

Home Federal Bancorp, Inc. of Louisiana

Form S-1/A

October 27, 2010

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As filed with the Securities and Exchange Commission on October 27, 2010

Registration No. 333-169230

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

**Pre-Effective Amendment No. 2
to the
Form S-1**

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Home Federal Bancorp, Inc. of Louisiana

(Exact name of registrant as specified in its articles of incorporation)

Louisiana

*(State or other jurisdiction of
incorporation or organization)*

6036

*(Primary Standard
Industrial Classification Code
Number)*

02-0815311

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

**624 Market Street
Shreveport, Louisiana 71101
(318) 222-1145**

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

**Daniel R. Herndon
Chairman, President and Chief Executive Officer
Home Federal Bancorp, Inc. of Louisiana
624 Market Street
Shreveport, Louisiana 71101
(318) 222-1145**

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

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, 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(c) 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 registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$.01 par value per share	3,886,954 shares	\$10.00	\$38,869,540(1)	\$2,771.40(2)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Regulation 457(o) under the Securities Act.

(2) Previously paid.

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

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PROSPECTUS

**(Proposed Holding Company for Home Federal Bank)
Up to 2,156,250 Shares of Common Stock
(Anticipated Maximum, Subject to Increase)**

Home Federal Bancorp, Inc. of Louisiana, a new Louisiana corporation, is offering up to 2,156,250 shares of its common stock to the public in connection with the conversion of Home Federal Bank from the mutual holding company form of organization to the fully public stock holding company structure. The shares being offered represent the 63.8% ownership interest in Home Federal Bancorp, Inc. of Louisiana, a federal corporation, now owned by Home Federal Mutual Holding Company of Louisiana, its mutual holding company parent. The remaining 36.2% ownership interest in Home Federal Bancorp are shares held by the public which will be exchanged for shares of the new holding company's common stock. If you are now a shareholder of the existing Home Federal Bancorp and continue to be on the date we complete the conversion and offering, your shares will be exchanged automatically for between 0.7464 and 1.0098 shares of the new holding company's common stock, or up to 1.1612 shares in the event we increase the maximum of the offering range by 15%. The actual exchange ratio will depend upon the number of new shares we sell in our offering.

We are offering the shares of common stock in a subscription offering to eligible depositors and certain borrowers of Home Federal Bank. Shares of common stock not purchased in the subscription offering may be offered for sale to the general public in a community offering, with a preference given to our local communities and the shareholders of Home Federal Bancorp. We also may offer for sale shares of common stock not purchased in the subscription offering or community offering in a syndicated community offering through a syndicate of selected broker-dealers, with Stifel, Nicolaus & Company, Incorporated serving as sole book-running manager.

If you are a current or former depositor or certain borrower of Home Federal Bank, you may have priority rights to purchase shares in the subscription offering.

If you are not in the above priority but are interested in purchasing shares of common stock, you may be able to purchase shares in the community offering, if shares remain available after priority orders are filled.

We are offering up to 2,156,250 shares of common stock for sale to the public on a best efforts basis, subject to certain conditions. We must sell a minimum of 1,593,750 shares to complete the offering. All shares of common stock being offered for sale will be sold at a price of \$10.00 per share. If, as a result of regulatory considerations, demand for the shares or changes in market conditions, or the independent appraiser determines our market value has increased, we may sell up to 2,479,688 shares without giving you further notice or the opportunity to change or cancel your order.

Funds received before completion of the offering will be maintained in a segregated account at Home Federal Bank. We will pay interest on all funds received at a rate equal to Home Federal Bank's passbook rate, which is currently 0.50% and subject to change at any time. If we terminate the offering for any reason, we will promptly return your funds with interest calculated at Home Federal Bank's passbook rate, and deposit account withdrawal authorizations will be canceled.

The offering will terminate at 2:00 p.m., Central time, on [DATE1], 2010. We may extend this expiration date without notice to you for up to 45 days, until [DATE2], 2010. The minimum purchase is 25 shares. Once submitted, your order is irrevocable unless we terminate or extend the offering beyond [DATE2], 2010, with Office of Thrift Supervision approval. If we extend the offering beyond [DATE2], 2010 subscribers will be notified and have the right to confirm, modify or rescind their stock orders, and for subscribers who do not respond, funds will be returned promptly with interest, and deposit account withdrawal authorizations will be canceled.

Home Federal Bancorp's common stock is currently quoted on the OTC Bulletin Board under the symbol HFBL. We expect that the new holding company's common stock will be listed for trading on the Nasdaq Capital Market under the symbol HFBLD for a period of 20 trading days after completion of the offering. Thereafter, the trading symbol will be HFBL.

Stifel, Nicolaus & Company, Incorporated will assist us in our selling efforts on a best efforts basis, but is not obligated to purchase any of the common stock that is being offered. Purchasers will not pay any commission to purchase shares of common stock in the offering.

**This investment involves a degree of risk, including the possible loss of principal.
Please read Risk Factors beginning on page 17.**

OFFERING SUMMARY

Price per share: \$10.00

	Minimum	Midpoint	Maximum	Maximum, as Adjusted
Number of shares	1,593,750	1,875,000	2,156,250	2,479,688
Gross offering proceeds	\$ 15,937,500	\$ 18,750,000	\$ 21,562,500	\$ 24,796,880
Estimated offering expenses (excluding selling agent fees)	950,000	950,000	950,000	950,000
Selling agent fees(1)	545,730	642,480	739,230	850,493
Estimated net proceeds	14,441,770	17,157,520	19,873,270	22,996,387
Estimated net proceeds per share	\$ 9.06	\$ 9.15	\$ 9.22	\$ 9.27

(1) Assumes 50% of the shares are sold in the subscription and community offering and 50% of the shares are sold in the syndicated community offering. For a description of Stifel, Nicolaus & Company, Incorporated's compensation for the stock offering, see The Conversion and Offering Marketing Arrangements.

These securities are not deposits or accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Neither the Securities and Exchange Commission, the Office of Thrift Supervision, nor any state securities regulator has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Stifel Nicolaus Weisel

For assistance, please call the Stock Information Center, toll-free, at 1-(877) .

The date of this prospectus is , 2010

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SUMMARY

This summary highlights material information from this document and may not contain all the information that is important to you. To understand the conversion and offering fully, you should read this entire document carefully, including the consolidated financial statements and the notes to the consolidated financial statements included elsewhere herein.

Our Company

Home Federal Bancorp, Inc. of Louisiana (New). We have formed a new Louisiana corporation called Home Federal Bancorp, Inc. of Louisiana, which will become the holding company for Home Federal Bank following completion of the conversion and offering. The new holding company is conducting this stock offering in connection with the conversion of Home Federal Mutual Holding Company of Louisiana from the mutual to the stock form of organization. Upon completion of the conversion and offering, the current mid-tier stock holding company will cease to exist. The executive offices of Home Federal Bancorp, Inc. are located at 624 Market Street, Shreveport, Louisiana 71101, and its telephone number is (318) 222-1145.

Home Federal Bank. Home Federal Bank is a federally chartered stock savings bank originally organized in 1924 as Home Federal Savings and Loan Association. The bank reorganized into the mutual holding company structure in January 2005 and changed its name to Home Federal Bank in 2009 as part of its business strategy to be recognized as a community bank. Home Federal Bank's headquarters and main office, two full service branch offices and agency office are located in Shreveport, Louisiana and serve the Shreveport-Bossier City metropolitan area. Home Federal Bank's business primarily consists of attracting deposits from the general public and using those funds to originate loans. At our agency office, we offer security brokerage and advisory services through a third party provider. Home Federal Bank's market area is Caddo Parish, Louisiana, which includes the city of Shreveport, and neighboring communities in Bossier Parish, Louisiana.

Following the conversion and offering, we expect to grow Home Federal Bank's franchise through *de novo* branch offices. We have acquired land in North Bossier for a branch office expected to open in November 2010. We also expect to open an office in South Bossier at a future time.

Home Federal Mutual Holding Company of Louisiana. Home Federal Mutual Holding Company of Louisiana currently is the mutual holding company parent of Home Federal Bancorp. The principal business purpose of Home Federal Mutual Holding Company is its ownership of 2,135,375 shares, or 63.8% of the outstanding shares of Home Federal Bancorp's common stock. Home Federal Mutual Holding Company will no longer exist upon completion of the conversion and offering.

Our Market Area

Home Federal Bancorp's primary market area for loans and deposits is in northwest Louisiana, particularly Caddo and Bossier Parishes located in the Shreveport-Bossier City metropolitan statistical area, and neighboring communities.

Shreveport and Bossier City are located in northern Louisiana on Interstate 20, approximately fifteen miles from the Texas state border and 185 miles east of Dallas, Texas. Our primary market area has a diversified economy with employment in services, government and wholesale/retail trade constituting the basis of the local economy, with service jobs being the largest component. The majority of the services are health care related as Shreveport has become a regional hub for health care. The casino gaming industry also supports a significant number of service jobs.

The energy sector has a prominent role in the regional economy, resulting from oil and gas exploration and drilling.

Our Business

Beginning in fiscal 2009, we began to implement our strategy to position Home Federal Bank as a local community bank with a focus on providing customers in our market area with local decision-making, diverse products and services and an efficient underwriting process. Our primary business lines involve generating

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funds from deposits or borrowings and investing such funds in loans. We underwrite loans and sell substantially all of our fixed rate residential mortgages we originate. In the past two years, we have added commercial loan products, which include commercial real estate and commercial business loans. We currently operate three retail banking locations in Shreveport Louisiana and one agency office where we offer security brokerage and advisory services through Tipton Wealth Management.

Our primary lines of business are:

Retail Lending. We offer residential mortgage loans, home equity loans and non-real estate consumer loans through our branch offices.

Commercial Lending. We offer commercial real estate and multi-family residential loans and commercial business loans to borrowers in our market area.

Deposit Products. We offer a full range of traditional deposit products for consumers and businesses, such as checking accounts, savings accounts, money market accounts and certificates of deposit.

We provide a full range of services to our customers including ATM and check card services and overdraft protection. We have recently added mobile and Internet banking and remote electronic deposits.

The Conversion and Offering (Page)

In 2005, we organized Home Federal Bancorp, Inc. of Louisiana, a federally chartered corporation, as the mid-tier stock holding company for Home Federal Bank. The common stock of Home Federal Bancorp is registered under the Securities Exchange Act of 1934, as amended, and is publicly quoted on the OTC Bulletin Board under the symbol HFBL. At the conclusion of the stock offering and the conversion of Home Federal Mutual Holding Company, Home Federal Bancorp, the federal corporation, will no longer exist. The existing public shareholders of Home Federal Bancorp will have their shares converted into between 0.7464 and 1.0098 shares of the new holding company's common stock. As of June 30, 2010, Home Federal Bancorp had total assets of \$185.1 million and stockholders' equity of \$33.4 million.

The following chart shows our current ownership structure which is commonly referred to as the two-tier mutual holding company structure:

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Following the conversion and offering, our ownership structure will be as follows:

The conversion and offering are commonly referred to as a second-step conversion.

Our Business Strategy (Page)

We have several business strategies that are designed to further improve our long-term profitability and enhance our franchise. These strategies include:

Continuing to diversify our loan portfolio by emphasizing commercial real estate and commercial business loans;

Diversifying our products and services for a larger customer base and an enhanced competitive position;

Managing our expenses while building an infrastructure to support our full-service community bank products and services;

Enhancing core earnings through lower cost transaction and savings accounts combined with higher yielding commercial real estate and business loans and selling our fixed rate residential mortgage loan originations;

Being competitive in our market area by emphasizing local decision making and an efficient loan approval processes;

Continuing expansion in our market area by opening additional *de novo* branches and possibly, through acquisitions of other financial institutions and banking related businesses (although we have no current plans, understandings or agreements with respect to any specific acquisitions); and

Maintaining asset quality while continuing to grow and diversify our loan portfolio.

Reasons for the Conversion and Offering (Page)

We are pursuing the conversion for the following reasons:

While Home Federal Bank currently exceeds all regulatory capital requirements, the additional funds resulting from the offering will support continued growth and expansion, including opening new branch offices, particularly in Bossier Parish, hiring and retaining personnel, and providing enhanced lending capability. Our board of directors considered current market conditions, the amount of capital needed for continued lending and operational growth, the fact that the offering will not raise excessive capital, and the interests of existing shareholders in deciding to conduct the conversion and offering at this time.

The additional shares in our employee stock ownership plan and the proposed new stock benefit plans will assist us with retaining and strengthening our management team by providing competitive

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compensation for our senior officers. Although we have not to date lost the services of any members of senior management without the additional stock benefit plans, being able to offer such stock benefits in the future has been an important part of the structure of compensation packages in seeking to add new lending officers in connection with implementation of our business plan.

The full public stock holding company structure, as compared to the mutual holding company structure, is a more familiar form of organization, which we believe will make our common stock more appealing to investors, and will give us greater flexibility to access the capital markets through possible future equity and debt offerings, although we have no current plans, agreements or understandings regarding any additional securities offerings. The mutual holding company structure is more restrictive due to the requirement that the parent mutual holding company always control a majority of the mid-tier holding company's capital stock.

To eliminate some of the uncertainties associated with the recently enacted financial regulatory legislation which will result in changes to our primary bank regulator and holding company regulator, currently the Office of Thrift Supervision, as well as possibly material changes in regulations governing the conversion to a full public stock holding company structure. Neither the Office of the Comptroller of Currency nor the Federal Reserve Board have adopted regulations addressing second-step conversions and there is no assurance that those agencies will adopt, without material change, the regulations issued by the Office of Thrift Supervision that currently govern second-step conversions. The statutory transfer date of the functions of the Office of Thrift Supervision to the other federal banking agencies is July 21, 2011, subject to extension up to January 21, 2012, during which time it may be difficult to receive regulatory approval for second-step conversions.

We believe that our current mutual holding company structure limits our opportunities to acquire other institutions because we cannot now issue stock in an acquisition in an amount that would cause Home Federal Mutual Holding Company to own less than a majority of the outstanding shares of Home Federal Bancorp's common stock. The conversion will facilitate our ability to acquire other institutions by eliminating the mutual holding company, although we do not currently have any agreements or understandings regarding any specific acquisition transaction.

We expect that the conversion will result in greater liquidity for our stock by increasing the number of outstanding shares held by public shareholders and by being listed for trading on the Nasdaq Capital Market.

Our board of directors considered current market conditions for financial institution stock, in particular those issued in second-step conversions and the effect such conditions had on the appraised value of the common stock, and thus the exchange ratio. We believe that the benefits of raising significant additional equity, but not an excessive amount, now in order to support and implement our business plan as well as to avoid the uncertainties surrounding second-step conversions due to the change on our regulators are significant. If we do not raise excess capital in the offering, it will have a positive impact on our return on equity.

In view of Home Federal Bancorp's current operations and capital level and due to the significant additional capital that will be raised by Home Federal Bancorp in connection with the conversion, Home Federal Mutual Holding Company and Home Federal Bancorp believe that the conversion will result in an institution whose competitive position will be substantially improved. We believe that the conversion will enable us to continue to expand and diversify our loan portfolio, improve our lending platform, retain management and result in an institution which will be able to offer the increasingly sophisticated and broad array of services that are necessary to meet the convenience and needs of Home Federal Bank's customers.

Terms of the Offering

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We are selling between 1,593,750 and 2,156,250 shares of common stock, all at a price of \$10.00 per share. The number of shares to be sold may be increased to 2,479,688. The actual number of shares we sell will depend on an independent appraisal performed by Feldman Financial Advisors, Inc., an independent appraisal firm. We are also exchanging shares of the existing Home Federal Bancorp's common stock, other than shares held by Home Federal Mutual Holding Company, which will be canceled, for shares of the new holding company's common stock based on an exchange ratio of between 0.7464 and 1.0098. The exchange ratio may

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be increased up to 1.1612 in the event that 2,479,688 shares are sold. See The Conversion and Offering How We Determined the Price Per Share, the Offering Range and the Exchange Ratio beginning at page .

The subscription offering will terminate at 2:00 pm, Central time, on [DATE1], 2010. We may extend this expiration date without notice to you for up to 45 days, until [DATE2], 2010. We may request permission from the Office of Thrift Supervision to extend the offering beyond [DATE2], 2010. If we extend the offering beyond [DATE2], 2010, we will be required to notify each subscriber and resolicit subscriptions.

Commencing concurrently with the subscription offering, we expect to offer shares of common stock in a community offering. In the community offering, natural persons, or trusts of natural persons, who reside in Caddo and Bossier Parishes, Louisiana will have a first preference followed by public shareholders of Home Federal Bancorp as of [DATE5], 2010. The community offering is expected to terminate at 2:00 p.m., central time, on [DATE1], 2010, but may be extended, without notice, until [DATE2], 2010.

Shares not sold in the subscription or community offerings may be offered for sale in a syndicated community offering, which would be an offering to the general public on a best efforts basis by a syndicate of broker-dealers managed by Stifel, Nicolaus & Company, Incorporated.

We have the right to reject any orders for stock in the community offering and syndicated community offering either in whole or in part. If your order is rejected in part, you cannot cancel the remainder of your order.

We may cancel the conversion and offering at any time prior to the special meetings of members of Home Federal Mutual Holding Company and shareholders of Home Federal Bancorp to vote on the Plan of Conversion and Reorganization. We may also cancel the conversion and offering after the special meetings with the concurrence of the Office of Thrift Supervision. If we cancel the offering, orders for shares of common stock already submitted will be canceled and subscribers' funds will be returned promptly with interest calculated at Home Federal Bank's passbook rate, which is currently 0.50% and subject to change at any time.

Purchase Price

The purchase price for all investors in the offering is \$10.00 per share. You will not pay a commission to buy shares of common stock in the offering. Stifel, Nicolaus & Company, Incorporated, our conversion advisor and marketing agent in the offering, will use its best efforts to assist us in selling shares of the new holding company's common stock. Stifel Nicolaus & Company, Incorporated is not obligated to purchase any shares of common stock in the offering.

Number of Shares of the New Holding Company's Common Stock to be Sold in the Offering

We are offering for sale between 1,593,750 and 2,156,250 shares of the new holding company's common stock in this offering. Office of Thrift Supervision regulations govern most of the terms of the conversion and offering. With regulatory approval, we may increase the number of shares to be issued to 2,479,688 shares without giving you further notice or the opportunity to change or cancel your order. In considering whether to increase the offering size, the Office of Thrift Supervision will consider the level of subscriptions, the views of our independent appraiser, our financial condition and results of operations and changes in market conditions. In the event market or financial conditions change so as to cause the aggregate purchase price of the shares to be below the minimum of the offering range or more than 15% above the maximum of such range, purchasers will be resolicited. In such instance, we will notify subscribers and return the amount they have submitted with their stock orders, with interest calculated at Home Federal Bank's passbook rate, or cancel their deposit account withdrawal authorizations and we will permit subscribers to place new stock orders.

How We Determined the Offering Range and the Exchange Ratio (Page)

The offering range and the exchange ratio are based on an independent appraisal by Feldman Financial Advisors, Inc., an appraisal firm experienced in appraisals of savings institutions. The pro forma market value is the estimated market value of our common stock assuming the sale of shares in this offering. Feldman Financial has indicated that in its opinion as of August 27, 2010, our common stock's estimated pro forma market value on a fully converted basis was \$29.4 million at the midpoint. In the offering, we are selling shares of common stock of the new holding company representing the 63.8% ownership interest in Home

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Federal Bancorp, now owned by Home Federal Mutual Holding Company. Feldman Financial estimates that this results in an offering range between \$15.9 million and \$21.6 million, with a midpoint of \$18.75 million.

Three measures that some investors use to analyze whether a stock might be a good investment are the ratio of the offering price to the issuer's book value and tangible book value and the ratio of the offering price to the issuer's earnings. Feldman Financial considered these ratios in preparing its appraisal, among other factors. Book value is the same as total equity and represents the difference in value between the issuer's assets and liabilities. Tangible book value is equal to total equity minus intangible assets.

The following table presents a summary of selected pricing ratios for Home Federal Bancorp, for the peer group and for all fully converted publicly traded savings banks and savings associations. The figures for Home Federal Bancorp are from Feldman Financial's appraisal report and they thus do not correspond exactly to the ratios presented in the Pro Forma Data section of this prospectus. Compared to the median pricing ratios of the peer group, at the midpoint of the offering range our common stock would be priced at a premium of 180.0% to the peer group on a price-to-earnings basis, a discount of 19.1% to the peer group on a price-to-book basis and a discount of 20.5% to the peer group on a price-to-tangible book basis. This means that, at the maximum of the offering range, a share of our common stock would be more expensive than the peer group on an earnings basis and less expensive than the peer group on a book value and tangible book value basis.

	Price to Earnings Multiple	Price to Book Value Ratio	Price to Tangible Book Value Ratio
Home Federal Bancorp (pro forma)			
Minimum	41.7x	53.9%	53.9%
Midpoint	50.0x	60.3	60.3
Maximum	58.8x	66.1	66.1
Maximum, as adjusted	66.7x	72.0	72.0
Peer group companies as of August 27, 2010			
Elmira Savings Bank, FSB	9.7x	83.1%	126.7%
First Advantage Bancorp	67.0x	66.0	66.0
First Capital, Inc.	17.9x	87.5	99.0
GS Financial Corp.	NM	54.3	54.3
Louisiana Bancorp, Inc.	26.1x	91.7	91.7
LSB Financial Corp.	18.1x	44.0	44.0
Newport Bancorp, Inc.	34.6x	84.8	84.8
North Central Bancshares, Inc.	13.8x	53.6	53.6
Rome Bancorp, Inc.	16.5x	102.2	102.2
Wayne Savings Bancshares, Inc.	9.9x	63.3	66.9
Average	23.7x	73.0	78.9
Median	17.9x	74.5	75.9
All publicly traded savings banks			
Average	15.3x	71.0%	79.2%
Median	13.7x	71.3	77.0

Because of differences and important factors such as operating characteristics, location, financial performance, asset size, capital structure, and business prospects between Home Federal Bancorp and other fully converted institutions, you should not rely on these comparative valuation ratios as an indication as to whether or not the stock is an appropriate investment for you. **The independent valuation is not intended, and must not be construed, as a**

recommendation of any kind as to the advisability of purchasing the common stock. Because the independent valuation is based on estimates and projections on a number of matters, all of which are subject to change from time to time, no assurance can be given that persons purchasing the common stock will be able to sell their shares at a price equal to or greater than the \$10.00 per share purchase price. See Risk Factors The Market for the Stock of Financial Institutions Has Been Unusually Volatile Recently and Our Stock Price May Decline When Trading Commences at page and Pro Forma Data at page .

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The following table presents for all second-step conversions that began trading from January 1, 2009 to August 27, 2010, the percentage change in the trading price from the initial offering price to the dates shown in the table. The table also presents the average and median trading prices and percentage change in trading prices for the same dates. This information relates to stock performance experienced by other companies that have completed second-step conversions. The companies may have different market capitalization, offering size, earnings quality and growth potential, among other factors than Home Federal Bancorp.

As part of its appraisal of our pro forma market value, Feldman Financial Advisors, Inc. considered the after-market performance of these second-step conversion offerings. None of these companies were included in the peer group of ten publicly traded companies utilized by Feldman Financial Advisors, Inc. in performing its valuation analysis. Because the market for stocks of financial institutions was very volatile over the past two years, a relatively small number of second-step conversion offerings were completed during this period as compared to prior periods.

Issuer (Market/Symbol)	Closing Date	Net Proceeds (In millions)	Price to Tangible Book Value Ratio	Price Performance from Initial Offering Price			
				1 Day	1 Week	1 Month	Through August 27, 2010
Jacksonville Bancorp, Inc. (Nasdaq/JXSB)	07/15/10	\$ 8.7	59.9%	6.5%	5.8%	3.0%	(0.1)%
Colonial Financial Services, Inc. (Nas							