

PIMCO COMMERCIAL MORTGAGE SECURITIES TRUST INC

Form N-Q

November 23, 2005

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**FORM N-Q**

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**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

**Investment Company Act file number: 811-7816**

**PIMCO Commercial Mortgage Securities Trust, Inc.**

(Exact name of registrant as specified in charter)

**840 Newport Center Drive, Newport Beach, CA 92660**

(Address of principal executive offices)

**John P. Hardaway**

**Treasurer**

**PIMCO Funds**

**840 Newport Center Drive**

**Newport Beach, CA 92660**

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(Name and address of agent for service)

*Copies to:*

**Brendan C. Fox**

**Dechert LLP**

**1775 I Street, N.W.**

**Washington, D.C. 20006**

Registrant's telephone number, including area code: (866) 746-2606

Date of fiscal year end: December 31

Date of reporting period: July 1, 2005 to September 30, 2005

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1.5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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**Item 1. Schedule of Investments**

## Schedule of Investments

## Commercial Mortgage Securities Trust

September 30, 2005 (Unaudited)

	Principal Amount (000s)	Value (000s)
<b>COMMERCIAL MORTGAGE-BACKED SECURITIES 106.6%</b>		
<b>Healthcare 4.9%</b>		
Green Tree Recreational Equipment & Consumer Trust		
6.715% due 02/01/2009 (a)	\$ 1,770	\$ 1,849
RMF Commercial Mortgage Pass-Through Certificates		
7.072% due 01/15/2019 (a)	2,000	1,698
7.471% due 01/15/2019 (a)	1,000	177
8.920% due 01/15/2019 (a)(b)(c)	317	6
9.150% due 11/28/2027 (a)	3,069	2,998
		<u>6,728</u>
<b>Hospitality 12.0%</b>		
Bear Stearns Commercial Mortgage Securities, Inc.		
5.817% due 05/14/2016 (a)	1,500	1,516
Hilton Hotel Pool Trust		
1.000% due 10/01/2016 (a)(b)(d)	32,597	969
Host Marriot Pool Trust		
8.310% due 08/03/2009 (a)	2,000	2,177
Nomura Asset Capital Corp.		
7.500% due 07/15/2013 (a)(g)	3,387	3,503
Office Portfolio Trust		
6.778% due 02/01/2016 (a)	1,000	1,004
Starwood Commercial Mortgage Trust		
6.920% due 02/03/2009 (a)(g)	2,500	2,657
Times Square Hotel Trust		
8.528% due 08/01/2026 (a)	3,770	4,469
		<u>16,295</u>
<b>Multi-Class 82.9%</b>		
American Southwest Financial Securities Corp.		
1.078% due 01/18/2009 (b)(d)	72	0
Asset Securitization Corp.		
7.384% due 08/13/2029 (b)	750	786
10.115% due 02/14/2041	3,774	4,165
Banc of America Commercial Mortgage, Inc.		
7.929% due 11/15/2031 (b)	2,800	3,100
7.224% due 04/15/2036 (g)	2,500	2,698
Bear Stearns Commercial Mortgage Securities, Inc.		
5.060% due 11/15/2016	20	20
Carey Commercial Mortgage Trust		
5.970% due 08/20/2032 (a)(g)	1,404	1,411
Chase Commercial Mortgage Securities Corp.		
6.900% due 11/19/2006	1,500	1,533
6.650% due 07/15/2010 (a)	2,600	2,702
6.484% due 02/12/2016 (b)(g)	2,000	2,134
6.900% due 11/19/2028 (a)	5,500	5,469

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6.887% due 10/15/2032 (a)	1,500	1,552
Commercial Mortgage Acceptance Corp.		
6.912% due 11/15/2009 (b)	1,500	1,579
Commercial Mortgage Asset Trust		
6.640% due 09/17/2010 (g)	2,500	2,642
6.975% due 04/17/2013 (g)	2,500	2,803
Commercial Mortgage Pass-Through Certificates		
8.389% due 08/15/2033 (a)(b)	1,500	1,656
6.830% due 02/15/2034 (a)(g)	2,893	3,116
6.586% due 07/16/2034 (a)	1,500	1,617
6.937% due 07/16/2034 (a)(b)	1,500	1,577
CS First Boston Mortgage Securities Corp.		
7.170% due 05/17/2040 (g)	3,000	3,289
DLJ Commercial Mortgage Corp.		
7.275% due 11/12/2031 (b)	135	143
Federal Housing Administration		
7.380% due 04/01/2041	2,432	2,377
FFCA Secured Lending Corp.		
1.000% due 09/18/2020 (a)(b)(d)	10,719	495
First Union-Bank of America		
6.000% due 01/15/2011 (a)	1,000	1,003
First Union-Lehman Brothers-Bank of America		
6.778% due 11/18/2035	2,000	2,193
GMAC Commercial Mortgage Securities, Inc.		
7.860% due 11/15/2006 (a)	500	513
6.500% due 03/15/2012	20	21
7.190% due 05/15/2030 (a)(b)	1,500	1,158
6.500% due 05/15/2035	4,500	4,722
8.336% due 09/15/2035 (a)(b)	1,500	1,582
Greenwich Capital Commercial Funding Corp.		
4.111% due 07/05/2035 (g)	2,700	2,562
5.419% due 01/05/2036 (a)(b)	1,500	1,470
GS Mortgage Securities Corp.		
6.615% due 02/16/2016 (a)(g)	3,500	3,796
7.644% due 08/05/2018 (a)(b)	3,480	3,765
6.526% due 08/15/2018 (a)(g)	2,000	2,172
7.191% due 04/13/2031 (b)(g)	1,000	1,053
GSMPS Mortgage Loan Trust		
8.000% due 09/20/2027 (a)(g)	2,094	2,230
JP Morgan Chase Commercial Mortgage Securities Corp.		
6.162% due 05/12/2034 (g)	2,000	2,129
6.465% due 11/15/2035 (g)	3,000	3,233
5.440% due 05/15/2041 (a)(b)	1,500	1,462
JP Morgan Commercial Mortgage Finance Corp.		
8.358% due 11/25/2027 (a)(b)	2,284	2,280
LB-UBS Commercial Mortgage Trust		
4.853% due 09/15/2031 (g)	2,000	1,990
6.950% due 03/15/2034 (a)(b)	1,572	1,693
7.290% due 09/15/2034 (g)	2,000	2,176
5.683% due 07/15/2035 (a)	1,500	1,481
Merrill Lynch Mortgage Investors, Inc.		
7.735% due 06/15/2021 (b)	183	182
7.405% due 02/15/2030 (b)(g)	2,000	2,114
7.134% due 12/15/2030 (b)	1,500	1,657
Morgan Stanley Capital I, Inc.		
6.850% due 02/15/2020 (a)	1,000	1,019
7.695% due 10/03/2030 (a)	2,000	1,511
7.210% due 12/15/2031 (b)	200	213
7.674% due 04/30/2039 (a)(b)	2,000	2,126
Mortgage Capital Funding, Inc.		
7.531% due 04/20/2007	1,000	1,041
Nationslink Funding Corp.		

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7.050% due 02/20/2008 (a)	2,000	2,062
7.105% due 01/20/2013 (a)	2,500	2,724
Prudential Securities Secured Financing Corp.		
6.755% due 08/15/2011 (a)	2,000	2,140
7.610% due 12/26/2022	289	289
Trizec Hahn Office Properties		
7.604% due 05/15/2016 (a)	3,000	3,210
Wachovia Bank Commercial Mortgage Trust		
5.517% due 01/15/2041 (a)(b)	1,500	1,459
		<u>113,295</u>
<b>Multi-Family 6.8%</b>		
Commercial Capital Access One, Inc.		
7.676% due 11/15/2028 (a)(b)	3,000	3,200
Fannie Mae		
8.157% due 12/25/2015 (a)(b)	454	461
15.747% due 12/25/2015 (a)(b)	874	882
9.375% due 04/01/2016	190	172
7.875% due 11/01/2018	22	20
5.237% due 07/01/2035 (g)	1,469	1,512
Federal Housing Administration		
8.360% due 01/01/2012	238	242
7.500% due 12/01/2030	1,244	1,252
Multi-Family Capital Access One, Inc.		
7.400% due 01/15/2024	1,492	1,551
		<u>9,292</u>
<b>Total Commercial Mortgage-Backed Securities</b>		
(Cost \$145,595)		<u>145,610</u>
<b>CORPORATE BONDS &amp; NOTES 1.1%</b>		
<b>Utilities 1.1%</b>		
Midwest Generation LLC		
8.560% due 01/02/2016	662	729
TECO Energy, Inc.		
7.500% due 06/15/2010	700	756
<b>Total Corporate Bonds &amp; Notes</b>		
(Cost \$1,360)		<u>1,485</u>
<b>REAL ESTATE ASSET-BACKED SECURITIES 34.2%</b>		
Access Financial Manufactured Housing Contract Trust		
7.650% due 05/15/2021	2,500	1,808
Conseco Finance Securitizations Corp.		
7.960% due 02/01/2032	2,000	1,655
7.970% due 05/01/2032	1,000	797
ContiMortgage Home Equity Loan Trust		
7.550% due 08/15/2028	415	330
CS First Boston Mortgage Securities Corp.		
7.000% due 02/25/2033 (g)	2,000	2,021
Fannie Mae		
8.500% due 07/01/2008	10	11
8.500% due 05/01/2009	7	7
8.000% due 07/01/2009 (g)	346	361
8.000% due 10/01/2010	27	28

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6.056% due 07/01/2012 (g)	9,005	9,550
8.000% due 12/01/2012	2	3
8.000% due 06/01/2015	52	56
8.000% due 08/01/2015	38	41
8.500% due 05/01/2017	4	5
8.500% due 07/01/2017	7	8
8.500% due 08/01/2019	4	5
8.500% due 11/01/2019	4	4
8.500% due 01/01/2020	1	1
8.500% due 10/01/2020	15	17
8.500% due 05/01/2021	0	1
6.930% due 09/01/2021 (g)	7,153	7,520
8.500% due 09/01/2021	114	123
8.500% due 12/01/2021	10	11
8.500% due 06/01/2022	39	42
8.500% due 09/01/2022 (g)	369	403
8.500% due 11/01/2025	15	16
8.500% due 01/01/2026	8	8
8.500% due 03/01/2029	7	8
8.500% due 04/01/2030	91	99
8.500% due 06/01/2030	101	110
8.500% due 11/01/2030	115	126
8.500% due 01/01/2031	105	115
8.500% due 04/01/2032	146	159
7.000% due 08/01/2033 (g)	236	247
7.000% due 10/01/2033 (g)	2,576	2,699
7.000% due 11/01/2033 (g)	1,323	1,396
Freddie Mac		
7.000% due 08/01/2007	26	27
7.000% due 12/01/2007	9	9
8.000% due 07/01/2010	13	14
7.000% due 09/01/2010	8	8
8.000% due 10/01/2010	11	11
7.000% due 11/01/2010	270	277
7.000% due 02/01/2011	23	24
8.000% due 06/01/2011	12	13
8.000% due 01/01/2012	6	7
8.000% due 05/01/2012	6	6
8.000% due 06/01/2012	11	12
7.000% due 07/01/2012	41	43
7.000% due 07/01/2013	263	275
7.000% due 12/01/2014	64	67
7.000% due 02/01/2015	27	28
8.000% due 05/01/2015	1	2
8.000% due 06/01/2015	1	1
7.000% due 09/01/2015	69	72
7.000% due 12/01/2015	1	1
7.000% due 03/01/2016	23	24
7.000% due 06/01/2016	82	86
7.000% due 07/01/2016	156	163
8.500% due 11/15/2021	1,102	1,171
6.090% due 08/01/2025 (b)	421	429
7.000% due 03/01/2031	212	221
7.000% due 10/01/2031	75	78
7.000% due 08/01/2032 (g)	1,240	1,296
Green Tree Financial Corp.		
7.050% due 02/15/2027	922	808
6.810% due 12/01/2027	627	645
7.070% due 01/15/2029	216	225
6.220% due 03/01/2030	728	727
6.180% due 04/01/2030	180	179
6.530% due 02/01/2031	982	905

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Greenpoint Manufactured Housing		
8.300% due 10/15/2026	2,000	1,793
7.590% due 11/15/2028	157	163
Impac Secured Assets CMN Owner Trust		
7.000% due 10/25/2031 (b)(g)	707	705
Keystone Owner Trust		
9.000% due 01/25/2029 (a)(b)	952	966
Mego Mortgage Home Loan Trust		
8.010% due 08/25/2023 (b)	124	123
Merrill Lynch Mortgage Investors, Inc.		
4.533% due 08/25/2033 (b)	812	739
Oakwood Mortgage Investors, Inc.		
3.998% due 05/15/2013 (b)	222	191
6.890% due 11/15/2032	1,000	297
Ocwen Residential MBS Corp.		
6.835% due 06/25/2039 (a)(b)	955	752
7.000% due 10/25/2040 (a)	1,739	1,401
Salomon Brothers Mortgage Securities VII, Inc.		
7.500% due 05/25/2026	15	15
Saxon Asset Securities Trust		
8.640% due 09/25/2030	547	343
Structured Asset Investment Loan Trust		
6.830% due 10/25/2033 (b)	500	507
UCFC Manufactured Housing Contract		
7.900% due 01/15/2028	1,000	640
Wilshire Mortgage Loan Trust		
8.990% due 05/25/2028 (a)	508	507
		<hr/>
<b>Total Real Estate Asset-Backed Securities</b>		
(Cost \$46,756)		46,787
		<hr/>
<b>OTHER 7.5%</b>		
Denver Arena Trust		
6.940% due 11/15/2019 (a)	1,657	1,663
First International Bank		
9.539% due 04/15/2026 (b)	1,856	139
Golden State Tobacco Securitization Corp., California Tobacco Settlement Revenue Bonds, Series 2003-A1		
6.750% due 06/01/2039	1,000	1,150
LB Commercial Conduit Mortgage Trust		
6.000% due 11/19/2035 (a)	5,000	5,094
Nextcard Credit Card Master Note Trust		
9.454% due 12/15/2006 (a)(b)	1,000	87
Northwest Airlines, Inc.		
7.575% due 03/01/2019 (c)	1,906	1,907
US Airways Group, Inc.		
9.330% due 01/01/2006 (c)	660	278
		<hr/>
<b>Total Other</b>		
(Cost \$11,173)		10,318
		<hr/>
<b>SHORT-TERM INSTRUMENTS 1.7%</b>		
<b>Repurchase Agreement 0.4%</b>		
State Street Bank		
3.400% due 10/03/2005	557	557
(Dated 09/30/2005. Collateralized by Federal Home Loan Bank 4.875% due 05/15/2007 valued at \$569. Repurchase proceeds are \$557.)		
		<hr/>
<b>U.S. Treasury Bills 1.3%</b>		



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3.416% due 12/01/2005-12/15/2005 (e)(h)	1,785	<u>1,770</u>
<b>Total Short-Term Instruments</b>		
(Cost \$2,330)		<u>2,327</u>
<b>Total Investments (f)</b>	<b>151.1%</b>	<b>\$ 206,527</b>
(Cost \$207,214)		
<b>Written Options (j)</b>	<b>(0.0%)</b>	<b>(24)</b>
(Premiums \$122)		
<b>Other Assets and Liabilities (Net)</b>	<b>(51.1%)</b>	<b>(69,852)</b>
	<u></u>	<u></u>
<b>Net Assets</b>	<b>100.0%</b>	<b>\$ 136,651</b>
	<u></u>	<u></u>

See accompanying notes

**Notes to Schedule of Investments (amounts in thousands, except number of contracts):**

(a) Securities purchased under Rule 144A of the 1933 Securities Act and, unless registered under the Act or exempt from registration, may only be sold to qualified institutional investors.

(b) Variable rate security.

(c) Security is in default.

(d) Interest only security.

(e) Securities are grouped by coupon or range of coupons and represent a range of maturities.

(f) As of September 30, 2005, portfolio securities with an aggregate market value of \$11,167 were valued with reference to securities whose prices are more readily obtainable.

(g) The average amount of borrowings outstanding during the nine-months ended September 30, 2005 was \$67,467 at a weighted average interest rate of 4.20%. On September 30, 2005, securities valued at \$75,557 were pledged as collateral for reverse repurchase agreements. The Fund is authorized to borrow funds and utilize leverage in amounts not exceeding thirty-three and one-third percent of its total assets. The Fund's ability to leverage creates an opportunity for increased net income, but at the same time poses special risks. If the income from the securities purchased with borrowed funds is not sufficient to cover the cost of borrowing, the net income of the Fund will be less than if borrowing had not been used, reducing the amount available for distribution to shareholders.

(h) Securities with an aggregate market value of \$283 have been segregated with the custodian to cover margin requirements for the following open futures contracts on September 30, 2005:

Type	Expiration Month	# of Contracts	Unrealized Appreciation
U.S. Treasury 30-Year Bond Short Futures	12/2005	154	\$ 475

(i) Swap agreements outstanding on September 30, 2005:

Interest Rate Swaps

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Unrealized

Counterparty	Floating Rate Index	Pay/Receive	Fixed Rate	Expiration Date	Notional Amount	Appreciation/Depreciation
Barclays Bank PLC	3-month USD-LIBOR	Pay	4.980%	09/29/2025	\$ 28,000	\$ 102
Goldman Sachs & Co.	3-month USD-LIBOR	Receive	5.000%	06/15/2025	28,000	792
UBS Warburg LLC	3-month USD-LIBOR	Pay	5.240%	03/16/2025	40,000	1,504
UBS Warburg LLC	3-month USD-LIBOR	Pay	5.010%	05/10/2025	20,000	278
UBS Warburg LLC	3-month USD-LIBOR	Receive	5.250%	06/15/2025	60,000	967
UBS Warburg LLC	3-month USD-LIBOR	Receive	5.000%	06/15/2025	25,000	(212)
UBS Warburg LLC	3-month USD-LIBOR	Pay	5.003%	08/15/2025	25,000	215
UBS Warburg LLC	3-month USD-LIBOR	Pay	4.955%	09/28/2025	20,000	18
UBS Warburg LLC	3-month USD-LIBOR	Receive	5.000%	12/15/2025	20,000	(15)
						\$ 3,649

(j) Written options outstanding on September 30, 2005:

Name of Issuer	Exercise Price	Expiration Date	# of Contracts	Premium	Value
Call - CBOT U.S. Treasury Note December Futures	\$ 114.000	11/22/2005	100	\$ 12	\$ 3
Put - CBOT U.S. Treasury Note December Futures	107.000	11/22/2005	100	20	9
				\$ 32	\$ 12

Name of Issuer	Counterparty	Exercise Rate	Expiration Date	Notional Amount	Notional Amount	Notional Amount	Notional Amount
Total 532,513							
John W. Allison, Chairman		2010		228,375	100,040	\$ 565,706	111,466 <sup>(3)</sup>
		2009		252,885	57,292	560,838	154,599
		2008		31,731		\$ 110,376	535,044
Robert F. Birch, Jr., Regional President of Centennial Bank		2010		213,150	50,020		169,119 <sup>(4)</sup>
		2009		210,000	43,750		10,245
		2008		206,000	59,595		19,910
Tracy M. French, Regional President of Centennial Bank		2010		213,150	50,020		18,012
		2009		210,000	43,750		11,491
		2008		206,000	82,550		17,766

- (1) Includes gasoline for personal car, \$194; personal use of Company car, \$3,408; country club dues, \$4,015; 401(k) contribution, \$5,286; executive gifts, \$750; income realized from restricted stock dividends, \$716; and income realized from the exercise of stock options, \$537,265. The incremental cost of the car was determined by multiplying the percentage of personal miles times the annual lease value of the car.
- (2) Includes country club dues, \$2,445; 401(k) contribution, \$5,075; executive gifts, \$750; income realized from restricted stock dividends, \$239; and income realized from the exercise of stock options, \$268,628.
- (3) Mr. Allison used a pilot employed by the Company for personal trips in an airplane owned by Capital Buyers, a company owned by Mr. Allison. The incremental cost of those services was determined to be \$12,000, using \$500 per trip, current rate for a commercial pilot, times 19 trips of personal travel and five maintenance trips. Other Compensation also includes Company Board of Directors fees, \$15,000; subsidiary bank director and advisory board fees, \$24,600; committee fees, \$5,564; auto allowance, \$18,000; gasoline for personal car, \$1,226; country club dues, \$6,145; Company-owned life insurance ownership, \$6,088; income realized from restricted stock dividends, \$955; income realized from the exercise of stock options, \$21,138; and executive gifts, \$750.
- (4) Includes excess payment for auto expense reimbursement, \$1,646; 401(k) contribution, \$6,771; country club dues, \$3,432; income realized from restricted stock dividends, \$478; and income realized from the exercise of stock options, \$156,792.
- (5) Includes gasoline for personal car, \$244; personal use of Company car, \$3,075; 401(k) contribution, \$6,169; income realized from restricted stock dividends, \$478; and executive gifts, \$750. The personal use of the car was determined the same as disclosed in Note 3 above.

**Employment Agreements**

We currently do not have any employment, salary continuation or severance agreements in effect with any of our executive officers.

**Table of Contents****Stock Awards and Stock Option Grants**

The number of shares authorized for issuance under the Home BancShares 2006 Stock Option and Performance Incentive Plan, as amended by the Company's shareholders in 2007 and adjusted for the 8% and 10% common stock dividends paid to the Company's shareholders in August 2008 and June 2010, respectively, is 1,782,000. In 2010, there were no options granted pursuant to the Plan, and options to purchase 174,898 shares were exercised. Options to purchase 660,064 shares remained outstanding under the Plan as of February 15, 2011, and options to purchase 512,533 shares of common stock remained available for future grant under the Plan. The Company granted restricted stock awards representing, on a stock dividend adjusted basis, a total of 18,810 shares of our common stock during 2010. See COMPENSATION DISCUSSION AND ANALYSIS Components of Compensation for more information on the 2006 Stock Option and Performance Incentive Plan and the restricted stock awards granted during 2010.

The following table contains information about awards granted pursuant to the Plan to each of our named executive officers during the fiscal year ended December 31, 2010:

**Grants of Plan-Based Awards Table**

Name	Date	Estimated future payouts under non-equity incentive plan awards			Estimated future payouts under equity incentive plan awards			All other awards	Exercise or base price of securities underlying awards (per share)	Grant date fair value of stock and option awards
		Threshold	Target	Maximum	Threshold	Target	Maximum			
C. Randall Sims	1/22/10							3,300		\$ 75,030
Randy E. Mayor	1/22/10							1,100		25,010
John W. Allison	1/22/10							4,400		100,040
Robert F. Birch, Jr.	1/22/10							2,200		50,020
Tracy M. French	1/22/10							2,200		50,020

(1) Adjusted for the 10% stock dividend paid to our common shareholders in June 2010.

The Company does not currently have a policy regarding repricing of stock options.

The following table contains information, on a stock dividend adjusted basis, about unexercised stock options previously granted to each of our named executive officers that are outstanding as of December 31, 2010:

[Table follows on next page.]

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End Table No. 1**

Name	Number of securities underlying unexercised options	Number of securities underlying unexercised options	Option Awards	Option exercise price	Option expiration date
			Equity incentive plan awards: Number of securities underlying unexercised unearned options		
C. Randall Sims	14,580			\$ 6.17	12/31/2012
	14,579			6.17	12/31/2013
	35,582			11.09	3/13/2016
Randy E. Mayor	14,580			6.17	12/31/2011
	14,580			6.17	12/31/2012
	14,579			6.17	12/31/2013
	26,687			11.09	3/13/2016
John W. Allison	1,425			6.17	12/31/2011
	1,425			6.17	12/31/2012
	1,425			6.17	12/31/2013
	1,425			6.17	12/31/2014
	356			7.01	12/31/2011
	356			7.01	12/31/2012
	356			7.01	12/31/2013
	356			7.01	12/31/2014
	356			7.01	12/31/2015
	356			7.85	12/31/2012
	356			7.85	12/31/2013
	356			7.85	12/31/2014
	356			7.85	12/31/2015
	356			7.85	12/31/2016
	356			8.42	12/31/2013
	356			8.42	12/31/2014
	356			8.42	12/31/2015
	356			8.42	12/31/2016
	356			8.42	12/31/2017
	356			9.83	12/31/2014
356			9.83	12/31/2015	
356			9.83	12/31/2016	
356			9.83	12/31/2017	
356			9.83	12/31/2018	
356			10.66	12/31/2015	
356			10.66	12/31/2016	
356			10.66	12/31/2017	

356		10.66	12/31/2018
356		10.66	12/31/2019
89,100		10.66	7/27/2015

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<b>Name</b>	<b>Number of securities underlying unexercised options exercisable</b>	<b>Number of securities underlying unexercised options unexercisable</b>	<b>Option Awards Equity incentive plan awards: Number of securities underlying unexercised unearned options</b>	<b>Option exercise price</b>	<b>Option expiration date</b>
John W. Allison (cont d.)	44,478			\$ 11.09	3/13/2016
	160			5.17	3/20/2012
	1,439			9.55	12/31/2013
	1,439			9.55	12/31/2014
	4318			9.55	1/1/2015
	288			9.55	12/31/2014
	1,151			9.55	1/1/2015
	1,439			9.55	1/1/2015
	23,760			20.33	1/18/2017
	1,425	950(1)		17.21	1/9/2018
10,692	7,128(2)		17.07	1/17/2018	
Robert F. Birch, Jr.	14,825			11.09	3/13/2016
	12,096			8.68	11/30/2011
	12,096			8.68	11/30/2012
	12,095			8.68	11/30/2013
	12,095			8.68	11/30/2014
Tracy M. French	29,652			11.09	3/13/2016

(1) One-third of the unexercisable shares vested on January 10, 2011. The remaining two-thirds of the unexercisable shares will vest on each of January 10, 2012 and 2013.

(2) One-third of the unexercisable shares vested on January 18, 2011. The remaining two-thirds of the unexercisable shares will vest on each of January 18, 2012 and 2013.

The following table contains information about the restricted stock awards previously granted to each of our named executive officers that are outstanding as of December 31, 2010:

[Table follows on next page.]



Table of Contents**Outstanding Equity Awards at Fiscal Year-End Table No. 2**

Name	Stock Awards			
	Number of shares or units of stock that have not vested	Market value of shares or units of stock that have not vested	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested
C. Randall Sims	3,300 <sup>(1)</sup>	\$ 75,030		
Randy E. Mayor	1,100 <sup>(1)</sup>	25,010		
John W. Allison	4,400 <sup>(1)</sup>	100,040		
Robert F. Birch, Jr.	2,200 <sup>(1)</sup>	50,020		
Tracy M. French	2,200 <sup>(1)</sup>	50,020		

(1) One-third of these shares vested on January 22, 2011. The remaining two-thirds of the unvested shares will vest on each of January 10, 2012 and 2013. However, the shares may be transferred by the grantee only in accordance with the previously described limitations. *See* COMPENSATION DISCUSSION AND ANALYSIS Components of Compensation Long-term Incentives.

**Option Exercises and Stock Awards Vested in 2010**

The following table contains information about stock options exercised by each of our named executive officers during 2010. Our named executive officers did not acquire any common shares on vesting of stock awards during 2010.

**Option Exercises and Stock Awards Vested Table**

Name	Option Awards		Stock Awards	
	Number of shares acquired on exercise	Value realized on exercise	Number of shares acquired on vesting	Value realized on vesting
C. Randall Sims	29,161	\$ 537,265		
Randy E. Mayor	14,580	268,628		
John W. Allison	1,425	21,138		

Robert F. Birch, Jr.	12,096	156,792
Tracy M. French		

**Pension and Other Benefits**

The following table contains information about the actuarial present value of the accumulated benefit to each of our named executive officers under each plan in which the named executive officer participates that provides for the payment of specified retirement benefits or benefits that will be paid primarily following retirement:

[Table follows on next page.]

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**Table of Contents****Pension and Other Benefits Table**

<b>Name</b>	<b>Plan Name</b>	<b>Number of years credited service</b>	<b>Present value of accumulated benefit</b>	<b>Payments during last fiscal year</b>
C. Randall Sims	N/A			
Randy E. Mayor	N/A			
John W. Allison	Chairman's Retirement Plan	(1)	\$2,049,487	
Robert F. Birch, Jr.	N/A			
Tracy M. French	Supplemental Executive Retirement Plan	(1)	112,908	

(1) The benefits under the Chairman's Retirement Plan and the Supplemental Executive Retirement Plan are not dependent on credited years of service. The benefits under the Chairman's Retirement Plan vest based on Mr. Allison's age beginning at age 61 and fully vest when Mr. Allison reaches age 65. The benefits will also become 100% vested if, before Mr. Allison reaches the age of 65, he dies, becomes disabled, is involuntarily terminated from the Company without cause, or there is a change in control of the Company. Currently, Mr. Allison is 82% vested in the benefits under the plan. Mr. French is fully vested in the balance accrued to the liability reserve account for his benefit in connection with the Supplemental Executive Retirement Plan.

See COMPENSATION DISCUSSION AND ANALYSIS Components of Compensation and COMPENSATION DISCUSSION AND ANALYSIS Compensation of the Chairman for more information regarding the Supplemental Executive Retirement Plan and the Chairman's Retirement Plan.

**Nonqualified Deferred Compensation**

We do not currently have in effect any defined contribution or other plan that provides for the deferral of compensation to any of our executive officers on a basis that is not tax-qualified.

**Payments Upon Termination or Change-In-Control**

We do not currently have in effect any compensatory plan or other arrangement that provides for payments or the provision of benefits to any of our executive officers, other than as provided in the Chairman's Retirement Plan, upon their termination of employment with the Company or upon a change in control of the Company or a change in the officer's responsibilities. See COMPENSATION DISCUSSION AND ANALYSIS Components of Compensation for more information on the Chairman's Retirement Plan.

**Director Compensation**

The following table sets forth various elements of compensation awarded to or paid by us to our directors, other than our named executive officers, during the fiscal year ended December 31, 2010:

[Table follows on next page.]

**Table of Contents****Director Compensation Table**

Name	Fees earned or paid in cash <sup>(1)</sup>	Stock awards	Option awards	Non-equity incentive plan compensation	Change in pension value and nonqualified	All other compensation	Total
					earnings		
Robert H. Adcock, Jr.	\$ 28,726						\$ 28,726
Richard H. Ashley	49,412						49,412
Dale A. Bruns	49,756						49,756
Richard A. Buckheim	41,386						41,386
Jack E. Engelkes	28,014						28,014
James G. Hinkle	18,250						18,250
Alex R. Lieblong	7,350						7,350
William G. Thompson	17,517						17,517

(1) Includes Company Board of Directors and committee fees, subsidiary bank director fees, subsidiary bank advisory board fees and subsidiary bank committee fees.

During 2010, our non-employee directors received \$2,000 (\$4,000 for the chairman) for each meeting of the holding company Board attended. Directors serving on the holding company Audit or Compensation Committees received \$400 (\$800 for the chairman) for each meeting attended of those committees, and directors serving on other holding company Board committees received \$250 (\$500 for the chairman) for each meeting attended of those other committees.

**Compensation Risk Assessment**

The Compensation Committee and management conducted an assessment of the risks associated with our compensation policies and practices during 2010, including our compensation arrangements for both executives and non-executive employees. That assessment included a review of policies and procedures relating to the components of our compensation program, a review of incentive-based equity and cash compensation features, identification of any compensation design features that could potentially encourage excessive or imprudent risk taking, and consideration of the presence or absence of controls, oversight or other factors that mitigate potential risk.

During the review, the Committee and management concluded that several factors and controls relating to our compensation policies and practices mitigate against the potential for risks that could materially and adversely affect the Company. These factors and controls include:

the Company's lack of involvement in activities regarded as having significant inherent risk, such as mortgage-backed securities and proprietary trading;

management's review of compensation arrangements of employees of the Company or our bank subsidiary having compliance, risk, credit quality, quality assurance and finance roles;

oversight of incentive compensation by the Compensation Committee, which is made up of independent directors;

strong internal controls over financial reporting for the Company;

appropriate segregation of duties; and

restrictions on awards that align the interests of the employee with the interests of the shareholders.

Based upon this assessment, we do not believe that our employee compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

**Table of Contents****CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

*Banking Transactions.* Most of our directors and officers, as well as the firms and businesses with which they or members of their immediate families are associated, are customers of our bank subsidiary. Our bank subsidiary and former bank subsidiaries have engaged in a variety of loan transactions in the ordinary course of business with individuals and their families and businesses, and it is anticipated that such transactions will occur in the future. In the case of all such related party transactions in 2010, each transaction was approved by either the Audit Committee, the Nominating and Corporate Governance Committee, the Board of Directors or the bank subsidiary's board of directors. These loans were made in the ordinary course of business on substantially the same terms, including interest rates and collateral requirements, as those prevailing at the time for comparable loans with persons not related to us. In the opinion of our management, those loan transactions do not involve more than a normal risk of collectability or present other unfavorable features.

We believe that all extensions of credit by our bank subsidiary to its directors and officers and to directors and officers of the Company, either directly or as guarantors, were made in conformity with the requirements of Federal Reserve Board Regulation O. As of December 31, 2010, the aggregate amount outstanding on these loans, including available borrowings, was approximately \$42.7 million, of which approximately \$20.3 million was attributable to the largest borrowing relationship. None of these loans are nonaccrual, past due, restructured or potential problems.

*Real Estate Transactions.* We lease certain of our properties from persons who are affiliated with us. The property used by our Marketing and Sales Department in Conway, Arkansas, is leased from First Real Estate LTD Partnership LLLP, which includes one of our directors, Robert H. Adcock, Jr. Additionally, we lease the land for a banking office in Lakewood Village Shopping Center in North Little Rock, Arkansas, from Conservative Development Company, a corporation controlled, through common ownership, by Richard H. Ashley, who is one of our directors. During 2010, the aggregate payments we made, directly or indirectly, to each of the named persons for the various leases described above were less than \$120,000.

We believe the terms of each of the agreements are no less favorable to us than we could have obtained from an unaffiliated third party. We expect we will continue to engage in similar banking and business transactions in the ordinary course of business with our directors, executive officers, principal shareholders and their associates. All proposed related party transactions are presented to the Nominating and Corporate Governance Committee of our Board of Directors for consideration and approval. The Committee approved each of the transactions described above. The Committee does not currently have any formal policies or procedures with respect to its review, approval, or ratification of related party transactions, but considers each related party transaction or proposed related party transaction on a case-by-case basis. According to its charter, the Committee follows the definition of related party transaction provided in the SEC's regulations under the Securities Act of 1933.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16 of the Securities and Exchange Act of 1934, as amended, requires each director, officer, and any individual beneficially owning more than 10 percent of the Company's common stock to file reports on Forms 3, 4, and 5 disclosing beneficial ownership and changes in beneficial ownership of the common stock of the Company with the SEC within specified time frames. These specified time frames require the Form 3's to be filed on or before the effective date of the issuer's registration statement or within 10 days after the person becomes a reporting person. Changes in ownership must be filed on Form 4 within two business days of the transaction. Based solely on information provided to the Company by individual directors and officers, we believe that all our Section 16 filers complied with the filing requirements during the fiscal year, except as follows: Robert H. Adcock failed to timely file two Form 4 reports disclosing three dispositions of shares of the Company's common stock. John W. Allison failed to timely file one Form 4 report disclosing one disposition of shares of the Company's common stock. William G. Thompson failed to timely file one Form 4 report disclosing two dispositions of shares of the Company's common stock.

**Table of Contents****PRINCIPAL SHAREHOLDERS OF THE COMPANY**

The following table sets forth certain information as of February 2, 2011, concerning the number and percentage of shares of our common stock beneficially owned by our directors, our named executive officers, and all of our directors and executive officers as a group, and by each person known to us who beneficially owned more than 5% of the outstanding shares of our common stock.

Information in this table is based upon beneficial ownership concepts described in the rules issued under the Securities Exchange Act of 1934. Under these rules, a person is deemed to be a beneficial owner of any shares of our common stock if that person has or shares voting power, which includes the power to vote or direct the voting of the shares, or investment power, which includes the right to dispose or direct the disposition of the shares. Thus, under the rules, more than one person may be deemed to be a beneficial owner of the same shares. A person is also deemed to be a beneficial owner of any shares as to which that person has the right to acquire beneficial ownership within 60 days from February 2, 2011.

Except as otherwise indicated, all shares are owned directly, and the named person possesses sole voting and investment power with respect to his shares. The address for each of our directors and named executive officers is c/o Home BancShares, Inc., 719 Harkrider Street, Suite 100, Conway, Arkansas 72032.

<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Shares Outstanding (1)</b>
<b>5% or greater holders:</b>		
T. Rowe Price Associates, Inc. (2)	2,291,372	8.1%
BlackRock, Inc. (3)	1,753,548	6.2%
<b>Directors and executive officers:</b>		
Robert H. Adcock, Jr. (5)	773,309	2.7%
John W. Allison (4)(6)	2,770,511	9.7%
Richard H. Ashley (4)(7)	1,303,855	4.6%
Robert F. Birch (4)	133,338	*
Dale A. Bruns (4)	163,506	*
Richard A. Buckheim (4)	50,566	*
Jack E. Engelkes (4)(8)	90,106	*
Tracy M. French (4)(9)	62,136	*
James G. Hinkle (4)(10)	202,140	*
Alex R. Lieblong (4)(11)	611,612	2.1%
Randy E. Mayor (4)(12)	155,985	*
C. Randall Sims (4)(13)	163,338	*
William G. Thompson (4)(14)	19,853	*
<b>All directors and executive officers as a group (15 persons) (4)</b>	<b>6,547,832</b>	<b>22.6%</b>

\* Less than 1%.

(1) The percentage of our common stock beneficially owned was calculated based on 28,452,411 shares of our common stock outstanding as of February 2, 2011. The percentage assumes that the person in each row has exercised all options that are exercisable by that person or group within 60 days of February 2, 2011.

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- (2) Based on information as of December 31, 2010, obtained from a Schedule 13G filed with the SEC on or about February 12, 2011, by T. Rowe Price Associates, Inc., located at 100 E. Pratt Street, Baltimore, Maryland 21202 ( Price Associates ). The foregoing information has been included solely in reliance upon, and without independent investigation of, the disclosures contained in Price Associates Schedule 13G. These securities are owned by various individual and institutional investors for which Price Associates serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.
- (3) Based on information as of December 31, 2010, obtained from a Schedule 13G filed with the SEC on or about February 4, 2011, by BlackRock, Inc., located at 40 East 52nd Street, New York, New York 10022 ( BlackRock ). The foregoing information has been included solely in reliance upon, and without independent investigation of, the disclosures contained in BlackRock s Schedule 13G.
- (4) Includes shares that may be issued upon the exercise of vested common stock options, as follows: Mr. Adcock, 237 shares; Mr. Allison, 194,307 shares; Mr. Ashley, 712 shares; Mr. Birch, 63,210 shares; Mr. Bruns, 4,276 shares; Mr. Buckheim, 712 shares; Mr. Engelkes, 4,633 shares; Mr. French, 29,652 shares; Mr. Hinkle, 712 shares; Mr. Lieblong, 11,761 shares; Mr. Mayor, 70,427 shares; Mr. Sims, 64,742 shares; Mr. Thompson, 712 shares; and all directors and executive officers as a group, 473,686 shares.
- (5) Includes 18,142 shares held in Mr. Adcock s IRA accounts, 14,455 shares owned by the Robert H. Adcock Trust, 192,500 shares owned by the Bun 210 Trust, 190,000 shares owned by the Bun 310 Trust, 26,914 shares owned by the Hillary Adcock GST Trust, 105,889 shares owned by the Hillary Adcock Nonexempt Trust, 2,168 shares owned by the Carol Adcock Trust, 43,500 shares owned by the Carol 210 Trust, 45,500 shares owned by the Carol 310 Trust, 26,914 shares owned by the Ashton Adcock Trust, and 107,091 shares owned by the Ashton Adcock Nonexempt Trust.
- (6) Includes 367,671 shares owned by Mr. Allison s spouse, either individually or as custodian for their son, 4,068 shares held in Mr. Allison s IRA, 8,044 shares of restricted stock and 16,832 shares owned by Capital Buyers, a company that is owned by Mr. Allison.
- (7) Includes 3,544 shares held in Mr. Ashley s IRA, 4,665 shares owned by Mr. Ashley s spouse, 1,834 shares owned by the IRA of Mr. Ashley s spouse, 411,034 shares owned by Conservative Development Company, a corporation of which Mr. Ashley is president, 235,585 shares owned by RHA Investments, a company of which Mr. Ashley is a partner, and 272 shares for which Mr. Ashley is custodian for his children.
- (8) Includes 45,094 shares owned by Mr. Engelkes spouse, 11,089 shares for which Mr. Engelkes is custodian for his children, and 989 shares held in Mr. Engelkes Simple IRA.
- (9) Includes 7,116 shares owned by Mr. French s 401(k) plan, 6,790 shares held in Mr. French s IRA and 7,203 shares of restricted stock.
- (10) Includes 199,302 shares owned by the James G. Hinkle Revocable Trust.
- (11) Includes 407,365 shares that are owned by Key Colony Fund L.P., a hedge fund of which Mr. Lieblong is the managing partner.
- (12)



Includes 6,915 shares owned by Mr. Mayor's 401(k) plan, 4,388 shares of restricted stock and 15,095 shares held in Mr. Mayor's IRA.

(13) Includes two shares owned by Mr. Sims' son, 28,829 shares held in Mr. Sims' IRA, 7,819 shares of restricted stock and 5,517 shares owned by Mr. Sims' 401(k) plan.

(14) Includes 3,144 shares owned by Mr. Thompson's IRA, 3,674 shares owned by the IRA of Mr. Thompson's spouse, 5,317 shares owned by Thompson Brothers LLC, a company of which Mr. Thompson is a partner, and 360 shares owned by B and L Thompson Investments LLC, a company owned by Mr. Thompson.

**Table of Contents****PROPOSAL TWO RATIFICATION OF APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Our consolidated financial statements as of and for the fiscal year ended December 31, 2010, were audited by BKD, LLP, an independent registered public accounting firm. In 2010, the Audit Committee of the Board of Directors and our shareholders approved the engagement of BKD, LLP to be our independent registered accounting firm for fiscal year 2010. The Audit Committee intends to approve the re-engagement of BKD, LLP to be our independent registered public accounting firm for the fiscal year ending December 31, 2011, subject to the ratification of the appointment by our shareholders at the Annual Meeting and our formal acceptance of an engagement letter from BKD, LLP after the Annual Meeting.

Shareholders' ratification of the selection of BKD, LLP to be our independent registered public accounting firm for fiscal year 2011 is not required by our Bylaws or otherwise. However, the Board is submitting the selection of the independent registered public accounting firm to the shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the selection of BKD, LLP, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee may, at its discretion, direct the appointment of a different independent registered accounting firm at any time during the year if it determines that such change is in the best interests of the Company and our shareholders.

Representatives of BKD, LLP are expected to attend the Annual Meeting, will have an opportunity to make a statement if they so desire, and will be available to respond to appropriate questions.

**The Board of Directors Recommends that Shareholders Vote*****FOR*****the Ratification of the Appointment of BKD, LLP  
as the Company's Independent Registered Public Accounting Firm  
for the 2011 Calendar Year****AUDIT AND NON-AUDIT FEES**

The following table represents aggregate fees billed for professional audit services rendered by BKD, LLP to provide the audit of our annual consolidated financial statements for the years ended December 31, 2010, and December 31, 2009, respectively.

	2010	2009
Audit fees:		
Audits of statements in connection with FDIC-assisted transactions <sup>(1)</sup>	\$ 177,000	
Annual audit and quarterly review services and other audit fees <sup>(2)</sup>	389,958	\$ 438,959
Total audit fees	566,958	438,959
Audit-related fees <sup>(3)</sup>	24,611	13,022
Tax fees <sup>(4)</sup>	44,870	50,909
All other fees <sup>(5)</sup>	24,975	29,855

(1) These fees included audits on the statements of assets acquired and liabilities assumed, as required under the significant subsidiary test of Regulation S-X, in connection with the Company's FDIC-assisted acquisitions during 2010 of Old Southern Bank, Coastal Community Bank, Bayside Savings Bank and Wakulla Bank. These fees also included additional audit procedures required under FASB ASC Topic 805 to test the fair values of the assets acquired and liabilities assumed presented in the acquisition date balance sheet for each of the Company's six FDIC-assisted acquisitions during 2010, including Key West Bank and Gulf State Community Bank.

(2) These audit fees consisted of audit work performed in the preparation of our consolidated financial statements, as well as work generally only the independent auditor can reasonably be expected to provide, such as statutory audits.



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- (3) Audit related fees included research and consultations regarding various matters, primarily related to our FDIC-assisted acquisitions and other accounting-related disclosures.
- (4) Tax fees primarily related to preparation of the Company's income tax returns.
- (5) Other fees related to fees paid by the Company on behalf of the Company's retirement plan for third-party administration of the Company's defined contribution plan.

**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor**

The Audit Committee has the responsibility of appointing, setting compensation for and overseeing the work of the independent auditor, and has established a policy to pre-approve all audit and permissible non-audit services provided by the independent auditor.

Prior to engagement of the independent auditor for next year's audit, management will submit an aggregate of services expected to be rendered during that year for each of four categories of services to the Audit Committee for approval.

- (1) **Audit** services include audit work performed in the preparation of our consolidated financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, including comfort letters, statutory audits, and attest services, and consultation regarding financial accounting and/or reporting standards.
- (2) **Audit-related** services are for assurance and related services that are traditionally performed by the independent auditor, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements.
- (3) **Tax** services include all services performed by the independent auditor's tax personnel except those services specifically related to the audit of the consolidated financial statements, and includes fees in the areas of tax compliance, tax planning and tax advice.
- (4) **Other fees** are those associated with services not captured in the other categories. Other than the services for the third-party administration of the Company's defined contribution plan, we generally do not request such services from the independent auditor.

Prior to the engagement, the Audit Committee pre-approves these services by category of service. The fees are budgeted and the Audit Committee requires the independent auditor and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent auditor for additional services not contemplated in the original pre-approval. In those instances, the Audit Committee requires specific pre-approval before engaging the independent auditor.

The Audit Committee may delegate pre-approval authority to one or more of its members. The members to whom such authority is delegated must report, for informational purposes only, the pre-approval decisions to the Audit Committee at its next scheduled meeting.

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**PROPOSAL THREE ADVISORY (NON-BINDING) VOTE  
APPROVING EXECUTIVE COMPENSATION**

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (the ARRA ) was enacted. The ARRA imposes a number of requirements on financial institutions that received an investment under the Capital Purchase Program of the United States Department of the Treasury s Troubled Asset Relief Program ( TARP ). One of the requirements is that at each annual meeting of shareholders during the period in which any obligation arising from TARP financial assistance remains outstanding TARP recipients shall permit a separate non-binding say-on-pay shareholder vote to approve the compensation of executives. A similar requirement was made applicable to all public companies by the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act and the SEC rule issued thereunder on January 25, 2011. Accordingly, the Company presents the resolution set forth below for approval by the shareholders.

We believe that our compensation policies and procedures are competitive, are focused on pay for performance principles and are strongly aligned with the long-term interests of our shareholders. The Compensation Committee, which is comprised entirely of independent directors, oversees our executive compensation program and monitors our policies to ensure they continue to emphasize programs that reward executives for results that are consistent with shareholder interests.

We encourage you to closely review our Compensation Discussion and Analysis and the tabular disclosure which follows it, including the footnotes and narratives which accompany each table, as they describe our compensation policies and procedures and the components and amounts comprising the compensation paid to our named executive officers.

The following resolution gives you as a shareholder the opportunity to endorse or not endorse the compensation we pay to our named executive officers by voting to approve or not approve such compensation as described in this Proxy Statement:

**RESOLVED, that the shareholders of Home BancShares, Inc. (the Company ) approve the compensation of the Company s executives named in the Summary Compensation Table of the Company s Proxy Statement for the 2011 Annual Meeting of Shareholders, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Executive Compensation tables and the related disclosure contained in the Proxy Statement.**

Because your vote is advisory, it will not be binding upon the Board of Directors and may not be construed as overruling any decision by the Board. However, the Compensation Committee may, in its sole discretion, take into account the outcome of the vote when considering future executive compensation arrangements.

Our Board of Directors and our Compensation Committee believe that our commitment to responsible compensation practices as described in this Proxy Statement justifies a vote by shareholders FOR the resolution approving the compensation of our executives as disclosed in this Proxy Statement.

**The Board of Directors Recommends that Shareholders Vote**

***FOR***

**the Advisory (Non-binding) Resolution Approving  
the Company s Executive Compensation**

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**SUBMISSION OF SHAREHOLDER PROPOSALS**

In order for a proposal by a shareholder to be presented at an annual meeting of our shareholders, the proposal must be included in the related proxy statement and proxy form. Proposals by shareholders intended to be presented at the Annual Meeting of Shareholders in 2012 must be received by the Company no later than November 12, 2011, for possible inclusion in the proxy statement relating to that meeting.

For a shareholder proposal to be included in the proxy statement and proxy form for an annual meeting of the Company's shareholders, the proposal must: (1) concern a matter that may be properly considered and acted upon at the annual meeting in accordance with applicable laws, including our Bylaws and Rule 14a-8 of the Securities Exchange Act of 1934; and (2) be received by the Company at its home office, 719 Harkrider Street, Suite 100, Conway, Arkansas 72032, Attention: Holly A. McKenna, Secretary, not less than 120 calendar days before the anniversary of the date of the previous year's proxy statement, or November 12, 2011, in the case of the Annual Meeting of Shareholders in 2012. If no annual meeting was held the previous year and in any year in which the date of the annual meeting is moved by more than 30 days from the date of the previous year's annual meeting, the proposal will be considered timely if received within a reasonable time before the Company begins to print and mail its proxy materials.

**WHERE YOU CAN FIND MORE INFORMATION**

We file reports, proxy statements, and other information with the SEC. You can read and copy these reports, proxy statements, and other information concerning the Company at the SEC's public reference room at 100 F Street N.E., Washington, D.C., 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. You may also view and print reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including the Company, from the SEC website at [www.sec.gov](http://www.sec.gov).

***SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND THE  
MEETING ARE URGED TO VOTE BY TELEPHONE,  
MAIL OR INTERNET.  
IF YOU VOTE BY TELEPHONE OR THE INTERNET,  
DO NOT RETURN YOUR PROXY CARD***

By Order of the Board of Directors  
C. RANDALL SIMS  
Chief Executive Officer

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**Electronic Voting Instructions**

**You can vote by Internet or telephone!  
Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.  
VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by  
1:00 AM, Central Daylight Time, on April 21, 2011.**

**Vote by Internet**

Log on to the Internet and go to  
**www.envisionreports.com/HOMB**  
Follow the steps outlined on the secured website.

**Vote by telephone**

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is **NO CHARGE** to you for the call.  
Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark  your votes with an **X** as shown in this example. Please do not write outside the designated areas.

**Annual Meeting Proxy Card**

**IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

**Proposals The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposals 2 and 3.**

1. Election of Directors:		For	Withhold			For	Withhold			For	Withhold	+
		<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	03	<input type="radio"/>	<input type="radio"/>		
01	John W. Allison			02	C. Randall Sims			Randy E. Mayor				

**For Against Abstain**

2. Ratification of appointment of BKD, LLP as the Company's independent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	4. Transact such other business as may properly come before the meeting or any adjournments
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registered public accounting firm for the next fiscal year. thereof.

3. Advisory (non-binding) vote approving the Company's executive compensation.

**Non-Voting Items**

**Change of Address** Please print new address below.

**Authorized Signatures** This section must be completed for your vote to be counted. **Date and Sign Below**  
Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below.  
/ /

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.

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IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION,  
DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

**Proxy HOME BANCSHARES, INC.**

**719 Harkrider Street, Suite 100**

**Conway, Arkansas 72032**

**(501) 328-4770**

***www.homebancshares.com***

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS To Be Held on April 21, 2011**

The undersigned constitutes and appoints Randy E. Mayor and Brian S. Davis or either of them, proxies for the undersigned, with full power of substitution, to represent the undersigned and to vote all of the shares of common stock of Home BancShares, Inc. which the undersigned is entitled to vote at the Annual Meeting of shareholders of the Company to be held on April 21, 2011, at 6:30 p.m. (CDT) at the Agora Conference Center, located at 705 East Siebenmorgan Road, Conway, Arkansas, for the purposes stated on the reverse side.

Only shareholders of record on March 4, 2011, will be entitled to vote at the meeting or any adjournments thereof. A list of shareholders will be available for inspection at the office of the Company at 719 Harkrider Street, Suite 100, Conway, Arkansas, 72032, beginning two business days after the date of this notice and continuing through the meeting.

**YOUR VOTE IS IMPORTANT  
PLEASE EXECUTE YOUR PROXY WITHOUT DELAY**