respect to the transactions contemplated by the merger. The parties also agreed to use commercially reasonable efforts to take all actions necessary to obtain governmental and third-party consents and to consummate the transactions contemplated by the merger, and not take any action that would or could reasonably be expected to disqualify the merger from the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

Shareholder Meetings

Home and St. Martin have agreed to hold a meeting of their respective shareholders as soon as practicable after the SEC has declared the merger registration statement, of which this joint proxy statement becomes effective. Each of Home's and St. Martin's board of directors has agreed to recommend and vote in favor of the approval of the merger agreement.

Agreement Not to Solicit Other Offers

St. Martin have agreed that it, its subsidiaries and their respective officers, directors, employees, financial advisors, attorneys, accountants, consultants, affiliates or other agents shall not, and shall not solicit, induce or knowingly encourage, or take any action to facilitate the making of, or constitute, or could reasonably be expected to lead to, an "acquisition proposal" (b) participate in any discussions or negotiations regarding any acquisition proposal, or disclose to any person (other than Home) any information or data with respect to St. Martin's activities relating to an acquisition proposal; (c) release any person from, waive any provisions of, or terminate any confidentiality agreement or standstill agreement to which St. Martin is a party; or (d) enter into any agreement in principle or letter of intent with respect to any acquisition proposal.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

acquisition proposal or any agreement, agreement in principle or letter of intent violation of the foregoing restrictions by St. Martin or any St. Martin representative so authorized and whether or not such representative is purporting to act on behalf of St. Martin, shall be deemed to be a breach of the merger agreement by St. Martin. The merger agreement shall not be deemed to be a breach of the merger agreement by St. Martin if the merger agreement is approved by the subsidiaries to, and to cause each of St. Martin representatives to, immediately terminate all existing discussions, negotiations, and communications with any persons with respect to the acquisition proposal.

80

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

In the merger agreement:

“acquisition proposal” means any inquiry, offer or proposal (other than an inquiry or not in writing, contemplating, relating to, or that could reasonably be expected

“acquisition transaction” means (a) any transaction or series of transactions involving recapitalization, share exchange, liquidation, dissolution or similar transaction in subsidiaries; (b) any transaction pursuant to which any third party or group acquires (by sale, lease or other disposition), directly or indirectly, any assets of St. Martin or the aggregate, 25% or more of the assets of St. Martin and its subsidiaries on a consolidated basis or other disposition of (including by way of merger, consolidation, share exchange, (or options, rights or warrants to purchase or securities convertible into, such securities) votes attached to the outstanding securities of St. Martin or any of its subsidiaries) that, if consummated, would result in any third party or group beneficially owning 25% or more of the securities of St. Martin or any of its subsidiaries; or (e) any transaction which is any of the foregoing transactions, or any combination of the foregoing.

St. Martin may, however, participate in discussions with, and may furnish information in response to, a bona fide unsolicited acquisition proposal if, and only if:

-

St. Martin has received a bona fide unsolicited written acquisition proposal that complies with the terms of the merger agreement;

-

the board of directors of St. Martin determines in good faith, after consultation with its outside legal counsel and its independent financial advisor, that such acquisition proposal;”

-

prior to furnishing or affording access to any information or data with respect to the proposal, otherwise relating to an acquisition proposal, St. Martin receives from such person information no less favorable to St. Martin than those contained in the confidentiality agreement;

-

the board of directors of St. Martin determines in good faith, after consultation with its outside legal counsel, that the failure to take any such actions would be reasonable under applicable laws.

St. Martin has also agreed to promptly provide to Home any non-public information requested by the third party making the proposal, to the extent such information was not previously disclosed to the third party.

In the merger agreement:

“superior proposal” means any unsolicited bona fide written proposal (on its face or as amended or modified made by a third party to enter into an acquisition transaction) that St. Martin reasonably determines in its good faith judgment, after consultation with its outside legal counsel and its financial advisor, (a) would, if consummated, result in the payment of a special cash distribution to St. Martin’s shareholders, or all, of the issued and outstanding shares of St. Martin common stock or all, or substantially all, of the shares of St. Martin common stock that is more favorable than the aggregate value of the shares of St. Martin common stock that is more favorable than the aggregate value of the special cash distribution to be paid to St. Martin’s shareholders pursuant to the merger agreement;

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

other things, the nature of the consideration being offered, any regulatory approval, the timing of the proposed transaction in addition to those specifically contemplated in the proposal is not conditioned upon obtaining additional financing and (ii) is, in light of the above, more favorable to

81

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

St. Martin than the merger and the transactions contemplated by the merger agreement, completed on the terms proposed, in each case taking into account all legal, financial and other aspects of the proposal.

In addition, St. Martin has agreed that it will not:

- withdraw, qualify or modify in a manner adverse to Home, its recommendation or agreement, except to the extent otherwise permitted and described below; or
- approve or recommend, or publicly propose to approve or recommend, any acquisition of the Home merger.

Up until the time of the St. Martin shareholder meeting, however, St. Martin may make a recommendation to St. Martin shareholders to approve the merger agreement, or to reject it, in this paragraph with respect to another acquisition proposal if, but only if:

- the St. Martin board of directors has reasonably determined in good faith, after consulting with the advice of its outside legal counsel and financial advisor that the failure to take such action will not result in a violation of the board's fiduciary duties to St. Martin's shareholders;
- it has provided at least three business days' prior notice to Home of its intention to take such action, a description of the event or circumstances giving rise to its determination to take such action is taken by the board of directors of St. Martin in response to an acquisition proposal, the conditions of, and the identity of the third party making, any such acquisition proposal, and modification thereof, or describe in reasonable detail such other event or circumstance;
- after taking into account any adjusted, modified or amended terms as may have been proposed, the St. Martin board of directors has again in good faith determined that it would not result in a violation of the board of directors' fiduciary duties under applicable law or the merger agreement.

Expenses and Fees

In general, each of Home and St. Martin will be responsible for all expenses incurred in the negotiation and completion of the transactions contemplated by the merger agreement.

Indemnification and Insurance

The merger agreement requires Home to indemnify St. Martin's and its subsidiaries, officers, directors and employees to the fullest extent as would have been permitted under applicable law, its charter, incorporation, bylaws or similar governing documents. The merger agreement provides that Home will defend, settle or satisfy any claim, action, suit, proceeding or investigation in which any person who is or was a director or officer of St. Martin or is threatened to be made party based in whole or in part on, or arises out of, or results from (whether or not he or she is or was a director or officer of St. Martin or any of its subsidiaries or its subsidiaries of fact arising, existing or occurring at or before the effective time of the merger agreement), Home will defend against and respond thereto.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

Home has agreed to indemnify and hold harmless each such indemnified party a liabilities, costs, expenses (including reasonable attorney's fees), judgments, and with any such threatened or actual claim, action, suit proceeding or investigation. Home provide advancement of expenses to, all past and present officers, directors, subsidiaries in their capacities as such against all such losses, claims, damages, amounts paid in settlement to the fullest extent permitted by the Louisiana Business articles of incorporation and bylaws.

82

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

The merger agreement provides that Home will maintain for a period of three years St. Martin's current directors' and officers' liability insurance policies, or policies and containing terms and conditions that are not less advantageous than the current policies, and Home will not incur any premium expense greater than 100% of St. Martin's current annual directors' and officers' liability insurance premium expense. Home determines to substitute "tail" policies with similar terms for St. Martin's directors' and officers' liability insurance policies to spend more than 250% of the annual cost currently expended by St. Martin with respect to the merger.

Conditions to Complete the Merger

Completion of the merger is subject to the fulfillment of certain conditions, none of which are:

- the approval of the merger agreement by the shareholders of each of Home and St. Martin;
- the absence of any law, statute, regulation, judgment, decree, injunction or other governmental action or order of any governmental entity that prohibits completion of the transactions contemplated by the merger agreement;
- the receipt and effectiveness of all required governmental and other approvals, and the absence of any conditions that would not have a material adverse effect on Home or St. Martin, within the time periods required to complete the merger (all necessary regulatory approvals authorized by the OCC, the Federal Reserve Board and the OFI have been received as of the date of the merger agreement);
- the effectiveness of the registration statement of which this joint proxy statement is a part for the issuance of Home common stock to be issued in the merger and the absence of any stop order issued by the SEC for that purpose;
- the approval for listing on NASDAQ of the shares of Home common stock issued in the merger;
- the receipt by each of Home and St. Martin of a legal opinion with respect to the legal consequences of the merger.

Each of Home's and St. Martin's obligations to complete the merger is also subject to the fulfillment of a number of conditions including:

- the absence of a material adverse effect on the other party;
- the truth and correctness of the representations and warranties of each other party made in the merger agreement, generally to the materiality standard provided in the merger agreement, and the absence of any material respects of their obligations under the merger agreement and the receipt of the necessary approvals from the other party to that effect;
-

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

performance of all obligations in all material respects;

- obtaining all material permits, authorizations, consents, waivers, clearances or a
consummation of the merger;
- holders of no more than ten percent (10%) of the issued and outstanding shares
statutory appraisal right pursuant to the merger agreement prior to the merger; a
- Home having delivered the stock merger consideration to the exchange agent.

Home and St. Martin cannot provide assurance as to when or if all of the conditions
or waived by the appropriate party. As of the date of this joint proxy statement/
reason to believe that any of these conditions will not be satisfied.

83

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Termination of the Merger Agreement

The merger agreement can be terminated at any time prior to completion by mutual agreement or by either party in the following circumstances:

- if there is a breach by the other party that would cause the failure of the closing to occur, and the breach is, being, and is, cured within 30 days of notice of the breach and the terminating party's action or inaction;
- if the merger has not been completed by March 31, 2018, unless the failure to complete the merger is due to the terminating party's action or inaction;
- if the shareholders of either St. Martin or Home fail to approve the merger agreement;
- if any of the required regulatory approvals are denied (and the denial is final and non-appealable);
- if any court of competent jurisdiction or governmental authority issues an order, decree, injunction, restraining, enjoining or otherwise prohibiting the merger (and such order, decree, injunction, restraining, enjoining or otherwise prohibiting the merger is final and non-appealable).

In addition, Home's board of directors may terminate the merger agreement if the board of directors receives a superior proposal and enters into a letter of intent, agreement in principle or an agreement with respect to the superior proposal, withdraws its recommendation of the merger agreement, fails to make a recommendation, or otherwise modifies or qualifies its recommendation, in a manner adverse to Home, or has otherwise modified or qualified its recommendation of the merger agreement.

Further, St. Martin's board of directors may terminate the merger agreement if St. Martin receives a superior proposal and has made a determination to accept such proposal.

If the merger agreement is terminated, it will become void, and there will be no liability of either Home or St. Martin, except that both Home and St. Martin will remain liable for any willful or negligent breach of the designated provisions of the merger agreement, including the payment of fees and expenses, and the treatment of information and publicity restrictions, will survive the termination.

Termination Fee

St. Martin will pay Home a termination fee of \$3,500,000 in the event that the merger agreement is terminated

- by Home because St. Martin has received a superior proposal and St. Martin enters into a letter of intent, agreement in principle or an agreement with respect to the superior proposal, terminates the merger agreement, or withdraws its recommendation of the merger agreement, or otherwise modifies or qualifies its recommendation of the merger agreement, in a manner adverse to Home;
- by St. Martin because St. Martin received and made a determination to accept a superior proposal and Home has entered into a letter of intent, agreement in principle or an agreement with respect to the superior proposal, withdraws its recommendation of the merger agreement, fails to make a recommendation, or otherwise modifies or qualifies its recommendation of the merger agreement, in a manner adverse to Home;
- if the merger agreement is terminated for any reason other than those listed above.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

where St. Martin enters into a definitive agreement relating to an acquisition proposal involving St. Martin within twelve (12) months after the termination of the merger agreement by Home pursuant to a willful material breach of the merger agreement by St. Martin, or (b) the failure of the shareholders to approve the merger agreement after the public disclosure or public awareness of an acquisition proposal.

84

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Amendment, Waiver and Extension of the Merger Agreement

Subject to applicable law, the parties may amend the merger agreement by written instrument in the same manner as the merger agreement. St. Martin executed in the same manner as the merger agreement.

At any time prior to the completion of the merger, each of the parties, by action of its board of directors, to the extent legally allowed, may:

- extend the time for the performance of any of the obligations or other acts of the merger agreement;
- waive any inaccuracies in the representations and warranties of the other party;
- waive compliance by the other party with any of the other agreements or conditions of the merger agreement.

However, after any approval of merger agreement by the respective shareholders, and without further approval of such shareholders, any amendment which, applicable to the listing requirements and regulations of Nasdaq, requires further approval by such shareholders unless such approval is obtained.

ACCOUNTING TREATMENT

The merger will be accounted for as a “business combination,” as that term is used in the accounting principles, for accounting and financial reporting purposes, with Home treated as the acquirer. Under this method of accounting, the assets (including identifiable intangible assets) and liabilities (including contracts and other commitments) of St. Martin as of the effective time of the merger will be recognized and added to those of Home. Any excess of purchase price over the fair values of the identifiable intangible assets and liabilities is recorded as goodwill. Consolidated financial statements of the combined company will reflect these fair values and would not be restated retroactively to reflect the historical financial statements of the operations of St. Martin.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following summary describes generally the material U.S. federal income tax consequences to the “U.S. holders” (as defined below) of St. Martin common stock that exchange their shares of St. Martin common stock for Home common stock in connection with the merger. The following discussion is based upon the current Treasury regulations promulgated thereunder and judicial and administrative authorities as of the date of effect on the date of this joint proxy statement/prospectus. These authorities may change, and any such change could affect the accuracy of the statements and conclusions in this discussion. This discussion does not address any tax consequences arising under the laws of any state or local jurisdiction, or under any U.S. federal laws other than those pertaining to the income tax.

The following discussion applies only to U.S. holders of shares of St. Martin common stock that are treated as capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not purport to consider all aspects of U.S. federal income tax consequences to U.S. holders in light of their particular circumstances and does not apply to U.S. holders subject to special rules under U.S. federal income tax laws (such as, for example, dealers or brokers in securities, commodity futures traders, or holders of securities that elect to apply a mark-to-market method of accounting, banks and financial institutions, insurance companies, mutual funds, tax-exempt organizations, holders subject to the alternative minimum tax, trusts, Internal Revenue Code, partnerships, S corporations or other pass-through entities, foreign trusts, foreign persons (other than U.S. holders of St. Martin common stock), regulated investment companies, and controlled foreign corporations, passive foreign investment companies, former owners of

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

holders whose functional currency is not the U.S. dollar, holders who hold shares through a hedge, straddle, constructive sale or conversion transaction or other integrated investment rights, holders who actually or constructively

85

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

own more than 5% of St. Martin common stock, retirement plans and individual acquired their shares of St. Martin common stock through the exercise of a stock retirement plan or otherwise as compensation).

For purposes of this discussion, the term “U.S. holder” means a beneficial owner of U.S. federal income tax purposes (1) an individual citizen or resident of the United States (2) a corporation (3) a trust if (a) a court within the United States has the supervision over the administration of the trust and one or more U.S. persons have the authority to make the decisions of the trust, or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes, or (4) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

If an entity or an arrangement treated as a partnership for U.S. federal income tax purposes, the tax treatment of a partner in such partnership generally will depend on the tax treatment of the partnership. Any entity treated as a partnership for U.S. federal income tax purposes, and any partners in such partnership, should consult their own tax advisors regarding the tax consequences of the merger to them.

The following discussion does not address the tax consequences associated with the special cash distribution per share to be paid by St. Martin to its shareholders immediately prior to the effective date of the merger. For more information on the United States Federal Income Tax Consequences of The Special Cash Distribution, see the discussion of the tax consequences of the special cash distribution to St. Martin shareholders.

Determining the actual tax consequences of the merger to you may be complex and on factors that are not within Home’s or St. Martin’s control. You should consult your tax advisor regarding the specific tax consequences of the merger in your particular circumstances, including the effect of the alternative minimum tax and any state, local, foreign and other tax laws and of other tax treaties. For more information on the United States Federal Income Tax Consequences of the Merger Generally, see the discussion of the tax consequences of the merger generally.

In connection with the filing with the SEC of the registration statement on Form S-4, Silver, Freedman, Taff & Tiernan LLP, tax counsel to Home and Fenimore, Kay, Harrison & Ford, LLP, tax counsel to St. Martin, have each issued an opinion addressing the U.S. federal income tax consequences of the merger as described in this prospectus. The opinion of Silver, Freedman, Taff & Tiernan LLP, in its capacity as tax counsel to Home, addressing the material United States federal income tax consequences of the merger serves, in its capacity as tax counsel to Home, as a statement of United States federal income tax law or legal conclusions, as the case may be. The opinion of Fenimore, Kay, Harrison & Ford, LLP, as to the material United States federal income tax consequences of the merger to the U.S. holders of St. Martin common stock. In each case, each counsel relied upon representations and covenants, including those contained in the registration statement on Form S-4, from St. Martin, reasonably satisfactory in form and substance to each such counsel. If the facts or assumptions upon which the opinions are based are inconsistent with the actual facts or assumptions, the tax consequences of the merger could be adversely affected. Copies of the tax opinions are included in the registration statement on Form S-4.

The parties intend for the merger to qualify as a “reorganization” for U.S. federal income tax purposes. The parties intend for the obligations of each of Home and St. Martin that they receive an opinion from Silver, Freedman, Taff & Tiernan LLP, respectively, with each such opinion as a condition to its obligation to consummate the merger, to the effect that the merger will qualify as a reorganization for the meaning of Section 368(a) of the Internal Revenue Code. Neither Home nor St. Martin makes any representation or opinion condition to its obligation to consummate the merger. If either Home or St. Martin fails to consummate the merger after this registration statement is declared effective by the SEC, and if the tax consequences of the merger are

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

St. Martin shareholders have materially changed, Home and St. Martin will re-solicit the votes of St. Martin shareholders. The closing opinions will be based on Home and St. Martin as of the closing date of the merger and on customary facts. The opinions described above will not be binding on the Internal Revenue Service or a court. Home and St. Martin have not sought and will not seek any ruling from the IRS on the merger, and as a result, there can be no assurance that the IRS will not assert a position contrary to any of the conclusions set forth below. In addition, if any of the facts upon which the opinions are based are inconsistent with the actual facts, the U.S. federal tax consequences of the merger could be adversely affected.

The remainder of this discussion assumes that the merger will qualify as a "reorganization" under Section 368(a) of the Code, in which case neither Home nor St. Martin will recognize gain or loss on the merger and U.S. holders of St. Martin common stock, upon exchanging their St. Martin common stock, generally will not recognize gain or loss, except with respect to the exchange of Home common stock (as discussed below).

The aggregate tax basis of the Home common stock that a St. Martin shareholder receives in exchange for fractional shares deemed received and redeemed for cash as described below, will be equal to the basis in the shares of St. Martin common stock surrendered in the merger. The holding period for the Home common stock received in the merger (including any fractional share deemed received and redeemed as described below) will include such shareholder's holding period for the shares of St. Martin common stock surrendered in the merger. Holders should consult their tax advisors regarding the manner in which the holding period should be allocated among different blocks of their St. Martin common stock surrendered in the merger. The holding period of each block of Home common stock will be determined on a block-by-block basis and holding period of the blocks of St. Martin common stock exchanged for cash.

Cash Instead of Fractional Shares

If you receive cash instead of a fractional share of Home common stock, you will be treated as having received a fractional share of Home common stock pursuant to the merger and then as having received cash in exchange for a fractional share of Home common stock. As a result, you generally will recognize gain or loss on the exchange between the amount of cash received instead of a fractional share and the basis in the fractional share of Home common stock as set forth above. Such gain or loss generally will be capital gain or loss and will be determined as of, if, as of the effective time of the merger, the holding period for such fractional share of Home common stock (including the shares of St. Martin common stock surrendered therefor) exceeds one year.

Net Investment Income Tax

A holder that is an individual is subject to a 3.8% tax on the lesser of: (1) his or her net investment income for the relevant taxable year, or (2) the excess of his or her modified adjusted gross income over the applicable threshold (between \$125,000 and \$250,000 depending on the individual's U.S. filing status). Partners, estates, and trusts are subject to similar rules. Net investment income generally would include any gain in connection with the merger (including any gain treated as a dividend), as well as any dividends, capital gains and rental or royalty income received by such individual. Holders should consult their tax advisors as to the application of this additional tax to their circumstances.

Possible Treatment of Merger as a Taxable Transaction

The IRS may determine that the merger does not qualify as a nontaxable reorganization under the Internal Revenue Code. In that case, each St. Martin shareholder would recognize gain or loss on the exchange between the (1) the sum of the fair market value of Home common stock received in the merger, and (2) the St. Martin shareholder's adjusted tax basis

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

in the shares of St. Martin common stock exchanged therefor. The likely tax treatment until the effective time of the merger, as the aggregate value of the Home common stock of Home shareholders will fluctuate with the market price of the Home common stock.

Information Reporting and Backup Withholding

Non-corporate holders of St. Martin common stock may be subject, under certain circumstances, to information reporting and backup withholding (currently at a rate of 28 percent) on any cash payments made to them, subject to backup withholding, however, if they:

- furnish a correct taxpayer identification number, certify that they are not subject to backup withholding, and comply with all the applicable requirements of the backup withholding rules; or
- provide proof that they are otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules are not an additional tax liability. A refund or credit against U.S. federal income tax liability, provided such shareholder provides the necessary information to the IRS.

Certain Reporting Requirements

If a U.S. holder that receives Home common stock in the merger is considered a U.S. holder, it may be required (1) to file a statement with its U.S. federal income tax return providing information including such U.S. holder's tax basis in, and the fair market value of, the St. Martin common stock received, and (2) to retain permanent records of these facts relating to the merger. U.S. holder, and (2) to retain permanent records of these facts relating to the merger. If a U.S. holder that receives St. Martin common stock in the merger is considered a U.S. holder, it may be required (1) to file a statement with its U.S. federal income tax return providing information including such U.S. holder's tax basis in, and the fair market value of, the St. Martin common stock received, and (2) to retain permanent records of these facts relating to the merger. If a U.S. holder that receives St. Martin common stock in the merger is considered a U.S. holder, it may be required (1) to file a statement with its U.S. federal income tax return providing information including such U.S. holder's tax basis in, and the fair market value of, the St. Martin common stock received, and (2) to retain permanent records of these facts relating to the merger.

Appraisal Rights

If you are a holder of St. Martin common stock and you perfect your appraisal rights, you will generally recognize capital gain or loss equal to the difference between the cash received in exchange for those shares and your tax basis in those shares. As a result, the exchange of St. Martin common stock for cash will generally be treated as either a sale or exchange or loss depending on such shareholder's holding period for such stock. The tax consequences will depend upon your individual circumstances. Each holder of St. Martin common stock who exercises statutory appraisal rights should consult its tax adviser as to the possibility that a distribution pursuant to the exercise of such rights will be treated as dividend income.

Consequences to Home and St. Martin

Each of Home and St. Martin will be a party to the merger within the meaning of the merger. Neither Home nor St. Martin will recognize any gain or loss as a result of the merger. The discussion of material U.S. federal income tax consequences in this joint prospectus is for information purposes only and is not tax advice. Holders of St. Martin common stock should consult their tax advisors with respect to the application of U.S. federal income tax laws to their individual circumstances, consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state or taxing jurisdiction or under any applicable tax treaty.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE SPECIAL CASH DISTRIBUTION

The following discussion is a general summary of the material United States federal income tax consequences of the special cash distribution of \$94.00 per share special cash distribution to be paid to shareholders of St. Martin. This discussion is based upon the Internal Revenue Code of 1986, as amended, regulations, Department of Treasury, judicial authorities, and current rulings and administrative pronouncements of the Internal Revenue Service, in each case as in effect as of the date of this joint proxy statement/prospectus, and as they may be amended, repealed, overruled or modified at any time after the date of this joint proxy statement/prospectus, but without retroactive effect.

This discussion neither binds nor precludes the Internal Revenue Service from a position that may be expressed in this joint proxy statement/prospectus, and we cannot assure you that the position will be asserted successfully by the Internal Revenue Service or adopted by a court if the position is not intended to obtain a ruling from the Internal Revenue Service or a written opinion from the Internal Revenue Service on the federal income tax consequences discussed below.

This discussion assumes that a St. Martin shareholder holds his or her shares of St. Martin in the meaning of section 1221 of the Internal Revenue Code. This discussion is for general information and does not address all aspects of federal income taxation that may be relevant to a St. Martin shareholder based on his or her personal circumstances or if such shareholder is subject to certain rules, such as those that apply to tax-exempt organizations, pass-through entities, taxpayers who own St. Martin common stock in a "conversion transaction" or who have a "functional currency" other than United States dollars. This discussion does not address how to have received St. Martin common stock as compensation or otherwise in connection with the special cash distribution. Further, this discussion does not address non-income tax or any state, local or foreign tax consequences of the special cash distribution.

Determining the actual tax consequences of the special cash distribution to you will depend on your specific situation and on factors that are not within Home's or St. Martin's control. You should consult your tax advisor as to the specific tax consequences of the special cash distribution in your particular case, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws.

Tax Consequences of the Special Cash Distribution Generally

Generally, distributions to shareholders from a corporation taxed under Subchapter S are not taxable to the extent of the shareholder's adjusted tax basis in his or her S corporation stock, with any excess of his or her adjusted tax basis being treated as gain from the sale or exchange of property. If a C corporation has C corporation earnings and profits from prior C corporation years, distributions to its shareholders may be taxable as dividends under certain limited circumstances. Under the Internal Revenue Code, distributions made by an S corporation which has C corporation earnings and profits are divided into three tiers, with varying tax consequences. First, distributions are made from the corporation's "accumulated adjustment account," which generally tracks the retained earnings of the corporation as an S corporation. Distributions deemed made from the accumulated adjustment account to the extent of a shareholder's adjusted tax basis in his or her S corporation stock and any amount in excess of her adjusted tax basis is treated as gain from the sale or exchange of property. Second, distributions in excess of the balance of the accumulated adjustment account up to the amount of the corporation's C corporation earnings and profits are taxable as a dividend. Third, the amount of any distribution in excess of the accumulated adjustment account and C corporation earnings and profits is taxed in the same manner as the distribution of C corporation earnings and profits. Distributions are not taxable to the extent of a shareholder's remaining adjusted tax basis. Any amount with any distribution in excess of his or her adjusted tax basis treated as gain from the sale or exchange of property.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

As of December 31, 2016, the accumulated adjustment account of St. Martin wa accumulated adjustment account generally increases by the amount of any income closing of the merger and decreases by the amount of any distributions, losses or shareholder distributions since January 1, 2017.

Under the merger agreement, St. Martin is permitted to make distributions to its First, St. Martin is permitted to pay a special cash distribution in the amount of \$19.5 million in the aggregate, prior to closing. Second, St. Martin is entitled to exceed 43.4% of St. Martin's taxable income) to its shareholders between the date closing date to enable its shareholders to pay their respective taxes on St. Martin additional cash distribution in an amount not to exceed \$9.50 per share per calendar partial year in which the closing occurs, which is designed to cover St. Martin's shareholders in excess of the tax distributions. The aggregate amount of such cash \$25.0 million, which is significantly less than the accumulated adjustment account adjustments for St. Martin's taxable earnings and distributions through the date which case these cash distributions from St. Martin to its shareholders, including cash distribution, would not be taxable to a shareholder to the extent of the shareholder corporation stock.

Although not taxable under the circumstances described above, a shareholder's common stock would decrease by the amount of the distributions paid and affect carryover tax basis in the Home common stock received in exchange for the St. "Material United States Federal Income Tax Consequences of the Merger — Tax above.

As described above, to the extent that any such distribution exceeds the shareholder corporation stock, that excess portion would be taxable for federal income tax purposes exchange of property. That gain would be a capital gain and would be long-term shares for more than one year at the time that the taxable distribution is made. Net long-term capital gain is generally taxed at a maximum rate of 20% for taxpayers certain threshold amounts and at a maximum rate of 15% for taxpayers with tax amounts. Net short-term capital gain is taxed at the holder's ordinary income tax tax advisors regarding the availability of the preferential tax rates in light of such In the event that a shareholder is required to recognize gain to the extent that a shareholder adjusted tax basis in his or her shares, the shareholder may also be subject to a 3 additional information regarding the manner in which net investment income tax United States Federal Income Tax Consequences of the Merger — Net Investment Generally, distributions made by corporations before a merger are disregarded in treated as a reorganization within the meaning of Section 368(a) of the Internal received in the merger (which could result in the recognition of gain by the shareholder the source of funds for such distributions can be traced to the acquiring entity. St described above out of its own funds and does not expect that such distributions treated as a reorganization within the meaning of Section 368(a) of the Internal would be treated as cash received in the merger, but there can be no assurances court would not adopt a contrary position.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Information Reporting and Backup Withholding

Shareholders who recognize gain to the extent that a distribution exceeds his or her basis in the stock may also be subject to information reporting and backup withholding in the same manner as if the distribution were a dividend. United States Federal Income Tax Consequences of the Merger — Information Reporting and Backup Withholding. This discussion of U.S. federal income tax consequences is for general informational purposes only and should not be construed as tax advice. Shareholders are urged to consult their tax advisors for the application of U.S. federal income tax laws to their particular situations as well as for the application of U.S. federal estate or gift tax rules or under the laws of any state, local, foreign or other applicable tax treaty.

91

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS
INFORMATION ABOUT ST. MARTIN

General

St. Martin is a bank holding company headquartered in St. Martinville, Louisiana. St. Martin Bank, a Louisiana state chartered non-member bank, it provides related banking products and services tailored to the meet the needs of its customers. St. Martin has expanded primarily through organic growth within St. Martin and Lafayette Bank acquisitions. In 2007, St. Martin Bank acquired American Bank, a \$58.4 million Louisiana, and in 2014, St. Martin Bank acquired Church Point Bank & Trust Company in Church Point, Louisiana. St. Martin Bank reorganized into its current bank holding company. Effective January 1, 2003, St. Martin made an election to be taxed as a Subchapter S corporation for purposes, generally eliminating its corporate-level tax liability. Other than as specified, information for St. Martin is presented on a consolidated basis with its subsidiaries. Management's Discussion and Analysis of Financial Condition and Results of Operations. The following discussion and analysis is intended to provide an overview of the financial condition and results of operations of St. Martin as of and for the periods shown. Please read in conjunction the sections entitled "Cautionary Statement Regarding Forward-Looking Financial and Other Data of St. Martin," and the consolidated financial statements presented elsewhere in this joint proxy statement/prospectus. As used in this section, references to St. Martin Bank on a consolidated basis unless the context requires otherwise.

Results of operations for the six months ended June 30, 2017 and 2016

Overview

For the six months ended June 30, 2017, St. Martin posted net income of \$6.3 million, resulting in an annualized return on average assets of 2.14% and an annualized return on equity of 11.2%. For the six months ended June 30, 2016, St. Martin posted net income of \$7.2 million, resulting in an annualized return on average assets of 2.60% and an annualized return on equity of 11.2%. The increase in net income for the six months ended June 30, 2017, as compared to the same period in 2016, is primarily due to increases in the provision for possible loan losses and noninterest expense, partially offset by an increase in net interest income.

Net interest income

Net interest income is the primary source of income for St. Martin and represents the amount earned on its interest-earning assets, such as loans and securities, exceeds interest expense on its interest-bearing liabilities, such as deposits and other borrowings. Net interest income is impacted by changes in market interest rates and interest-bearing liabilities and the yields earned and rates paid on interest-earning assets. Changes in market interest rates impact are driven by many factors, including government monetary policy, macroeconomic developments, changes in unemployment, the money supply, price levels, and conditions in domestic and foreign financial markets. Changes in the amount and composition of interest-bearing liabilities are affected by, among other factors, economic and credit conditions, especially the Lafayette metropolitan statistical area, as well as developments affecting the agriculture and energy sectors within its target markets and throughout the state. To evaluate net interest income, St. Martin measures and monitors (1) yields on interest-earning assets, (2) the costs of its deposits and other funding sources, (3) its net interest income, and (4) its net interest spread is the difference between rates earned on interest-earning

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

assets and rates paid on interest-bearing liabilities. Net interest margin is the ratio of net interest income to average interest-earning assets. Because noninterest-bearing sources of funds, such as noninterest-bearing deposits and stockholders' equity also fund interest-earning assets, net interest margin includes the cost of these noninterest-bearing sources.

For the six months ended June 30, 2017, net interest income totaled \$12.7 million, net interest margin was 4.52% and a net interest spread of 4.27%. For the six months ended June 30, 2016, net interest income was \$12.5 million, and St. Martin posted a net interest margin of 4.76% and a net interest spread of 4.41%. The increase in net interest income was attributable to an increase in interest income, which was partially offset by an increase in interest expense primarily attributable to the growth in deposits during the periods. The decrease in net interest margin was attributable to a decrease in the average yield of St. Martin's loan portfolio and an increase in the average yield on interest-bearing liabilities by an increase in the average balance of the loan portfolio and an increase in the average balance of deposits.

The following table presents, for the periods indicated, an analysis of St. Martin's net interest income by category of interest-earning assets and interest-bearing liabilities, the average amount of interest earned or paid on such amounts. The table also sets forth the average rate earned on interest-earning assets and the average rate paid on interest-bearing liabilities, and the net interest margin on average total interest-earning assets. Interest earned on loans that were classified as non-accrual is not recognized in net interest income and is reflected in the average outstanding balances for the period. For the six months ended June 30, 2017, net interest income not recognized on non-accrual loans was not material. Any non-accrual loans were carrying a zero yield. Average balances have been calculated on an average quarterly basis (12 months or six months, as the case may be). Management of St. Martin does not believe that average balances differ materially from average daily balances.

93

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

For the Six Months Ended June 30,
2017

Average Outstanding Balance Interest Earned/Paid Average Yield/Rate(1)

(Dollars in thousands) (Unaudited)

Assets

Interest-earning assets:

Loans	\$ 449,397	\$ 13,105	5.83%
Investment securities	53,700	501	1.87%
Corporate stock	2,538	22	1.71%
Federal funds sold	1,012	5	0.92%
Interest-earning deposits in other banks	53,877	249	0.92%
Total interest-earning assets	560,524	13,882	4.95%
Allowance for loan losses	(5,869)		
Noninterest-earning assets	36,835		
Total assets	\$ 591,490		

Liabilities and Stockholders' Equity

Interest-bearing liabilities:

Interest-bearing demand deposits	\$ 142,175	396	0.56%
Savings deposits	99,938	210	0.42%
Time deposits	97,584	386	0.79%
Other borrowed funds	23,156	233	2.01%
Total interest-bearing liabilities	362,853	1,225	0.68%

Noninterest-bearing liabilities:

Noninterest-bearing deposits	164,995		
Other liabilities	6,608		
Total noninterest-bearing liabilities	171,603		
Stockholders' equity	57,034		
Total liabilities and stockholders' equity	\$ 591,490		

Net interest income \$ 12,657

Net interest rate spread 4.27%

Net interest margin 4.52%

(1)

Annualized.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

The following table presents information regarding the dollar amount of change in interest expense for the periods indicated for each major component of interest-earning assets and liabilities and distinguishes between the increase (decrease) related to changes in interest rates. For purposes of this table, changes attributable to both rate and volume are allocated to rate.

	For the Six Months Ended June 30, 2017 Compared with the Six Months Ended June 30, 2016 Increase (Decrease) due to		
	Volume	Rate	Total
	(Dollars in thousands)		
	(Unaudited)		
Interest-earning assets:			
Loans	\$ 677	\$ (544)	\$ 133
Investment securities	(1)	(11)	(12)
Corporate stock	1	6	7
Federal funds sold	—	—	—
Interest-earning deposits in other banks	49	104	153
Total increase (decrease) in interest income	\$ 726	\$ (445)	\$ 281
Interest-bearing liabilities:			
Interest-bearing demand deposits	\$ 4	\$ (11)	\$ (7)
Savings deposits	9	—	9
Time deposits	54	57	111
Other borrowed funds	33	(60)	(28)
Total increase (decrease) in interest expense	99	(14)	85
Increase (decrease) in net interest income	\$ 627	\$ (431)	\$ 196

Provision for possible loan losses

The provision for possible loan losses is a charge against earnings to bring St. Martin's ratio of non-performing assets to total assets to a level deemed appropriate by management based on such factors as St. Martin's historical experience, the economic environment, the diversification of the commercial loan portfolio, the amount of nonperforming loans, the amount of nonperforming loans as a percentage of total loan growth and composition of the loan portfolio, current economic conditions that may affect the ability of borrowers to pay their loans, and the value of collateral, the evaluation of the loan portfolio through the loan loss review process. Management has adopted a methodology for assessing the adequacy of the allowance for possible loan losses. For the six months ended June 30, 2017, the provision for possible loan losses was \$510 thousand compared with \$425 thousand for the six months ended June 30, 2016. The increase in the provision for possible loan losses was driven in part by the increase in the amount of nonperforming loans in the commercial loan portfolio, as well as the increase in loan balances rated as "special mention." St. Martin's ratio of non-performing assets to total assets decreased from 2.48% as of June 30, 2016 to 2.42% as of June 30, 2017.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

2017.

Noninterest income

The primary source of recurring noninterest income for St. Martin is service charge and other fees and commissions. Other sources of income include mortgage brokerage fees and other income. Other income included in this category are net gains or losses realized on the sale of available investment securities, real estate and property and equipment.

Noninterest income for the six months ended June 30, 2017 was \$2.0 million, or 0.1% of total revenue, compared to the same period in 2016. The growth in noninterest income was attributable to an increase in service charge accounts and transaction volume at St. Martin Bank, which was

95

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

partially offset by reductions in mortgage brokerage fees and other noninterest income. For the periods indicated, the major categories of noninterest income:

	For the Six Months		Increase (Decrease)
	Ended June 30, 2017	2016	
	(Dollars in thousands) (Unaudited)		
Service charges, fees and commissions	\$ 1,883	\$ 1,728	\$ 155
Net gains (losses) on other real estate	(1)	—	(1)
Mortgage brokerage fees	43	69	(26)
Other	95	105	(10)
Total noninterest income	\$ 2,020	\$ 1,902	\$ 118

Noninterest expense

Generally, noninterest expense is composed of all costs associated with operating and retaining banking customer relationships and providing bank services. The major components are employee compensation and benefits. Noninterest expense also includes operating expenses, depreciation and amortization of furniture and equipment, professional fees, assessments, data processing, advertising and supplies.

Noninterest expense for the six months ended June 30, 2017 was \$7.9 million, a 10% increase compared to the same period in 2016. The growth in noninterest expense was generally reflected the continued growth and scale of St. Martin's operations. The following table shows the major categories of noninterest expense:

	For the Six Months		Increase (Decrease)
	Ended June 30, 2017	2016	
	(Dollars in thousands) (Unaudited)		
Salaries	\$ 3,131	\$ 2,839	\$ 292
Officer and employee benefits	830	622	208
Net occupancy expense	1,029	889	140
Other operating expenses	2,861	2,535	326
Total noninterest expense	\$ 7,851	\$ 6,885	\$ 966

Income tax expense

For the six months ended June 30, 2017 and 2016, St. Martin was not required to pay income tax because St. Martin was a Subchapter S corporation and incurred no corporate level income tax for the periods.

Results of operations for the years ended December 31, 2016 and 2015

Overview

For the year ended December 31, 2016, St. Martin posted net income of \$12.9 million.

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

had a return on average assets of 2.30% and a return on average equity of 23.73%. In 2015, St. Martin posted net income of \$12.6 million or \$60.78 per common share, compared to 2014 net income of \$11.9 million or \$59.25 per common share, a 2.37% and a return on average equity of 25.76%. The increase in net income during 2015 was primarily due to growth of \$751 thousand in net interest income and an increase in noninterest income, partially offset by increases of \$437 thousand in noninterest expense and an increase in loan losses.

96

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

Net interest income

For additional information regarding net interest income and how St. Martin managed its operations for the six months ended June 30, 2017 and 2016 — Net interest income for the year ended December 31, 2016, net interest income totaled \$25.0 million, net interest margin of 4.69% and a net interest spread of 4.46%. For the year ended December 31, 2017, net interest income totaled \$24.2 million, and St. Martin posted a net interest margin of 4.81% and a net interest spread of 4.46%. Net interest income was primarily due to a \$1.1 million, or 4.0%, increase in interest income and a \$300 thousand, or 14.4%, increase in interest expense. The increase in interest income was primarily due to growth of \$28.7 million in average interest earning assets outstanding during 2017, partially offset by a 200 basis point decrease in the yield on loans. The increase in interest expense was primarily due to an increase of \$21.4 million, or 7.1%, in average interest-bearing deposits, reflecting increases in interest expense of \$6.2 million, or 38.7%, in the average balance of other borrowed funds.

97

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,

TABLE OF CONTENTS

The following table presents, for the periods indicated, an analysis of St. Martin category of interest-earning assets and interest-bearing liabilities, the average amount outstanding and interest earned or paid on such amounts. The table also sets forth the average rate earned on interest-earning assets and the average rate paid on interest-bearing liabilities, and the net interest margin on average total interest-earning assets. Interest earned on loans that were classified as non-accrual is not recognized in the net interest margin and is reflected in the average outstanding balances for the period. For the years ended December 31, 2015 and 2014, net interest income not recognized on non-accrual loans was not material. Any non-accrual loans were carrying a zero yield.

	For the Years Ended December 31, 2016		
	Average Outstanding Balance	Interest Earned/ Paid	Average Yield/ Rate
	(Dollars in thousands)		
Assets			
Interest-earning assets:			
Loans	\$ 433,903	\$ 26,173	6.03%
Investment securities	53,881	936	1.74%
Corporate stock	2,487	35	1.38%
Federal funds sold	1,000	5	0.50%
Interest-earning deposits in other banks	40,798	203	0.50%
Total interest-earning assets	532,069	27,352	5.14%
Allowance for loan losses	(5,765)		
Noninterest-earning assets	34,909		

As of or For the
Three Months
Ended
March 31,

As of or For the Year Ended December 31,
