IDEXX LABORATORIES INC /DE
Form DEFA14A
March 24, 2016

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

## SCHEDULE 14A
**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material pursuant to §240.14a-12

## IDEXX Laboratories, Inc.

**(Name of Registrant as Specified in its Charter)**

**(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rule 14a-6(i)(1), and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing party:

(4) Date filed:

**Important Notice of Availability of Proxy Materials for the 2016 Annual Meeting of Stockholders of**

# IDEXX LABORATORIES, INC.

**To Be Held On:**
**May 4, 2016 at 10:00 AM (Eastern time)**
**Portland Marriott Hotel, 200 Sable Oaks Drive, South Portland, Maine 04016**

**COMPANY NUMBER**
**ACCOUNT NUMBER**
**CONTROL NUMBER**

**This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. We encourage you to access and review all of the important information contained in the proxy materials before voting.**

**If you want to receive a paper or e-mail copy of the proxy materials you must request one. There is no charge to you for requesting a copy. To facilitate timely delivery please make the request as instructed below before 4/25/16.**

**Please visit www.idexxproxymaterials. com, where the following materials are available for view:**

Notice of 2016 Annual Meeting of Stockholders
Proxy Statement
Annual Report
Form of Electronic Proxy Card

**TO REQUEST MATERIAL:**

**TELEPHONE: 888-Proxy-NA (888-776-9962) and 718-921-8562 (for international callers)**

**E-MAIL: info@amstock.com**
**WEBSITE: http://www.amstock.com/proxyservices/requestmaterials.asp**

**TO VOTE:**

**ONLINE:** To access your online proxy card, please visit **www.voteproxy.com** and follow the on-screen instructions or scan the QR code with your smartphone. You may enter your voting instructions at www.voteproxy.com up until 11:59 PM Eastern Time the day before the cut-off or meeting date.

**IN PERSON:** You may vote your shares in person by attending the Annual Meeting.

**TELEPHONE:** To vote by telephone, please visit **www.idexxproxymaterials.com** to view the materials and to obtain the toll-free number to call.

**MAIL:** You may request a card by following the instructions above.

1. *Election of Directors.* To elect the three Class III Directors listed in the attached proxy statement for three-year terms (Proposal One);

**Nominees**

Jonathan W. Ayers

Barry C. Johnson, PhD

M. Anne Szostak

2. *Ratification of Appointment of Independent Registered Public Accounting Firm.* To ratify the selection of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the current fiscal year (Proposal Two);

3. *Advisory Vote to Approve Executive Compensation.* To approve a nonbinding advisory resolution on the Company s executive compensation (Proposal Three); and

4. *Other Business.* To conduct such other business as may properly come before the 2016 Annual Meeting or any adjournments thereof, including approving any such adjournment, if necessary.

**Under Securities and Exchange Commission rules, you are receiving this notice that the proxy materials for the annual meeting are available on the Internet. Follow the instructions above to view the materials and vote online or request printed copies. The items to be voted on are listed above.**

**Please note that you cannot use this notice to vote by mail.**

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months ended September 30, 2011, interest expense decreased $647,000, or 14.5%, compared to the nine months ended September 30, 2010. The decreases were primarily due to lower average rates paid on interest-bearing liabilities as the result of reduced market rates and changes in the composition of our interest-bearing liabilities, despite the increase in volume attributable to the GSFC acquisition.

The provision for loan losses totaled $526,000 for the third quarter of 2011, an increase of $358,000, or 213.6%, compared to the third quarter of 2010. For the nine months ended September 30, 2011, the provision for loan losses totaled $892,000, an increase of $175,000, or 24.4%, compared to the nine months ended September 30, 2010. The increases were primarily attributable to organic loan growth and a $50,000 provision on the Covered Loan portfolio. Excluding Covered Loans, the allowance for loan losses amounted to 0.76% of total loans and 51.0% of total nonperforming loans as of September 30, 2011, compared to 1.09% and 371.2%, respectively, as of December 31, 2010. The decrease in the allowance for loan losses as a percentage of total loans and as a percentage of nonperforming loans were due to the GSFC acquisition. Acquired loans are recorded at fair value at the date of acquisition, which includes estimated credit losses. Thus, allowances for loan losses were not established at the time of the GSFC acquisition.

Noninterest income for the third quarter of 2011 increased $1.0 million, or 165.7%, compared to the third quarter of 2010. For the nine months ended September 30, 2011, noninterest income increased $2.0 million, or 65.5%, compared to the nine months ended September 30, 2010. The increase in the third quarter of 2011 from the same period in 2010 was primarily due to the absence of an $870,000 other-than-temporary impairment of securities charge recorded in the third quarter of 2010, as well as increased higher service fees and charges and bank card fees recorded during the third quarter of 2011. The increase for the nine months ended September 30, 2011 compared to the same period in 2010 was due to a $525,000 settlement payment received by the Company during the second quarter of 2011, higher bank card fees and the absence of OTTI charges recorded in 2010.

Noninterest expense for the third quarter of 2011 increased $2.9 million, or 45.0%, compared to the third quarter of 2010. For the nine months ended September 30, 2011, noninterest expense increased $4.7 million, or 25.8%, compared to the nine months ended September 30, 2010. Noninterest expense includes expenses related to the acquisitions of GSFC and Statewide of $1.4 million and $175,000 for the third quarters of 2011 and 2010, respectively. Merger-related expenses for the nine months ended September 30, 2011 and 2010 totaled $1.8 million and $1.1 million, respectively. Aside from merger-related expenses, the increases in noninterest expense are largely attributable to the growth of the Company s branch network due to the addition of GSFC branches and employees.

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**FINANCIAL CONDITION**

***Loans, Asset Quality and Allowance for Loan Losses***

**Loans** Loans totaled $653.6 million as of September 30, 2011, an increase of $213.7 million, or 48.6%, from December 31, 2010. Growth in the loan portfolio was primarily driven by the acquisition of GSFC, which added $182.5 million in loans at acquisition date. Organic loan growth during the quarter related primarily to commercial and industrial (an increase of $31.2 million), commercial real estate, (an increase of $10.3 million) and construction and land (an increase of $5.7 million) loans. The Company distinguishes its loan portfolio into two major classes: 1) loans acquired from the FDIC in March 2010 which were from Statewide Bank and which are subject to the FDIC loss sharing agreements, which are referred to as Covered Loans , and 2) loans that are not subject to the FDIC loss sharing agreements, which are referred to as Noncovered Loans.

The following table summarizes the composition of the Company s loan portfolio as of the dates indicated.

| *(dollars in thousands)* | September 30, 2011 | December 31, 2010 | Total Loans Increase/(Decrease) | |
|---|---|---|---|---|
| Noncovered real estate loans: | | | | |
| One- to four-family first mortgage | $ 174,015 | $ 105,157 | $ 68,858 | 65.5% |
| Home equity loans and lines | 38,623 | 24,898 | 13,725 | 55.1 |
| Commercial real estate | 187,404 | 115,946 | 71,458 | 61.6 |
| Construction and land | 64,268 | 45,177 | 19,091 | 42.3 |
| Multi-family residential | 14,083 | 4,493 | 9,590 | 213.5 |
| Total noncovered real estate loans | 478,393 | 295,671 | 182,722 | 61.8 |
| Noncovered other loans: | | | | |
| Commercial and industrial | 80,497 | 42,247 | 38,250 | 90.5 |
| Consumer | 27,450 | 21,546 | 5,904 | 27.4 |
| Total noncovered other loans | 107,947 | 63,793 | 44,154 | 69.2 |
| Total noncovered loans | 586,340 | 359,464 | 226,876 | 63.1 |
| Covered loans | 67,296 | 80,447 | (13,151) | (16.3) |
| Total loans | $ 653,636 | $ 439,911 | $ 213,725 | 48.6 |

| *(dollars in thousands)* | September 30, 2011 | December 31, 2010 |
|---|---|---|
| Covered real estate loans: | | |
| One- to four-family first mortgage | $ 13,972 | $ 17,457 |
| Home equity loans and lines | 5,248 | 6,017 |
| Commercial real estate | 34,596 | 34,878 |
| Construction and land | 6,084 | 12,361 |
| Multi-family residential | 1,198 | 1,225 |
| Total covered real estate loans | 61,098 | 71,938 |
| Covered other loans: | | |
| Commercial and industrial | 4,599 | 6,163 |
| Consumer | 1,599 | 2,346 |

| | | |
|---|---|---|
| Total covered other loans | 6,198 | 8,509 |
| Total covered loans | $ 67,296 | $ 80,447 |

**Asset Quality** One of management s key objectives is maintaining a high level of asset quality. In addition to maintaining credit standards for new loan originations, the Company proactively monitors loans and collection and workout processes of delinquent or problem loans. When a borrower fails to make a scheduled payment, the Company attempts to cure the deficiency by making personal contact with the borrower. Initial contacts are

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generally made within 10 days after the date the payment is due. In most cases, deficiencies are promptly resolved. If the delinquency continues, late charges are assessed and additional efforts are made to collect the deficiency. Loans which are designated as special mention, classified or which are delinquent 90 days or more are reported to the Board of Directors of the Company monthly. For loans where the collection of principal or interest payments is doubtful, the accrual of interest income ceases. It is our policy, with certain limited exceptions, to discontinue accruing interest and reverse any interest accrued on any loan which is 90 days or more past due. On occasion, this action may be taken earlier if the financial condition of the borrower raises significant concern with regard to the borrower s ability to service the debt in accordance with the terms of the loan agreement. Interest income is not accrued on these loans until the borrower s financial condition and payment history demonstrate an ability to service the debt.

Repossessed assets which are acquired as a result of foreclosure are classified as repossessed assets until sold. Repossessed assets are recorded at the fair value less estimated selling costs. Costs associated with acquiring and improving a foreclosed property are usually capitalized to the extent that the carrying value does not exceed fair value less estimated selling costs. Holding costs are charged to expense. Gains and losses on the sale of repossessed assets are charged to operations, as incurred.

An impaired loan generally is one for which it is probable, based on current information, that the Bank will not collect all the amounts due under the contractual terms of the loan. Large groups of smaller balance, homogeneous loans are collectively evaluated for impairment. Loans collectively evaluated for impairment include smaller balance commercial real estate loans, residential real estate loans and consumer loans. These loans are evaluated as a group because they have similar characteristics and performance experience. Larger commercial real estate, multi-family residential, construction and land, and commercial other loans are individually evaluated for impairment.

Federal regulations and internal policies require that the Company utilize an internal asset classification system as a means of reporting problem and potential problem assets. The Company has incorporated an internal asset classification system, substantially consistent with federal banking regulations, as a part of our credit monitoring system. Federal banking regulations set forth a classification scheme for problem and potential problem assets as substandard, doubtful or loss assets. An asset is considered substandard if it is inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Substandard assets include those characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. Assets classified as doubtful have all of the weaknesses inherent in those classified substandard with the added characteristic that the weaknesses present make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. Assets classified as loss are those considered uncollectible and of such little value that their continuance as assets without the establishment of a specific loss reserve is not warranted.

The Company s determination as to the classification of its assets and the amount of its valuation allowances is subject to review by federal bank regulators which can order the establishment of additional general or specific loss allowances. The federal banking agencies have adopted an interagency policy statement on the allowance for loan and lease losses. The policy statement provides guidance for financial institutions on both the responsibilities of management for the assessment and establishment of allowances and guidance for banking agency examiners to use in determining the adequacy of general valuation guidelines. Generally, the policy statement recommends that institutions have effective systems and controls to identify, monitor and address asset quality problems; that management analyze all significant factors that affect the collectability of the portfolio in a reasonable manner; and that management establish acceptable allowance evaluation processes that meet the objectives set forth in the policy statement. Our management believes that, based on information currently available, our allowance for loan losses is maintained at a level which covers all known and inherent losses that are both probable and reasonably estimable at each reporting date. However, actual losses are dependent upon future events and, as such, further additions to the level of allowances for loan losses may become necessary.

The Company reviews and classifies assets monthly. The Board of Directors is provided with monthly reports on our classified assets. Assets are classified in accordance with the management guidelines described above. As of September 30, 2011 and December 31, 2010, substandard loans, excluding loans acquired with credit deterioration, amounted to $11.2 million and $2.3 million, respectively. The amount of the allowance for loan losses allocated to substandard loans totaled $311,000 and $394,000 as of September 30, 2011 and December 31, 2010, respectively. There were no assets classified as doubtful or loss at September 30, 2011 or December 31, 2010.

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The loans and repossessed assets that were acquired in the Statewide acquisition are covered by loss sharing agreements between the FDIC and the Bank, which affords the Bank significant loss coverage. As a result of the loss coverage provided by the FDIC, the risk of loss on the Covered Assets is significantly different from those assets not covered under the loss share agreements. At their acquisition date, Covered Assets were recorded at their fair value, which included an estimate of credit losses. Asset quality information on Covered Assets is reported before consideration of applied loan discounts, as these discounts were recorded based on the estimated cash flow of the total loan pool and not on a specific loan basis. Because of the loss share agreements, balances disclosed below are for general comparative purposes only and do not represent the Company s risk of loss on Covered Assets. Because these assets are covered by the loss share agreements with the FDIC, the FDIC will absorb 80% of the first $41,000,000 of losses incurred on Covered Assets and 95% of losses on Covered Assets exceeding $41,000,000.

Nonperforming assets ( NPAs ), defined as nonaccrual loans, accruing loans past due 90 days or more and foreclosed property, totaled $28.0 million, or 2.88% of total assets, at September 30, 2011, compared to $22.8 million, or 3.25% of total assets, at December 31, 2010. The increase in NPAs from December 31, 2010 relates to the NPAs acquired from GSFC, which totaled $9.9 million at September 30, 2011, which was partially offset by a $5.5 million decrease in nonperforming Covered Assets. Excluding Covered Assets, the ratio of NPAs to total assets was 1.32% at September 30, 2011, compared to 0.19% at December 31, 2010. The following table sets forth the composition of the Company s nonperforming assets and troubled debt restructurings as of the dates indicated.

| | **September 30, 2011** | | | **December 31, 2010** | | |
|---|---|---|---|---|---|---|
| *(dollars in thousands)* | **Covered Assets** | **Noncovered Assets** | **Total** | **Covered Assets** | **Noncovered Assets** | **Total** |
| Nonaccrual loans: | | | | | | |
| Real estate loans: | | | | | | |
| One- to four-family first mortgage | $ 4,863 | $ 3,725 | $ 8,588 | $ 5,458 | $ 277 | $ 5,735 |
| Home equity loans and lines | 597 | 246 | 843 | 271 | | 271 |
| Commercial real estate and multi-family | 2,251 | 4,469 | 6,720 | 2,879 | 408 | 3,287 |
| Construction and land | 1,613 | 212 | 1,825 | 4,221 | 12 | 4,233 |
| Other loans: | | | | | | |
| Commercial and industrial | 1,244 | 139 | 1,383 | 3,008 | 351 | 3,359 |
| Consumer | 112 | | 112 | 151 | 8 | 159 |
| Total nonaccrual loans | 10,680 | 8,791 | 19,471 | 15,988 | 1,056 | 17,044 |
| Accruing loans 90 days or more past due | | | | | | |
| Total nonperforming loans | 10,680 | 8,791 | 19,471 | 15,988 | 1,056 | 17,044 |
| Foreclosed property | 5,495 | 3,066 | 8,561 | 5,661 | 92 | 5,753 |
| Total nonperforming assets | 16,175 | 11,857 | 28,032 | 21,649 | 1,148 | 22,797 |
| Performing troubled debt restructurings | 29 | 587 | 616 | | 721 | 721 |
| Total nonperforming assets and troubled debt restructurings | $ 16,204 | $ 12,444 | $ 28,648 | $ 21,649 | $ 1,869 | $ 23,518 |
| Nonperforming loans to total loans (1) | | 1.50% | | | 0.29% | |
| Nonperforming loans to total assets (1) | | 0.98% | | | 0.17% | |
| Nonperforming assets to total assets (1) | | 1.32% | | | 0.19% | |

(1) Asset quality ratios exclude assets covered under FDIC loss sharing agreements.

Net loan charge-offs for the third quarter of 2011 were $53,000 compared to $48,000 for the third quarter of 2010. Net loan charge-offs for the nine months ended September 30, 2011 were $282,000 compared to $145,000 for the nine months ended September 30, 2010.

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Real estate, or other collateral, which is acquired as a result of foreclosure is classified as foreclosed property until sold. Foreclosed property is recorded at fair value less estimated costs to sell. Holding costs are charged to expense. Gains and losses on the sale of real estate owned are charged to operations, as incurred.

**Allowance for Loan Losses** The allowance for loan losses is established through provisions for loan losses. The Company maintains the allowance at a level believed, to the best of management s knowledge, to cover all known and inherent losses in the portfolio that are both probable and reasonable to estimate at each reporting date. Management reviews the allowance for loan losses at least quarterly in order to identify those inherent losses and to assess the overall collection probability for the loan portfolio. Our evaluation process includes, among other things, an analysis of delinquency trends, nonperforming loan trends, the level of charge-offs and recoveries, prior loss experience, total loans outstanding, the volume of loan originations, the type, size and geographic concentration of our loans, the value of collateral securing loans, the borrower s ability to repay and repayment performance, the number of loans requiring heightened management oversight, local economic conditions and industry experience. Based on this evaluation, management assigns risk rankings to segments of the loan portfolio. Such risk ratings are periodically reviewed by management and revised as deemed appropriate. These efforts are supplemented by independent reviews and validations performed by an outsourced independent loan reviewer. The results of the reviews are reported directly to the Audit Committee of the Board of Directors. The establishment of the allowance for loan losses is significantly affected by management judgment and uncertainties and there is likelihood that different amounts would be reported under different conditions or assumptions. Various regulatory agencies, as an integral part of their examination process, periodically review our allowance for loan losses. Such agencies may require management to make additional provisions for estimated loan losses based upon judgments different from those of management.

With respect to Covered Loans and the loans acquired from GSFC with deteriorated credit quality, the Company follows the reserve standard set forth in ASC 310, *Receivables*. At acquisition, the Company reviewed each loan to determine whether there was evidence of deterioration in credit quality since origination and if it is probable that the Company will be unable to collect all amounts due according to the loan s contractual terms. The Company considered expected prepayments and estimated the amount and timing of undiscounted expected principal, interest and other cash flows for each loan meeting the criteria above, and determined the excess of the loan s scheduled contractual principal and interest payments in excess of cash flows expected at acquisition as an amount that should not be accreted (nonaccretable difference). The remaining amount, representing the excess of the loan pool s cash flows expected to be collected over the fair value, is accreted into interest income over the remaining life of the loan pool (accretable yield). The Company recorded a discount on these loans at acquisition to record them at their realizable cash flow. As a result, acquired loans subject to ASC 310, *Receivables*, are excluded from the calculation of loan loss reserves at the acquisition date.

Loans acquired in the Statewide and GSFC acquisitions were recorded at their acquisition date fair value, which was based on expected cash flows and included an estimation of expected future loan losses. If the Company determines that losses arose after the acquisition date, the additional losses will be reflected as a provision for loan losses. Additionally, the acquired loans will be included in the calculation of the Company s allowance for loan losses to the extent the losses are not covered by the FDIC loss sharing agreement on Covered Loans, where applicable.

The Company will continue to monitor and modify our allowance for loan losses as conditions dictate. No assurance can be given that our level of allowance for loan losses will cover all of the inherent losses on our loans or that future adjustments to the allowance for loan losses will not be necessary if economic and other conditions differ substantially from the conditions used by management to determine the current level of the allowance for loan losses.

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The following table presents the activity in the allowance for loan losses during the nine months ended September 30, 2011.

| *(dollars in thousands)* | **Amount** |
|---|---|
| Balance, December 31, 2010 | $ 3,920 |
| Provisions charged to operations | 892 |
| Loans charged off | (320) |
| Recoveries on charged off loans | 38 |
| Balance, September 30, 2011 | $ 4,530 |

At September 30, 2011, the Company s ratio of its allowance for loan losses to total loans was 0.69%, compared to 0.89% at December 31, 2010. The decrease in the ratio of allowance for loan losses to total loans relates primarily to the acquisition of GSFC loan portfolio. Under accounting rules generally accepted in the United States, an acquirer may not carry over the acquiree s allowance for loan losses. Instead, the acquirer must fair value the cash flows expected to be derived from the acquired loan portfolio. Management has included its credit loss expectations in the acquired loan portfolio s cash flow assumptions used to derive the portfolio s fair value. Hence, management believes that expected credit losses in the acquired loan portfolio were appropriately addressed in the fair value adjustments recorded on the acquired loan portfolio. Excluding acquired loans, the ratio of allowance for loan losses to total organic (i.e., not acquired) loans was 1.09% at September 30, 2011 and at December 31, 2010.

***Investment Securities***

The Company s investment securities portfolio totaled $169.5 million as of September 30, 2011, an increase of $42.3 million, or 33.2%, from December 31, 2010. The primary reason for the net increase in investment securities was the result of $46.5 million of securities acquired from GSFC. As of September 30, 2011, the Company had a net unrealized gain on its available for sale investment securities portfolio of $2.5 million, compared to $1.0 million as of December 31, 2010.

The Company sold $3.6 million of its non-agency mortgage-backed securities portfolio during the first quarter of 2011. The sale of these securities, which included the below-investment-grade securities held by the Company, resulted in a $166,000 pre-tax net loss during the first quarter of 2011. All of the securities in the Company s remaining portfolio of non-agency mortgage-backed securities, which had an aggregate amortized cost of $15.9 million as of September 30, 2011, are rated investment grade by Standard & Poor s and/or Moody s.

The following table summarizes activity in the Company s investment securities portfolio during the first nine months of 2011.

| *(dollars in thousands)* | **Available for Sale** | **Held to Maturity** |
|---|---|---|
| Balance, December 31, 2010 | $ 111,962 | $ 15,220 |
| Purchases | 60,581 | 3,000 |
| Sales | (3,664) | |
| Principal payments and calls | (52,417) | (14,280) |
| Acquired from GSFC, at fair value | 46,480 | |
| Accretion of discounts and amortization of premiums, net | 1,165 | (1) |
| Increase in market value | 1,407 | |
| Balance, September 30, 2011 | $ 165,514 | $ 3,939 |

***Funding Sources***

**Deposits** Deposits totaled $719.5 million as of September 30, 2011, an increase of $166.2 million, or 30.1%, compared to December 31, 2010. The acquisition of GSFC added $193.5 million in deposits during the quarter.

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Core deposits (i.e., checking, savings and money market accounts) totaled $ million as of September 30, 2011, an increase of $101.8 million, or 30.7%, from December 31, 2010. The Company s organic core deposits increased for the ninth consecutive quarter, posting growth of $9.2 million, or 2.7%, during the third quarter of 2011.

| *(dollars in thousands)* | September 30, 2011 | December 31, 2010 | Increase (Decrease) Amount | Percent |
|---|---|---|---|---|
| Percent Demand deposit | $ 123,545 | $ 100,579 | $ 22,966 | 22.8% |
| Savings | 43,802 | 29,258 | 14,544 | 49.7 |
| Money market | 172,713 | 133,245 | 39,468 | 29.6 |
| NOW | 93,255 | 68,398 | 24,857 | 36.3 |
| Certificates of deposit | 286,145 | 221,738 | 64,407 | 29.0 |
| Total deposits | $ 719,460 | $ 553,218 | $ 166,242 | 30.1% |

**Federal Home Loan Bank Advances** Short-term FHLB advances totaled $72.3 million as of September 30, 2011. The Company did not have short-term FHLB advances outstanding as of December 31, 2010. The average rates paid on short-term FHLB advances were 0.09% and 0.10% for the three and nine months ended September 30, 2011, respectively, compared to 0.19% and 0.18% for the three and nine months ended September 30, 2010, respectively.

Long-term FHLB advances totaled $41.1 million as of September 30, 2011 and $13.0 million as of December 31, 2010. The average rates paid on long-term FHLB advances were 1.74% and 2.20% for the three and nine months ended September 30, 2011, respectively, compared to 3.37% and 3.40% for the three and nine months ended September 30, 2010, respectively.

**Shareholders Equity** Shareholders equity provides a source of permanent funding that allows for future growth and provides the Company with a cushion to withstand unforeseen adverse developments. Shareholders equity increased $1.5 million, or 1.2%, from $131.5 million as of December 31, 2010 to $133.1 million as of September 30, 2011. The increase in shareholders equity was due to net income and increases in the unallocated common stock held by the Employee Stock Ownership and the Recognition and Retention Plans, which were partially offset by the Company s share repurchases.

As of September 30, 2011, the Bank had regulatory capital that was well in excess of regulatory requirements. The following table details the Bank s actual levels and current regulatory capital requirements as of September 30, 2011.

| | Actual | | Required for Capital Adequacy Purposes | | To Be Well Capitalized Under Prompt Corrective Action Provisions | |
|---|---|---|---|---|---|---|
| *(dollars in thousands)* | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| Tier 1 risk-based capital | $ 116,500 | 20.43% | $ 22,808 | 4.00% | $ 34,212 | 6.00% |
| Total risk-based capital | $ 120,719 | 21.17% | $ 45,616 | 8.00 | $ 57,020 | 10.00 |
| Tier 1 leverage capital | $ 116,500 | 12.17% | $ 38,290 | 4.00 | $ 47,863 | 5.00 |
| Tangible capital | $ 116,500 | 12.17% | $ 14,359 | 1.50 | N/A | N/A |

## LIQUIDITY AND ASSET/LIABILITY MANAGEMENT

### ***Liquidity Management***

Liquidity management encompasses our ability to ensure that funds are available to meet the cash flow requirements of depositors and borrowers, while also ensuring adequate cash flow exists to meet the Company s needs, including operating, strategic and capital. The Company develops its liquidity management strategies as part of its overall asset/liability management process. Our primary sources of funds are from deposits, amortization of loans, loan prepayments and the maturity of loans, investment securities and other investments

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and other funds provided from operations. While scheduled payments from the amortization of loans and investment securities and maturing investment securities are relatively predictable sources of funds, deposit flows and loan prepayments can be greatly influenced by general interest rates, economic conditions and competition. The Company also maintains excess funds in short-term, interest-bearing assets that provide additional liquidity. As of September 30, 2011, cash and cash equivalents totaled $32.9 million. At such date, investment securities available for sale totaled $165.5 million.

The Company uses its liquidity to fund existing and future loan commitments, to fund maturing certificates of deposit and demand deposit withdrawals, to invest in other interest-earning assets and to meet operating expenses. As of September 30, 2011, certificates of deposit maturing within the next 12 months totaled $195.3 million. Based upon historical experience, the Company anticipates that a significant portion of the maturing certificates of deposit will be redeposited with us. For the three months ended September 30, 2011, the average balance of our outstanding FHLB advances was $105.8 million. As of September 30, 2011, the Company had $113.5 million in outstanding FHLB advances and had $164.2 million in additional FHLB advances available.

In addition to cash flows from loan and securities payments and prepayments, as well as from sales of securities available for sale, the Company has significant borrowing capacity available to fund liquidity needs. In recent years, the Company has utilized borrowings as a cost efficient addition to deposits as a source of funds. Our borrowings consist of advances from the FHLB of Dallas, of which the Company is a member. Under terms of the collateral agreement with the FHLB, the Company pledges residential mortgage loans and investment securities, as well as the Company s stock in the FHLB, as collateral for such advances.

***Asset/Liability Management***

The objective of asset/liability management is to implement strategies for the funding and deployment of the Company s financial resources that are expected to maximize soundness and profitability over time at acceptable levels of risk. Interest rate sensitivity is the potential impact of changing rate environments on both net interest income and cash flows. The Company measures its interest rate sensitivity over the near term primarily by running net interest income simulations.

Our interest rate sensitivity also is monitored by management through the use of models which generate estimates of the change in its net interest income over a range of interest rate scenarios. Based on the Company s interest rate risk model, the table below sets forth the results of immediate and sustained changes in interest rates as of September 30, 2011.

| **Shift in Interest Rates (in bps)** | **% Change in Projected Net Interest Income** |
|---|---|
| +300 | 7.0% |
| +200 | 5.1% |
| +100 | 2.8% |

The actual impact of changes in interest rates will depend on many factors. These factors include the Company s ability to achieve expected growth in earning assets and maintain a desired mix of earning assets and interest-bearing liabilities, the actual timing of asset and liability repricings, the magnitude of interest rate changes and corresponding movement in interest rate spreads and the level of success of asset/liability management strategies.

***Off-Balance Sheet Activities***

To meet the financing needs of its customers, the Bank issues financial instruments which represent conditional obligations that are not recognized, wholly or in part, in the statements of financial condition. These financial instruments include commitments to extend credit and standby letters of credit. Such instruments expose the Company to varying degrees of credit and interest rate risk in much the same way as funded loans. The same credit policies are used in these commitments as for on-balance sheet instruments. The Company s exposure to credit losses from these financial instruments is represented by their contractual amounts.

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The following table summarizes our outstanding commitments to originate loans and to advance additional amounts pursuant to outstanding letters of credit, lines of credit and undisbursed construction loans as of September 30, 2011 and December 31, 2010.

| | Contract Amount | |
|---|---|---|
| *(dollars in thousands)* | **September 30, 2011** | **December 31, 2010** |
| Letters of credit | $ 1,524 | $ 1,190 |
| Lines of credit | 51,311 | 39,225 |
| Undisbursed portion of loans in process | 51,409 | 37,170 |
| Commitments to originate loans | 51,083 | 47,906 |

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to be drawn upon, the total commitment amounts generally represent future cash requirements.

Unfunded commitments under commercial lines of credit, revolving credit lines and overdraft protection agreements are commitments for possible future extensions of credit to existing customers. These lines of credit usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed.

The Company is subject to certain claims and litigation arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material effect on the financial condition or results of operations of the Company.

**RESULTS OF OPERATIONS**

The Company s net income for the third quarter of 2011 was $923,000, an increase of $12,000, or 1.4%, compared to the third quarter of 2010. For the nine months ended September 30, 2011, the Company s net income was $3.0 million, a decrease of $238,000, or 7.4%, compared to the nine months ended September 30, 2010. Diluted earnings per share for the third quarter of 2011 were $0.13, an increase of $0.01, or 8.3%, compared to the third quarter of 2010. Diluted earnings per share for the nine months ended September 30, 2011 were $0.41, a decrease of $0.01, or 2.4%, compared to the nine months ended September 30, 2010.

**Net Interest Income** Net interest income is the difference between the interest income earned on interest-earning assets, such as loans and investment securities, and the interest expense paid on interest-bearing liabilities, such as deposits and borrowings. The Company s net interest income is largely determined by our net interest spread, which is the difference between the average yield earned on interest-earning assets and the average rate paid on interest-bearing liabilities, and the relative amounts of interest-earning assets and interest-bearing liabilities. The Company s net interest spread was 4.48% and 4.46% for the three months ended September 30, 2011 and 2010, respectively, and 4.37% and 4.47% for the nine months ended September 30, 2011 and 2010, respectively. The Company s net interest margin, which is net interest income as a percentage of average interest-earning assets, was 4.58% and 4.75% for the three months ended September 30, 2011 and 2010, respectively, and 4.63% and 4.80% for the nine months ended September 30, 2011 and 2010, respectively. The decreases in net interest margin were primarily due to lower average yields on interest-earning assets as a result of the current low rate environment.

Net interest income totaled $9.4 million for the three months ended September 30, 2011, an increase of $2.1 million, or 29.2%, compared to the three months ended September 30, 2010. For the nine months ended September 30, 2011, net interest income totaled $23.2 million, an increase of $2.6 million, or 12.6%, compared to the nine months ended September 30, 2010.

Interest income increased $2.0 million, or 22.5%, in the third quarter of 2011 compared to the third quarter of 2010. For the nine months ended September 30, 2011, interest income increased $2.0 million, or 7.8%, compared to the nine months ended September 30, 2010. The increases were driven by higher average balances of interest-earning assets as the result of the GSFC acquisition, which were partially offset by lower average yields on interest-earning assets, due to the current low rate environment.

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Interest expense decreased $142,000, or 9.2%, in the third quarter of 2011 compared to the third quarter of 2010. For the nine months ended September 30, 2011, interest expense decreased $647,000, or 14.5%, compared to the nine months ended September 30, 2010. The decreases were primarily due to lower average rates paid on interest-bearing liabilities as the result of reduced market rates and an increase in the average volume of lower cost interest-bearing liabilities.

The following table sets forth, for the periods indicated, information regarding (i) the total dollar amount of interest income of the Company from interest-earning assets and the resultant average yields; (ii) the total dollar amount of interest expense on interest-bearing liabilities and the resultant average rate; (iii) net interest income; (iv) net interest spread; and (v) net interest margin. Information is based on average monthly balances during the indicated periods.

| | Three Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2011 | | | 2010 | | |
| *(dollars in thousands)* | **Average Balance** | **Interest** | **Average Yield/ Rate** | **Average Balance** | **Interest** | **Average Yield/ Rate[1]** |
| Interest-earning assets: | | | | | | |
| Loans receivable[1] | $ 612,416 | $ 9,729 | 6.30% | $ 456,262 | $ 7,550 | 6.58% |
| Investment securities | 174,208 | 1,024 | 2.36 | 133,074 | 1,227 | 3.69 |
| Other interest-earning assets | 28,447 | 36 | 0.51 | 18,813 | 32 | 0.67 |
| Total earning assets | 815,071 | 10,789 | 5.30 | 608,149 | 8,809 | 5.76 |
| Noninterest-earning assets | 111,030 | | | 95,663 | | |
| Total assets | $ 926,101 | | | $ 703,812 | | |
| Interest-bearing liabilities: | | | | | | |
| Deposits: | | | | | | |
| Savings, checking and money market | $ 300,000 | $ 395 | 0.53% | $ 204,939 | $ 371 | 0.72% |
| Certificates of deposit | 273,407 | 824 | 1.21 | 243,240 | 1,032 | 1.68 |
| Total interest-bearing deposits | 573,407 | 1,219 | 0.85 | 448,179 | 1,403 | 1.24 |
| FHLB advances | 105,828 | 181 | 0.68 | 22,570 | 140 | 2.48 |
| Total interest-bearing liabilities | 679,235 | 1,400 | 0.82 | 470,749 | 1,543 | 1.30 |
| Noninterest-bearing liabilities | 119,116 | | | 99,929 | | |
| Total liabilities | 798,351 | | | 570,678 | | |
| Shareholders equity | 127,750 | | | 133,134 | | |
| Total liabilities and shareholders equity | $ 926,101 | | | $ 703,812 | | |
| Net interest-earning assets | $ 135,836 | | | $ 137,400 | | |
| Net interest spread | | $ 9,389 | 4.48% | | $ 7,266 | 4.46% |
| Net interest margin | | | 4.58% | | | 4.75% |

(1) Includes nonaccrual loans during the respective periods. Calculated net of deferred fees and discounts and loans in process.

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| | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2011 | | | 2010 | | |
| (dollars in thousands) | Average Balance | Interest | Average Yield/ Rate | Average Balance | Interest | Average Yield/ Rate |
| Interest-earning assets: | | | | | | |
| Loans receivable[1] | $ 499,261 | $ 24,154 | 6.49% | $ 424,194 | $ 21,100 | 6.65% |
| Investment securities | 150,112 | 2,802 | 2.47 | 131,190 | 3,913 | 3.98 |
| Other interest-earning assets | 24,754 | 108 | 0.58 | 18,091 | 94 | 0.69 |
| Total earning assets | 674,127 | 27,064 | 5.31 | 573,475 | 25,107 | 5.85 |
| Noninterest-earning assets | 101,897 | | | 82,042 | | |
| Total assets | $ 776,024 | | | $ 655,517 | | |
| Interest-bearing liabilities: | | | | | | |
| Deposits: | | | | | | |
| Savings, checking and money market | $ 258,452 | $ 1,005 | 0.51% | $ 183,807 | $ 992 | 0.72% |
| Certificates of deposit | 224,721 | 2,426 | 1.43 | 226,907 | 3,030 | 1.79 |
| Total interest-bearing deposits | 483,173 | 3,431 | 0.94 | 410,714 | 4,022 | 1.31 |
| FHLB advances | 54,015 | 397 | 0.97 | 22,681 | 453 | 2.66 |
| Total interest-bearing liabilities | 537,188 | 3,828 | 0.94 | 433,395 | 4,475 | 1.38 |
| Noninterest-bearing liabilities | 107,727 | | | 89,834 | | |
| Total liabilities | 644,915 | | | 523,229 | | |
| Shareholders equity | 131,109 | | | 132,288 | | |
| Total liabilities and shareholders equity | $ 776,024 | | | $ 655,517 | | |
| Net interest-earning assets | $ 136,939 | | | $ 140,080 | | |
| Net interest spread | | $ 23,236 | 4.37% | | $ 20,632 | 4.47% |
| Net interest margin | | | 4.63% | | | 4.80% |

(1) Includes nonaccrual loans during the respective periods. Calculated net of deferred fees and discounts and loans in process.

**Provision for Loan Losses** For the quarter ended September 30, 2011, the Company recorded a provision for loan losses of $526,000, compared to a provision of $168,000 for the same period in 2010. For the nine months ended, September 30, 2011, the Company recorded a provision of $892,000, compared to a provision of $717,000 for the same period in 2010. The increases were primarily attributable to organic loan growth and a $50,000 provision on the Covered Loan portfolio recorded in the third quarter of 2011.

At September 30, 2011, the Company s ratio of allowance for loan losses to total loans was 0.69%, compared to 0.88% September 30, 2010. The decrease in the ratio of allowance for loan losses to total loans relates to the acquisition of the GSFC loan portfolio. Under accounting principles generally accepted in the United States, an acquirer may not carry over the acquiree s allowance for loan losses. Instead, the acquirer must determine the fair value the cash flows expected to be derived from the acquired loan portfolios. Management has included its credit loss expectations in the acquired loan portfolios cash flow assumptions used to derive the portfolios fair value. Hence, management believes that expected credit losses in the acquired loan portfolios are appropriately addressed in the fair value adjustments recorded in the acquired loan portfolios. Excluding acquired loans, the ratio of allowance for loan losses to total organic (i.e., not acquired) loans was 1.09% at September 30, 2011.

**Noninterest Income** The Company s noninterest income was $1.6 million for the three months ended September 30, 2011, $1.0 million, or 165.7%, higher than the $613,000 earned for the same period in 2010. Noninterest income was $5.0 million for the nine months ended September 30, 2011, $2.0 million, or 65.5%, higher than the $3.0 million earned for the same period of 2010.

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The increase in noninterest income for the three months ended September 30, 2011 compared to the three months ended September 30, 2010 was primarily due to the absence of an $870,000 other-than-temporary impairment of securities charge recorded in the third quarter of 2010 as well as increases in service fees and charges and bank card fees during the third quarter of 2011.

The increase in noninterest income for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 was primarily due to a $525,000 settlement payment received by the Company during the second quarter of 2011, higher bank card fees and the absence of the OTTI charges recorded in 2010.

**Noninterest Expense** The Company s noninterest expense was $9.2 million for the three months ended September 30, 2011, $2.9 million, or 45.0%, higher than the $6.4 million in noninterest expense for the same period in 2010. Noninterest expense was $22.8 million for the nine months ended September 30, 2011, $4.7 million, or 25.8%, higher than the $18.1 million recorded for the same period of 2010.

Noninterest expense includes merger-related costs associated with the acquisition of GSFC of $1.4 million and $1.8 million for the three and nine months ended September 30, 2011, respectively. Noninterest expense for the three and nine months ended September 30, 2010 included merger-related costs associated with the Statewide acquisition of $175,000 and $1.1 million, respectively. Such merger-related expenses include professional fees, data conversion and severance and other employee costs associated with the merger and related systems conversion. Other increases primarily relate to the growth of the Company s branch network due to the addition of GSFC branches and employees.

**Income Taxes** For the quarters ended September 30, 2011 and September 30, 2010, the Company incurred income tax expense of $356,000 and $447,000, respectively. The Company s effective tax rate amounted to 27.8% and 32.9% during the third quarters of 2011 and 2010, respectively. For each of the nine months ended September 30, 2011 and September 30, 2010, the Company incurred income tax expense of $1.6 million. The Company s effective tax rate amounted to 34.6% and 33.3% during the nine months ended September 30, 2011 and September 30, 2010, respectively. The effective tax rate during the three month period ended September 30, 2011 was lower than the statutory rate due to non-taxable amortization of purchase accounting adjustments. The effective tax rate during the nine-month periods ended September 30, 2011 was higher than the statutory rate due to non-deductible merger-related expenses. Other differences between the effective tax rate and the statutory tax rate primarily relate to variances in items that are non-taxable or non-deductible (i.e., state tax, tax-exempt income, tax credits, etc.).

## Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Quantitative and qualitative disclosures about market risk are presented in the Company s Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2010, under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Asset/ Liability Management and Market Risk . Additional information at September 30, 2011 is included herein under Item 2, Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Asset/Liability Management .

## Item 4. Controls and Procedures.

Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and regulations and are operating in an effective manner.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Securities Exchange Act of 1934) occurred during the third quarter of 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings.**

Not applicable.

**Item 1A. Risk Factors.**

Below we supplement and amend the risk factors disclosed in Part I, Item 1.A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2010.

Such risks could materially affect our business, financial condition or future results, and are not the only risks we face. Additional risks and uncertainties not currently known to us or that we have deemed to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

**We may not realize the cost savings estimated for our acquisition of GS Financial Corp.**

On July 15, 2011, we completed the acquisition (the Acquisition ) of GS Financial Corp. ( GSFC ) and its wholly-owned subsidiary, Guaranty Savings Bank. The success of the Acquisition will depend, in part, on our ability to realize the estimated cost savings from combining GSFC s business with ours. Our management has estimated that it expects to achieve total pre-tax cost savings of approximately $1.5 million by 2012 through the reduction of administrative and operational redundancies. While we continue to believe these cost savings estimates are achievable, it is possible that the potential cost savings could turn out to be more difficult to achieve than originally anticipated. The cost savings estimates also depend on the ability to combine the businesses of the Company and GSFC in a manner that permits those cost savings to be realized. If our estimates turn out to be incorrect or we are not able to successfully combine with GSFC, the anticipated cost savings may not be realized fully or at all or may take longer to realize than expected.

**Unanticipated costs relating to the Acquisition could reduce our future earnings per share.**

We believe that we have reasonably estimated the likely incremental costs of the combined operations of the Company and GSFC following the Acquisition. However, it is possible that unexpected transaction costs such as taxes, fees or professional expenses or unexpected future operating expenses, such as unanticipated costs to integrate the two businesses, increased personnel costs, additional provisions for loan losses or charge-offs of nonperforming assets, as well as other types of unanticipated adverse developments, could have a material adverse effect on the results of operations and financial condition of the Company following the Acquisition. In addition, if actual costs are materially different than expected costs, the Acquisition could have an adverse effect on our future earnings per share.

**Item 2. Unregistered Sales of Equity Securities and the Use of Proceeds.**

The Company s purchases of its common stock made during the quarter consisted of stock repurchases under the Company s approved plan and are set forth in the following table.

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Yet be Purchased Under the Plan or Programs[1] |
|---|---|---|---|---|
| July 1 - July 31, 2011 | 55,500 | $ 14.58 | 55,500 | 322,035 |
| August 1 - August 31, 2011 | 97,110 | 14.21 | 97,110 | 224,925 |
| September 1 - September 30, 2011 | 23,000 | 14.67 | 23,000 | 201,925 |
| Total | 175,610 | 14.39 | 175,610 | 201,925 |

(1) On May 23, 2011, the Company s Board of Directors approved a share repurchase program. Under the plan, the Company can repurchase up to 402,835 shares, or 5% of its common stock outstanding, through open market or privately negotiated transactions.

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**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Reserved.**

None.

**Item 5. Other Information.**

None.

**Item 6. Exhibits and Financial Statement Schedules.**

The following Exhibits are being furnished* as part of this report:

| No. | Description |
|---|---|
| 31.1 | Rule 13(a)-14(a) Certification of the Chief Executive Officer |
| 31.2 | Rule 13(a)-14(a) Certification of the Chief Financial Officer |
| 32.0 | Section 1350 Certification |
| 101.INS | XBRL Instance Document.* |
| 101.SCH | XBRL Taxonomy Extension Schema Document.* |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document.* |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document.* |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document.* |
| 101.DEF | XBRL Taxonomy Extension Definitions Linkbase Document.* |

* These interactive data files are being furnished as part of this Quarterly Report, and, in accordance with Rule 402 of Regulation S-T, shall not be deemed filed for purposes of Section 11 or 12 of the Securities Act of 1933, as amended, or Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under those sections.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

| | | |
|---|---|---|
| | | **HOME BANCORP, INC.** |
| November 9, 2011 | By: | /s/ John W. Bordelon<br>John W. Bordelon<br>*President and Chief Executive Officer* |
| November 9, 2011 | By: | /s/ Joseph B. Zanco<br>Joseph B. Zanco<br>*Executive Vice President and Chief Financial Officer* |
| November 9, 2011 | By: | /s/ Mary H. Hopkins<br>Mary H. Hopkins<br>*Home Bank First Vice President and Controller* |