

HOME BANCORP, INC.
Form DEF 14A
April 05, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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 under §240.14a-12

HOME BANCORP, INC.

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

April 5, 2012

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Home Bancorp, Inc. The meeting will be held at the Petroleum Club of Lafayette located at 111 Heymann Boulevard, Lafayette, Louisiana, on Wednesday, May 9, 2012 at 9:00 a.m., Central Daylight Time. The matters to be considered by shareholders at the Annual Meeting are described in detail in the accompanying materials.

It is very important that you be represented at the Annual Meeting regardless of the number of shares you own or whether you are able to attend the meeting in person. We urge you to mark, sign and date your proxy card today and return it in the envelope provided, even if you plan to attend the Annual Meeting. This will not prevent you from voting in person at the Annual Meeting, but will ensure that your vote is counted if you are unable to attend.

Your continued support of Home Bancorp, Inc. is sincerely appreciated.

Very truly yours,

John W. Bordelon
President and Chief Executive Officer

HOME BANCORP, INC.

503 Kaliste Saloom Road

Lafayette, Louisiana 70508

(337) 237-1960

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME	9:00 a.m., Central Daylight Time, Wednesday, May 9, 2012
PLACE	The Petroleum Club of Lafayette 111 Heymann Boulevard Lafayette, Louisiana
ITEMS OF BUSINESS	<ol style="list-style-type: none">(1) To elect two directors for a three-year term expiring in 2015 and until their successors are elected and qualified;(2) To ratify the appointment of Porter Keadle Moore, LLC as our independent registered public accounting firm for the fiscal year ending December 31, 2012; and(3) To transact such other business, as may properly come before the meeting or at any adjournment thereof. We are not aware of any other such business.
RECORD DATE	Holders of Home Bancorp, Inc. common stock of record at the close of business on March 19, 2012 are entitled to vote at the meeting.
ANNUAL REPORT	Our 2011 Annual Report on Form 10-K is enclosed but is not a part of the proxy solicitation materials.
PROXY VOTING	It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning the proxy card sent to you. Most shareholders whose shares are held in street name can also vote their shares over the Internet or by telephone. If Internet or telephone voting is available to you, voting instructions are printed on the proxy card sent to you. You can revoke a proxy at any time prior to its exercise at the meeting by following the instructions in the accompanying proxy statement.

BY ORDER OF THE BOARD OF DIRECTORS

Henry W. Busch, Jr.
Corporate Secretary

April 5, 2012

HOME BANCORP, INC.

PROXY STATEMENT

ABOUT THE ANNUAL MEETING OF SHAREHOLDERS

We are furnishing this proxy statement to holders of common stock of Home Bancorp, Inc., the holding company of Home Bank. We are soliciting proxies on behalf of our Board of Directors to be used at the Annual Meeting of Shareholders to be held at the Petroleum Club of Lafayette located at 111 Heymann Boulevard, Lafayette, Louisiana, on Wednesday, May 9, 2012 at 9:00 a.m., Central Daylight Time, and at any adjournment thereof, for the purposes set forth in the attached Notice of Annual Meeting of Shareholders. This proxy statement is first being mailed to shareholders on or about April 5, 2012.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 9, 2012. This proxy statement and our 2011 Annual Report on Form 10-K as well as directions to the Annual Meeting are available through our Investor Relations website at <http://home24bank.investorroom.com>.

What is the purpose of the Annual Meeting?

At our Annual Meeting, shareholders will act upon the election of directors and ratification of our independent registered public accounting firm. In addition, management will report on the performance of Home Bancorp, Inc. and respond to questions from shareholders.

Who is entitled to vote?

Only our shareholders of record as of the close of business on the record date for the meeting, March 19, 2012, are entitled to vote at the meeting. On the record date, we had 7,762,204 shares of common stock issued and outstanding and no other class of equity securities outstanding. For each issued and outstanding share of common stock you own on the record date, you will be entitled to one vote on each matter to be voted on at the meeting, in person or by proxy.

How do I submit my proxy?

After you have carefully read this proxy statement, indicate on your proxy form how you want your shares to be voted. Then sign, date and mail your proxy form in the enclosed prepaid return envelope as soon as possible. This will enable your shares to be represented and voted at the Annual Meeting.

Can I attend the meeting and vote my shares in person?

Yes. All shareholders are invited to attend the Annual Meeting. Shareholders of record can vote in person at the Annual Meeting. If your shares are held in street name, then you are not the shareholder of record and you must ask your broker or other nominee how you can vote at the Annual Meeting.

Can I change my vote after I return my proxy card?

Yes. If you are a shareholder of record, there are three ways you can change your vote or revoke your proxy after you have sent in your proxy form.

First, you may send a written notice to our Corporate Secretary, Mr. Henry W. Busch, Jr., Home Bancorp, Inc., 503 Kaliste Saloom Road, Lafayette, Louisiana 70508, stating that you would like to revoke your proxy.

Second, you may complete and submit a new proxy form. Any earlier proxies will be revoked automatically.

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

If your shares are held in street name and you have instructed a broker or other nominee to vote your shares, you must follow directions from your broker or other nominee to change your vote.

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

Your broker may not vote on the election of directors if you do not furnish instructions for such proposal. You should use the voting instruction card provided by the institution that holds your shares to instruct your broker to vote your shares or else your shares will be considered broker non-votes.

Broker non-votes are shares held by brokers or nominees as to which voting instructions have not been received from the beneficial owners or the persons entitled to vote those shares and the broker or nominee does not have discretionary voting power under rules applicable to broker-dealers. Under these rules, the proposal to elect directors is not an item on which brokerage firms may vote in their discretion on behalf of their clients if such clients have not furnished voting instructions.

Your broker may vote in its discretion on the ratification of the appointment of our independent registered public accounting firm if you do not furnish instructions.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of votes that all shareholders are entitled to cast on a particular matter will constitute a quorum. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of votes considered to be present at the meeting.

What are the Board of Directors recommendations?

The recommendations of the Board of Directors are set forth under the description of each proposal in this proxy statement. In summary, the Board of Directors recommends that you vote FOR the nominees for director described herein and FOR ratification of Porter Keadle Moore, LLC as our independent registered public accounting firm for the year ending December 31, 2012.

The proxy solicited hereby, if properly signed and returned to us and not revoked prior to its use, will be voted in accordance with your instructions contained in the proxy. If a proxy is properly signed and returned, but no instructions are given, it will be voted in the manner recommended by the Board of Directors and, upon the transaction of such other business as may properly come before the meeting, in accordance with the best judgment of the persons appointed as proxies. Proxies solicited hereby may be exercised only at the Annual Meeting and any adjournment of the Annual Meeting and will not be used for any other meeting.

What vote is required to approve each item?

The election of directors will be determined by a plurality of the votes cast at the Annual Meeting. The three nominees for director receiving the most for votes will be elected. The affirmative vote of a majority of the votes cast at the Annual Meeting is required for approval of the proposal to ratify the appointment of Porter Keadle Moore, LLC for 2012. Abstentions are considered in determining the presence of a quorum, but will not affect the vote required on the proposals to be considered at the Annual Meeting.

INFORMATION WITH RESPECT TO NOMINEES FOR DIRECTOR, CONTINUING

DIRECTORS AND EXECUTIVE OFFICERS

Election of Directors (Proposal One)

Our Articles of Incorporation provide that the Board of Directors shall be divided into three classes as nearly equal in number as possible. The directors are elected by our shareholders for staggered terms and until their successors are elected and qualified. No director is related to any other director or executive officer by first cousin or closer.

At this Annual Meeting, you will be asked to elect one class of directors, consisting of two directors, for a three-year term expiring in 2015 and until their successors are elected and qualified. Shareholders of Home Bancorp are not permitted to use cumulative voting for the election of directors. Our Board of Directors, by unanimous action of all of its independent directors, nominated Messrs. Henry W. Busch, Jr. and John A. Hendry to a three-year term expiring in 2015. All of the Company's current directors have served as directors of the Company since its organization in May 2008, and all of such directors also serve as directors of Home Bank, the Company's wholly owned subsidiary.

Unless otherwise directed, each proxy executed and returned by a shareholder will be voted for the election of the nominees for director listed below. If any person named as a nominee should be unable or unwilling to stand for election at the time of the Annual Meeting, the proxies will nominate and vote for any replacement nominee or nominees recommended by our Board of Directors. At this time, the Board of Directors knows of no reason why any of the nominees listed below may not be able to serve as a director if elected.

The following tables present information concerning the nominees for director and each director whose term continues, all of whom also serve as directors of Home Bank. Ages are reflected as of March 19, 2012. Where applicable, service as a director includes service as a director of Home Bank.

Nominees for Director for a Three-Year Term Expiring in 2015

Name	Age	Principal Occupation During the Past Five Years/Public		Director of the Bank Since
		Directorships		
Henry W. Busch, Jr.	71	Director and Secretary. President of Mike Baker Brick of Lafayette, Louisiana.		1993
		Mr. Busch brings to the board almost 50 years of experience as a small businessman in Lafayette, Louisiana.		
John A. Hendry	62	Director. Pediatric Dentist in Lafayette, Louisiana.		2000
		Through his professional practice and affiliations, Dr. Hendry has extensive contacts in the local business community.		

The Board of Directors recommends that you vote FOR election of the nominees for director.

Members of the Board of Directors Continuing in Office

Directors Whose Term Expires in 2013

Name	Age	Principal Occupation During the Past Five Years/Public		Director of the Bank Since
		Directorships		
Michael P. Maraist	64	Chairman of the Board. Owner and Chairman of the Board of Timco Services Inc., a provider of oilfield tools and services located in Lafayette, Louisiana.		2004
		In addition to 10 years of prior banking experience, Mr. Maraist brings more than 30 years of entrepreneurial and business experience from his management efforts at a successful oilfield tools and services business headquartered in Lafayette, Louisiana.		
Richard J. Bourgeois	65	Director. Physician and surgeon, Lafayette, Louisiana.		1994
		As a practicing physician in Lafayette, Dr. Bourgeois has extensive contacts in the local business community. Dr. Bourgeois also serves as Chairman of the Board of Lafayette General Surgical Hospital, Chairman of Lafayette Investment Group and Managing Member of Label B Real Estate Investments.		

Directors Whose Term Expires in 2014

Name	Age	Principal Occupation During the Past Five Years/	
		Public Directorships	Director of the Bank Since
John W. Bordelon	56	<p>Director, President and Chief Executive Officer of Home Bank since 1993. Previously served in various management and other positions since joining the Bank in 1981.</p> <p>As President and Chief Executive Officer, Mr. Bordelon brings to the board extensive knowledge of Home Bank's operations gained from his more than 30 years of banking experience.</p>	1990
Paul J. Blanchet, III	57	<p>Director. Partner in Broussard Poche Lewis & Breaux, LLP, a public accounting firm located in Lafayette, Louisiana.</p> <p>As a certified public accountant, Mr. Blanchet brings to the board 34 years of experience in accounting and finance as well as in advising small to mid-sized businesses operating in southern Louisiana.</p>	2002
Marc W. Judice	65	<p>Director. President of Judice & Adley, PLC, a law firm located in Lafayette, Louisiana.</p> <p>Mr. Judice has more than 30 years of litigation experience in southern Louisiana, has been listed in Louisiana Super Lawyers (2007 inaugural edition through 2010) and, among other honors, is listed in the Bar Register of Prominent Lawyers. Mr. Judice also is the Chairman of the Board of Trustees of the Southwest Medical Center, Lafayette, Louisiana, and a member of the Board of Trustees of the Women's & Children's Hospital, also located in Lafayette, Louisiana.</p>	1996

Board Leadership Structure and the Board's Role in Risk Oversight

Mr. John W. Bordelon serves as our President and Chief Executive Officer and Mr. Michael P. Maraist serves as Chairman of the Board. The Board of Directors has determined that separation of the offices of Chairman of the Board and President may enhance board independence and oversight. Further, the separation of the Chairman of the Board permits the President and Chief Executive Officer to better focus on his responsibilities on managing the daily operations of the Company, enhancing shareholder value and expanding and strengthening our franchise while allowing the Chairman to lead the Board of Directors in its fundamental role of providing independent oversight and advice to management. The Chairman also serves as a liaison between the Board of Directors and executive management. Mr. Maraist is an independent director under the rules of the Nasdaq Stock Market.

Risk is inherent with every business, particularly financial institutions. We face a number of risks, including credit risk, interest rate risk, liquidity risk, operational risk, strategic risk and reputational risk. Management is responsible for the day-to-day management of the risks the Company faces, while the board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board of Directors has the responsibility to ensure that the risk management processes designed and implemented by management are adequate and functioning as designed. In this regard, the Chairman of the Board meets regularly with management to discuss strategy and various risks facing the Company.

Members of executive management regularly attend meetings of the Board of Directors and address any questions or concerns raised by the board on risk management or other matters. The Board's risk oversight function is carried out through, among other factors, its review and approval of various policies and procedures, such as the Bank's lending and investment policies, ratification or approval of loans exceeding certain thresholds, and regular review of risk elements such as interest rate risk exposure, liquidity and problem assets.

Stock Ownership Guidelines

To further align management's interests with those of shareholders, the Company expects directors and our President and Chief Executive Officer to establish and maintain a significant level of stock ownership. In 2011, the Company's Board of Directors established stock ownership guidelines for our non-employee directors and President and Chief Executive Officer. Under such guidelines, our non-employee directors are expected to own shares of our common stock with a value of not less than four times their annual retainer and our President and Chief Executive Officer is expected to own shares with a value of not less than four times his annual salary. All of our current non-employee directors and our President and Chief Executive Officer satisfy the stock ownership guidelines. In the future, new non-employee directors and any new President and Chief Executive Officer will be expected to satisfy the Company's stock ownership guidelines within a reasonable period of time.

Compensation Policies and Practices as They Relate to Risk Management

The Compensation Committee of the Board of Directors has reviewed the Company's policies and practices applicable to employees, including the Company's benefit plans, arrangements and agreements, and does not believe that they are reasonably likely to have a material adverse effect on the Company. The Committee does not believe the Company's policies and practices encourage officers or employees to take unnecessary or excessive risks or behavior focused on short-term results rather than the creation of long-term value.

Executive Officers Who Are Not Directors

Darren E. Guidry. Age 49. Mr. Guidry has served as an Executive Vice President and Chief Lending Officer for the Bank since 1993.

Scott T. Sutton. Age 58. Mr. Sutton joined the Bank in August 2008 as Executive Vice President and Chief Operations Officer. Previously, Mr. Sutton served as Senior Vice President of Operations of Teche Federal Bank since August 1999, and prior thereto, as Senior Vice President of IberiaBank.

Joseph B. Zanco. Age 42. Mr. Zanco joined the Bank in April 2008 as Executive Vice President and Chief Financial Officer. Previously, Mr. Zanco served as Controller at IberiaBank Corporation since May 2003 and, prior thereto, as Internal Audit Manager at IberiaBank.

In accordance with Home Bancorp's Bylaws, our executive officers are elected annually and hold office until their respective successors have been elected and qualified or until death, resignation or removal by the Board of Directors.

Director Compensation

Directors of Home Bancorp are not compensated separately by Home Bancorp. The directors also serve as directors of Home Bank and are compensated by Home Bank for such service.

The Bank's directors currently receive an annual retainer of \$14,000 plus \$500 per Board meeting attended and \$350 per Committee meeting attended. Each director also received a Christmas bonus of \$573 in 2011.

The table below summarizes the total compensation paid to the Bank's directors for the fiscal year ended December 31, 2011, except for Mr. Bordelon who is in the Summary Compensation Table below.

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	All Other Compensation ⁽¹⁾	Total ⁽²⁾
Michael P. Maraist	\$32,750	\$ -	\$ -	\$ 573	\$33,323
Paul J. Blanchet, III	28,000	-	-	573	28,573
Richard J. Bourgeois	31,000	-	-	573	31,573
Henry W. Busch, Jr.	32,900	-	-	573	33,473
Lester J. Dailey ⁽³⁾	7,667	-	-	44,365	52,032
John A. Hendry	25,750	-	-	573	26,323
Marc W. Judice	28,350	-	-	573	28,923

⁽¹⁾ Christmas bonus.

⁽²⁾ At December 31, 2011, each non-employee director held 10,710 unvested stock awards under our 2009 Recognition and Retention Plan and outstanding options covering 44,630 shares under our 2009 Stock Option Plan.

⁽³⁾ Mr. Dailey retired from the boards of directors of the Company and the Bank, and as an officer of the Bank, on May 4, 2011. Includes salary of \$25,000 through Mr. Dailey's retirement, employer contributions under the Home Bank Profit Sharing 401(k) Plan and automobile expense.

Committees and Meetings of the Board of Directors

During the year ended December 31, 2011, the Board of Directors of Home Bancorp, met five times. No director of Home Bancorp attended fewer than 75% of the aggregate of the total number of Board meetings held during the period for which he has served as a director and the total number of meetings held by all committees of the Board on which he served. A majority of our directors are independent directors as defined in the Nasdaq listing standards. The Board of Directors has determined that Messrs. Blanchet, Bourgeois, Busch, Hendry, Judice and Maraist are independent directors. Members of the Board also serve on committees of Home Bank.

Membership on Certain Board Committees. The Board of Directors of Home Bancorp has established an Audit Committee and a Compensation Committee. The following table sets forth the membership of such committees as of the date of this proxy statement.

Name	Audit	Compensation
	Committee	Committee
John W. Bordelon		
Paul J. Blanchet, III	**	*
Richard J. Bourgeois		
Henry W. Busch, Jr.		
John A. Hendry	*	*
Marc W. Judice	*	*
Michael P. Maraist		**

** Chairman.

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Audit Committee. The Audit Committee reviews with management and our independent registered public accounting firm Home Bancorp's internal control over financial reporting, reviews our annual financial statements, including the Form 10-K and monitors Home Bancorp's adherence to generally accepted accounting principles in our accounting and financial reporting. The Audit Committee is currently comprised of three directors, all of whom are independent directors as defined in the Nasdaq's listing standards. Mr. Blanchet, a certified public accountant and partner in the accounting firm of Broussard Poche Lewis & Breaux LLP, has been designated as our Audit Committee Financial Expert by the Board of Directors. The Audit Committee of Home Bancorp met 15 times in 2011. The committee's charter is available on our website at www.home24bank.com under the About Us/Investor Relations heading.

Compensation Committee. It is the responsibility of the Compensation Committee of Home Bancorp to set the compensation of Home Bancorp's Chief Executive Officer and Chief Financial Officer as well as the other named executive officers. The Compensation Committee of Home Bancorp met three times in 2011. Each of the current members of the Compensation Committee is an independent director as defined in the Nasdaq listing standards.

Directors Attendance at Annual Meetings

Although we do not have a formal policy regarding attendance by members of the Board of Directors at Annual Meetings of shareholders, we expect that our directors will attend. All of our directors attended our Annual Meeting of Shareholders held in May 2011.

Director Nominations

The Company does not have a Nominating Committee of the Board of Directors. Instead, nominations are made by a majority of the Board's independent directors. The Board of Directors considers various criteria when selecting individuals for nomination including: ensuring that the Board of Directors, as a whole, is diverse and consists of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial expertise (including expertise that could qualify a director as a financial expert, as that term is defined by the rules of the U.S. Securities and Exchange Commission (the SEC)), local or community ties, minimum individual qualifications, including strength of character, mature judgment, familiarity with our business and industry, independence of thought and an ability to work collegially. The Board also may consider the extent to which the candidate would fill a present need on the Board of Directors. The Board of Directors will also consider candidates for director suggested by our management or shareholders. Any shareholder wishing to make a nomination must follow our procedures for shareholder nominations, which are described under Shareholder Proposals, Nominations and Communications with the Board of Directors at page 28.

Code of Conduct and Ethics

Home Bancorp maintains a comprehensive Code of Conduct and Ethics which requires that our directors, officers and employees avoid conflicts of interest; maintain the confidentiality of information relating to Home Bancorp and its customers; engage in transactions in the common stock only in compliance with applicable laws and regulations and the requirements set forth in the Code of Conduct and Ethics; and comply with other requirements which are intended to ensure that they conduct business in an honest and ethical manner and otherwise act with integrity and in the best interest of Home Bancorp. Our Code of Conduct and Ethics specifically imposes standards of conduct on our Chief Executive Officer, Chief Financial Officer and other persons with financial reporting responsibilities who are identified in regulations issued by the SEC dealing with corporate codes of conduct.

Our directors, officers and employees are required to affirm in writing that they have reviewed and understand the Code of Conduct and Ethics. A copy of our Code of Conduct and Ethics is available on our website at www.home24bank.com under the About Us/Investor Relations heading. In accordance with the listing requirements of the Nasdaq Stock Market, we will disclose on the SEC's Form 8-K, any waivers to this Code of Conduct and Ethics with respect to any of our directors or executive officers.

MANAGEMENT COMPENSATION

Compensation Discussion and Analysis

Compensation Philosophy and Objectives. Our Compensation Committee has the responsibility for establishing and reviewing our compensation philosophy and objectives. In this role, the Compensation Committee has sought to design a compensation structure that attracts and retains qualified and experienced officers and, at the same time, is reasonable and competitive. Our compensation has consisted primarily of cash compensation, salary and bonuses, stock-based benefit plans and retirement benefits.

Role of Executive Officers and Management. The President and Chief Executive Officer provides recommendations to the Compensation Committee on matters of compensation philosophy, plan design and the general guidelines for employee compensation. These recommendations are then considered by the Compensation Committee. The President and Chief Executive Officer generally attends Compensation Committee meetings but is not present for any discussion of his own compensation.

Periodically, the Company retains an independent benefits consulting firm to review its compensation structure. During 2011, the Company retained Pearl Meyer & Partners. Pearl Meyer & Partners reviewed our compensation practices and compared them with compensation practices, including salary, bonus and supplemental executive retirement plans, for approximately 24 regional banks and thrift institutions. Pearl Meyer & Partners also assisted the Compensation Committee in evaluating the cash bonus program described below. The Compensation Committee considered Pearl Meyer & Partners' review of compensation levels in establishing the compensation amounts for the Company's named executive officers in 2011.

Elements of Executive Compensation. When setting the compensation of our executive officers, the Compensation Committee generally targets compensation at the median of our peer group. The compensation we provide to our executive officers and other employees primarily consists of the following:

annual base salary;

annual cash bonuses which are discretionary;

stock-based benefit plans, consisting of our ESOP, stock option plan and recognition and retention plan;

retirement benefits; and

perquisites and other personal benefits.

Base Salary. We provide named executive officers and other employees with a base salary to compensate them for services rendered during the year. Base salary ranges for named executive officers are determined for each employee based on his or her position and responsibility, performance and compensation levels paid by our peers to executives in similar positions. Merit increases normally take effect in April of each year.

During its review of base salaries for executives, the Compensation Committee primarily considers:

market data;

internal review of the executive's compensation, both individually and relative to other officers;

individual performance of the executive;

qualifications and experience of the officer; and

the financial condition and results of operations of the Company.

Base salaries are reviewed annually and adjusted from time to time to realign salaries with market levels after taking into account individual responsibilities, performance and experience.

Cash Bonuses. In addition to base salary, we have established incentive plans for many executives of the Company. The amount of these cash bonuses typically has a stated target based upon reaching desired goals and a predetermined range above and below the target for fluctuations in employee and company performance. The Compensation Committee has determined that such bonuses were appropriate in light of bonuses paid to officers with the same position at comparable institutions, as reported in publicly available salary surveys. The Compensation Committee has developed specific individual or company performance targets as a measure to determine bonus amounts for each participant. All cash bonuses of the executive officers and all bonus plan

designs are evaluated by the Compensation Committee and are ratified by the Board of Directors. In its evaluation, the Compensation Committee seeks to ensure that bonus plans align with the Company's goals, and risks associated with the plans are effectively mitigated. For 2011, the bonuses to Messrs. Bordelon, Guidry, Zanco and Sutton were \$78,991, \$41,367, \$46,149, and \$40,930, respectively, and were determined based upon consideration of the matrix shown below.

Name	Components	Weight	Threshold	Target	Maximum
John W. Bordelon	Return on average assets	50%	0.63%	0.74%	0.85%
	Strategic objectives	10%	0	5	10
	Efficiency ratio	20%	84.77%	73.71%	62.65%
	Core deposit growth	20%	7.91%	9.30%	10.70%
	Bonus as a percentage of base salary		-	30%	50%
Darren E. Guidry	Return on average assets	25%	0.63%	0.74%	0.85%
	Efficiency ratio	10%	84.77%	73.71%	62.65%
	Core deposit growth	20%	7.91%		