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Home Federal Bancorp, Inc. of Louisiana

Form 424B3

November 12, 2010

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**PROSPECTUS OF HOME FEDERAL BANCORP, INC. OF LOUISIANA
(A NEW LOUISIANA CORPORATION)
PROXY STATEMENT OF HOME FEDERAL BANCORP, INC. OF LOUISIANA
(A FEDERAL CORPORATION)**

Home Federal Bancorp, Inc. of Louisiana, a federal corporation, Home Federal Bank and Home Federal Mutual Holding Company are converting from the mutual holding company structure to a fully public ownership structure. Currently, Home Federal Mutual Holding Company owns approximately 63.8% of the issued and outstanding shares of Home Federal Bancorp's common stock. The remaining 36.2% of Home Federal Bancorp's outstanding shares of common stock is owned by public shareholders. In connection with the conversion, Home Federal Bancorp, Inc. of Louisiana, a Louisiana corporation, which we refer to as the new holding company, was recently formed by Home Federal Bank, to become the parent holding company for Home Federal Bank.

Each share of Home Federal Bancorp common stock owned by the public shareholders will be exchanged for shares of common stock of the new holding company so that Home Federal Bancorp's existing public shareholders will own approximately the same percentage of the common stock of the new holding company as they owned immediately prior to the conversion. The actual number of shares that you will receive will depend on the exchange ratio, which will depend on the percentage of Home Federal Bancorp's common stock held by the public shareholders, the final independent appraisal of the new holding company, and the number of shares of the new holding company common stock sold in the offering described below. It will not depend on the market price of the common stock. See "The Conversion and Offering" Effect of the Conversion on Public Shareholders' Effect on Outstanding Shares of Home Federal Bancorp for a discussion of the exchange ratio. Based on the \$9.70 per share closing price of Home Federal Bancorp's common stock as of the date of this proxy statement/prospectus, unless at least 2,071,314 shares of the new holding company are sold in the offering (between the midpoint and maximum of the offering range), the initial value of the new holding company common stock you receive in the share exchange would be less than the market value the Home Federal Bancorp common stock that you currently own. See "Risk Factors" The Market Value of the New Holding Company Common Stock Received in the Share Exchange May be Less than the Market Value of Home Federal Bancorp Common Stock Exchanged.

Concurrently with the share exchange, we are offering shares of common stock of the new holding company, representing the 63.8% ownership interest of Home Federal Mutual Holding Company in Home Federal Bancorp, for sale to eligible depositors and borrowers and the public. The conversion of Home Federal Mutual Holding Company and the offering and exchange of common stock by the new holding company is referred to herein as the conversion and offering. After the conversion and offering are completed, Home Federal Bank will be a wholly-owned subsidiary of the new holding company, and both Home Federal Mutual Holding Company and Home Federal Bancorp will cease to exist.

Home Federal Bancorp's common stock is currently listed 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.

The conversion and offering cannot be completed unless the shareholders of Home Federal Bancorp approve the Plan of Conversion and Reorganization. Home Federal Bancorp is holding an annual meeting of shareholders at Home Federal Bancorp's main office, located at 624 Market Street, Shreveport, Louisiana, on Wednesday, December 15, 2010 at 10:00 a.m., Central time, to consider and vote upon the Plan of Conversion and Reorganization, as well as

other proposals detailed in this proxy statement/prospectus. The Board of Directors of Home Federal Bancorp unanimously recommends that its shareholders vote **FOR** the Plan of Conversion and Reorganization and **FOR** each of the other proposals set forth in this proxy statement/prospectus.

This document serves as the proxy statement for the annual meeting of shareholders of Home Federal Bancorp and the prospectus for the shares of common stock of the new holding company to be issued in exchange for shares of Home Federal Bancorp's common stock. We urge you to read this entire document carefully. You can also obtain information about our companies from documents that we have filed with the Securities and Exchange Commission and the Office of Thrift Supervision. This document does not serve as the prospectus relating to the offering of the new holding company's common stock which will be made pursuant to a separate prospectus.

This investment involves a degree of risk, including the possible loss of principal. Please read Risk Factors beginning on page 14.

These securities are not deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

None of the Securities and Exchange Commission, the Office of Thrift Supervision or any state securities regulator has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this proxy statement/prospectus is November 5, 2010, and is first being mailed to shareholders of Home Federal Bancorp, Inc. of Louisiana on or about November 15, 2010.

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HOME FEDERAL BANCORP, INC. OF LOUISIANA
624 Market Street
Shreveport, Louisiana 71101
(318) 222-1145

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on December 15, 2010

NOTICE IS HEREBY GIVEN that a annual meeting of shareholders of Home Federal Bancorp, Inc. of Louisiana, a federal corporation (which we refer to as Home Federal Bancorp) will be held at Home Federal Bancorp s main office, located at 624 Market Street, Shreveport, Louisiana on Wednesday, December 15, 2010 at 10:00 a.m., Central time, to consider and vote upon:

1. The approval of a Plan of Conversion and Reorganization and the transactions contemplated thereby pursuant to which, among other things, Home Federal Bancorp, Inc. of Louisiana, a newly formed Louisiana corporation (which we refer to as the new holding company), will offer for sale shares of its common stock, and shares of common stock of Home Federal Bancorp currently held by shareholders other than Home Federal Mutual Holding Company (which we refer to as the public shareholders) will be exchanged for shares of common stock of the new holding company upon the conversion of Home Federal Mutual Holding Company, Home Federal Bank and Home Federal Bancorp from the mutual holding company structure to the stock holding company structure;

2. The following informational proposals:

2A Approval of a provision in the articles of incorporation of the new holding company providing for the authorized capital stock of 40,000,000 shares of common stock and 10,000,000 shares of serial preferred stock compared to 8,000,000 shares of common stock and 2,000,000 shares of preferred stock in the charter of Home Federal Bancorp;

2B Approval of a provision in the articles of incorporation of the new holding company requiring a super-majority shareholder approval of amendments to certain provisions in the articles of incorporation and bylaws of the new holding company; and

2C Approval of a provision in the articles of incorporation of the new holding company to limit the voting rights of shares beneficially owned in excess of 10% of the outstanding voting securities of the new holding company;

3. The election of three directors for a three-year term expiring in 2013 and one director for a two-year term expiring in 2012 and until their successors are elected and qualified;

4. The ratification of the appointment of LaPorte Sehrt Romig & Hand as our independent public accounting firm for the fiscal year ending June 30, 2011;

5. The adjournment of the annual meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the annual meeting to approve the Plan of Conversion and Reorganization; and

6. Any other matters that may properly come before the annual meeting or an adjournment or postponement thereof. Management is not aware of any such other business at this time.

The provisions of the articles of incorporation which are summarized as informational proposals 2A through 2C were approved as part of the process in which the board of directors of Home Federal Bancorp approved the Plan of Conversion and Reorganization. These proposals are informational in nature only, because the Office of Thrift Supervision regulations governing mutual to stock conversion do not provide for votes on matters other than the Plan of Conversion and Reorganization. While we are asking shareholders of Home Federal Bancorp to vote with respect to each of the informational proposals, shareholders are not being asked to approve the proposed provisions for which an informational vote is requested and the proposed provisions will become effective if shareholders approve the Plan of Conversion and Reorganization, regardless of whether shareholders vote to approve any or all of the informational proposals.

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Appraisal rights will be available to shareholders who do not vote in favor of the Plan of Conversion and Reorganization and otherwise comply with the procedures set forth in 12 C.F.R. Section 552.14 (a copy of which is attached as Appendix A to proxy statement/prospectus).

The board of directors has fixed October 29, 2010, as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting and at an adjournment or postponement thereof.

BY ORDER OF THE BOARD OF DIRECTORS

DeNell W. Mitchell
Corporate Secretary

Shreveport, Louisiana
November 15, 2010

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QUESTIONS AND ANSWERS

FOR SHAREHOLDERS OF HOME FEDERAL BANCORP, INC. OF LOUISIANA

You should read this document and the Plan of Conversion and Reorganization for more information about the conversion and offering. The Plan of Conversion and Reorganization has been conditionally approved by our regulators.

Q. What are shareholders being asked to approve?

A. Home Federal Bancorp's shareholders as of October 29, 2010 are being asked to vote on the Plan of Conversion and Reorganization. Under the Plan of Conversion and Reorganization, Home Federal Bank will convert from the mutual holding company form of ownership to the fully public stock holding company form of ownership, and as part of such conversion, a new Louisiana company, also named Home Federal Bancorp, Inc. of Louisiana, will offer for sale, in the form of shares of its common stock, Home Federal Mutual Holding Company's 63.8% ownership interest in Home Federal Bancorp. In addition to the shares of common stock to be issued to those who purchase shares in the stock offering, public shareholders of Home Federal Bancorp as of the completion of the conversion, will receive shares of common stock of the new holding company in exchange for their existing shares.

In addition, informational proposals relating to the articles of incorporation of the new holding company are also described in this proxy statement/prospectus. Due to Office of Thrift Supervision regulations, the proposed provisions of the articles of incorporation described in the informational proposals will become effective if shareholders approve the Plan of Conversion and Reorganization, regardless of whether shareholders vote to approve any or all of the informational proposals.

In addition, shareholders will vote on the election of directors, ratification of the appointment of our independent registered public accounting firm and a proposal to solicit additional proxies in the event that there are not sufficient votes at the annual meeting to approve the Plan of Conversion and Reorganization.

Q. What is the conversion?

A. Home Federal Bank, Home Federal Bancorp and Home Federal Mutual Holding Company are converting from a mutual holding company structure to a fully-public ownership structure. Currently, Home Federal Mutual Holding Company owns approximately 63.8% of Home Federal Bancorp's common stock. The remaining 36.2% of common stock is owned by public shareholders. As a result of the conversion, our newly formed Louisiana company, also called Home Federal Bancorp, Inc. of Louisiana, will become the parent of Home Federal Bank.

Shares of common stock of the new holding company, representing the 63.8% ownership interest of Home Federal Mutual Holding Company in Home Federal Bancorp, are being offered for sale to eligible depositors and borrowers of Home Federal Bank, and if shares remain, to the public, with a preference given to natural persons, or trusts of natural persons, who reside in Caddo or Bossier Parishes, Louisiana, followed by shareholders of Home Federal Bancorp as of October 29, 2010. At the completion of the conversion and offering, current public shareholders of Home Federal Bancorp will exchange their shares of Home Federal Bancorp common stock for shares of common stock of the new holding company.

After the conversion and offering are completed, Home Federal Bank will become a wholly-owned subsidiary of the new holding company. Upon consummation of the conversion and offering, the outstanding shares of the new holding

company will be owned by the public shareholders, who will exchange their shares for shares of the new holding company, as well as those persons who purchase shares in the offering for the purchase price of \$10.00 per share. As a result of the conversion and offering, Home Federal Mutual Holding Company and Home Federal Bancorp will cease to exist.

See The Conversion and Offering beginning on page 103 of this proxy statement/prospectus, for more information about the conversion.

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Q. What will shareholders receive for their existing Home Federal Bancorp shares?

A. As more fully described in the section entitled "The Conversion and Offering," depending on the number of shares sold in the stock offering, each share of common stock that you own upon completion of the conversion and stock offering will be exchanged for between 0.7464 new shares at the minimum and 1.0098 new shares at the maximum of the offering range (cash will be paid in lieu of fractional shares). For example, if you own 100 shares of Home Federal Bancorp common stock and the exchange ratio is 0.8781, after the conversion you will receive 87 shares of common stock of the new holding company and \$8.10 in cash, the value of the fractional share, based on the \$10.00 per share offering price. Shareholders who hold shares in street-name at a brokerage firm will receive these funds in their brokerage account. Shareholders who have stock certificates will receive checks. The number of shares you will get will depend on the number of shares sold in the offering and will be based on an exchange ratio determined as of the closing of the conversion. The actual number of shares you receive will depend upon the number of shares we sell in our offering, which in turn will depend upon the final appraised value of the new holding company. The exchange ratio will adjust based on the number of shares sold in the offering. It will not depend on the market price of the common stock Home Federal Bancorp.

Q. What are the reasons for the conversion and offering?

A. As more fully described in this proxy statement/prospectus, the primary reasons for the conversion and offering are to increase capital to support the growth of our interest-earning assets, add shares to our employee stock ownership plan and adopt new stock benefit plans to provide competitive compensation for our senior officers, structure our business in a form that will provide improved access to capital markets, eliminate some of the uncertainties associated with the financial regulatory reforms and their impact on mutual to stock conversions, and create a more liquid and active market than currently exists for Home Federal Bancorp common stock.

Q. Why should I vote?

A. You are not required to vote, but your vote is very important. In order for us to implement the Plan of Conversion and Reorganization, we must receive the affirmative vote of the holders of a majority of the outstanding shares of Home Federal Bancorp common stock, other than shares held by Home Federal Mutual Holding Company, in addition to the approval of two-thirds of all the outstanding shares. **The board of directors of Home Federal Bancorp recommends that you vote FOR approval of the Plan of Conversion and Reorganization.**

Q. What happens if I don't vote?

A. Your prompt vote is very important. Not voting will have the same effect as voting Against the Plan of Conversion and Reorganization. Without sufficient favorable votes FOR the Plan of Conversion and Reorganization, we will not proceed with the conversion and offering.

Q. How do I vote?

A. You should sign your proxy card and return it in the enclosed proxy reply envelope or vote using the Internet or by telephone. **Please vote promptly. Not voting has the same effect as voting Against the Plan of Conversion and Reorganization.**

Q. If my shares are held in street name, will my broker automatically vote on my behalf?

A. No. Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, using the directions that your broker provides to you.

Q. What if I do not give voting instructions to my broker?

A. Your vote is important. If you do not instruct your broker to vote your shares by proxy, each unvoted share will have the same effect as a vote against the Plan of Conversion and Reorganization.

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Q: If the offering range is changed and all subscribers are given the opportunity to place a new stock order, will I have an opportunity to vote on the new pro forma market value?

A: No. We do not intend to seek any additional approvals from shareholders in connection with setting a new offering range.

Q. How will my existing Home Federal Bancorp shares be exchanged?

A. The conversion of your shares of common stock Home Federal Bancorp into the right to receive shares of common stock of the new holding company will occur automatically on the effective date of the conversion, although you will need to exchange your stock certificate(s) if you hold shares in certificate form. As soon as practicable after the effective date of the conversion and reorganization, our exchange agent will send a transmittal form to you. The transmittal forms are expected to be mailed shortly after the effective date and will contain instructions on how to submit the stock certificate(s) representing existing shares of Home Federal Bancorp common stock. No fractional shares of common stock of the new holding company will be issued to you when the conversion is completed. For each fractional share that would otherwise be issued to a shareholder who holds a certificate, you will be paid by check an amount equal to the product obtained by multiplying the fractional share interest to which you would otherwise be entitled by \$10.00. If your shares are held in street name, you will not receive a transmittal form. You will automatically receive the new shares and cash in lieu of fractional shares within your brokerage account.

Q. Should I submit my stock certificates now?

A. No. If you hold your certificate(s), instructions for exchanging the shares will be sent to you after completion of the conversion and offering. If your shares are held in street name, rather than in certificate form, the share exchange will occur within your brokerage account automatically upon completion of the conversion and offering.

Q. Do I have dissenters' and appraisal rights?

A. Yes. Under federal law, dissenters' rights of appraisal are available to Home Federal Bancorp shareholders in connection with the conversion and reorganization. To exercise your right to dissent, you must file with Home Federal Bancorp a written notice of your intention to dissent prior to the annual meeting. A failure to vote on the Plan of Conversion and Reorganization will not constitute a waiver of your appraisal rights; however, if you vote in favor of the plan, you will be deemed to have waived your dissenters' rights. Additionally, if you return a signed proxy but do not specify on the proxy a vote against the plan or an abstention from the vote, then you will be deemed to have waived your dissenters' rights. Within 60 days of the completion of the conversion and stock offering, you must file a petition with the Office of Thrift Supervision to demand a determination of the fair market value of the stock if you have not reached an agreement with the new holding company as to the fair value of such shares. Please refer to the summary under Rights of Dissenting Shareholders at page 127 of this proxy statement/prospectus and Appendix A to this proxy statement/prospectus which contains the full text of the section of the Office of Thrift Supervision regulations that governs dissenters' rights.

Q. May I place an order to purchase shares in the offering, in addition to the shares that I will receive in the exchange?

A. Yes. If you would like to receive a prospectus and stock order form, you may call our Stock Information Center, toll-free, at 1-(877) 643-8196, Monday through Friday between 10:00 a.m. and 4:00 p.m., Central time. The Stock Information Center will be closed weekends and bank holidays.

Please note that properly completed and signed stock order forms with full payment, must be received, not postmarked, by no later than 2:00 p.m., Central time, on December 7, 2010, unless extended.

Further Questions?

For answers to questions about the conversion or voting, please read this proxy statement/prospectus.

Questions about the Plan of Conversion and Reorganization or voting may be directed to our Proxy Information Agent, Phoenix Advisory Partners, LLC, by calling toll-free 1-(800) 576-4314, Monday through Friday from 8:00 a.m. to 4:00 p.m., Central time.

Questions about the stock offering may be directed to the Stock Information Center by calling 1-(877) 643-8196, Monday to Friday, from 9:00 a.m. to 4:00 p.m., Central time. The Stock Information Center will be closed weekends and bank holidays.

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SUMMARY

The following summary highlights the material information from this proxy statement/prospectus and may not contain all the information that is important to you. You should read this entire document carefully, including the sections entitled Risk Factors and The Conversion and Offering and the consolidated financial statements and the notes to the consolidated financial statements.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on December 15, 2010. This proxy statement/prospectus is available on our website at www.homefederalbancorp.com under Investor Relations.

What This Document Is About

The boards of directors of Home Federal Bancorp, Home Federal Mutual Holding Company, Home Federal Bank and the new holding company have adopted a Plan of Conversion and Reorganization pursuant to which Home Federal Bank will reorganize from a mutual holding company structure to a stock form holding company structure. As part of the conversion, Home Federal Bank formed the new holding company. Public shareholders of Home Federal Bancorp will receive shares in the new holding company in exchange for their shares of Home Federal Bancorp common stock based on an exchange ratio. This conversion to a stock holding company structure also includes the offering by the new holding company of shares of its common stock to eligible depositors of Home Federal Bank in a subscription offering and, if necessary, to the public in a community offering and syndicated community offering. Following the conversion and offering, Home Federal Mutual Holding Company and Home Federal Bancorp will no longer exist and the new holding company will be the parent company of Home Federal Bank.

The conversion and offering cannot be completed unless the shareholders of Home Federal Bancorp approve the Plan of Conversion and Reorganization. Home Federal Bancorp's shareholders will vote on the Plan of Conversion and Reorganization at the annual meeting of shareholders of Home Federal Bancorp. This document is the proxy statement used by Home Federal Bancorp's board of directors to solicit proxies for the annual meeting. It is also the prospectus of the new holding company regarding the shares of common stock of the new holding company to be issued to Home Federal Bancorp's shareholders in the share exchange. This document does not serve as the prospectus relating to the offering by the new holding company of its shares of common stock in the subscription offering and any community offering or syndicated community offering, both of which will be made pursuant to a separate prospectus.

In addition, informational proposals relating to the articles of incorporation of the new holding company are also described in this proxy statement/prospectus, but, due to Office of Thrift Supervision regulations, are not required to be approved if shareholders approve the Plan of Conversion and Reorganization. While we are asking shareholders of Home Federal Bancorp to vote with respect to each of the informational proposals, we are not required to receive the separate approval of the proposed provisions for which an informational vote is requested. The proposed provisions will become effective if shareholders approve the Plan of Conversion and Reorganization, regardless of whether shareholders vote to approve any or all of the informational proposals.

The Home Federal Bancorp Annual Meeting

Date, Time and Place. Home Federal Bancorp will hold its annual meeting of shareholders to consider and vote on, among other things, the Plan of Conversion and Reorganization at Home Federal Bancorp's main office, located at 624 Market Street, Shreveport, Louisiana on December 15, 2010 at 10:00 a.m., Central time.

Record Date. The record date for shareholders entitled to vote at the annual meeting of shareholders is October 29, 2010. There were 3,343,601 shares of Home Federal Bancorp common stock outstanding on the record date and entitled to vote at the annual meeting.

The Proposals. Shareholders will be voting on the following proposals at the annual meeting:

1. Approval of the Plan of Conversion and Reorganization;

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2. The following informational proposals:

2A Approval of a provision in the articles of incorporation of the new holding company providing for the authorized capital stock of 40,000,000 shares of common stock and 10,000,000 shares of serial preferred stock compared to 8,000,000 shares of common stock and 2,000,000 shares of preferred stock in the charter of Home Federal Bancorp;

2B Approval of a provision in the articles of incorporation of the new holding company requiring a super-majority shareholder approval of amendments to certain provisions in the articles of incorporation and bylaws of the new holding company; and

2C Approval of a provision in the articles of incorporation of the new holding company to limit the voting rights of shares beneficially owned in excess of 10% of the outstanding voting securities of the new holding company;

3. The election of three directors for a three-year term expiring in 2013 and one director for a two-year term expiring in 2012 until their successors are selected and qualified;

4. The ratification of the appointment of LaPorte Sehr Romig & Hand as our independent registered public accounting firm for the fiscal year ending June 30, 2011;

5. The adjournment of the annual meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the annual meeting to approve the Plan of Conversion and Reorganization; and

6. Any other matters that may properly come before the annual meeting or any adjournment or postponement thereof (management is not aware of any such matters).

The Informational Proposals. The provisions of the articles of incorporation of the new holding company which are summarized as informational proposals 2A through 2C were approved as part of the process in which the board of directors of Home Federal Bancorp approved the Plan of Conversion and Reorganization. These proposals are informational in nature only, because the Office of Thrift Supervision regulations governing mutual to stock conversion do not provide for votes on matters other than the Plan of Conversion and Reorganization. The proposed provisions described in the informational proposals will become effective if shareholders approve the Plan of Conversion and Reorganization, regardless of whether shareholders vote to approve any or all of the informational proposals.

Vote Required

Proposal 1: Approval of the Plan of Conversion and Reorganization. We must obtain the affirmative vote of (i) the holders of a majority of the outstanding shares of common stock of Home Federal Bancorp, other than Home Federal Mutual Holding Company, and (ii) the holders of two-thirds of the votes eligible to be cast by shareholders of Home Federal Bancorp, including Home Federal Mutual Holding Company.

Informational Proposals 2A through 2C Related to the Articles of Incorporation of Home Federal the New Holding Company. While we are asking you to vote with respect to each of the informational proposals, the proposed provisions will become effective if shareholders approve the Plan of Conversion and Reorganization, regardless of whether shareholders vote to approve any or all of the informational proposals.

Proposal 3: Election of Directors. Directors are elected by a plurality of the votes cast at the annual meeting. The four nominees for director receiving the most for votes will be elected as directors.

Proposal 4: Ratification of Appointment of Independent Registered Public Accounting Firm. Ratification of our appointment of LaPorte Sehr Romig & Hand as our independent public accounting firm for the fiscal year ended June 30, 2011 requires the affirmative vote of a majority of the shares present at the annual meeting in person or by proxy.

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Proposal 5: Adjournment of the annual meeting, if necessary, to solicit additional proxies. We must obtain the affirmative vote of a majority of the total votes present at the annual meeting in person and by proxy to approval the proposal to adjourn the annual meeting, if necessary, to solicit additional proxies.

Other Matters. We must obtain the affirmative vote of a majority of the total votes present at the annual meeting in person or by proxy to approve other proposals.

As of the voting record date, the directors and executive officers of Home Federal Bancorp owned 140,052 shares, or approximately 4.2% of the outstanding shares of Home Federal Bancorp common stock, excluding shares that may be acquired pursuant to the exercise of stock options, and Home Federal Mutual Holding Company owned 2,135,375 shares, or approximately 63.8% of the outstanding shares of Home Federal Bancorp common stock. Home Federal Mutual Holding Company is expected to vote all of its shares **FOR** the Plan of Conversion and Reorganization, **FOR** each of the informational proposals, **FOR** the election of the four nominees for director, **FOR** the ratification of the appointment of LaPorte Sehr Romig & Hand and **FOR** the proposal to adjourn the annual meeting, if necessary, to solicit additional proxies.

The board of directors of Home Federal Bancorp unanimously recommends that you vote FOR approval of the Plan of Conversion and Reorganization and FOR the other proposals described above.

The Companies

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 common stock. Home Federal Mutual Holding Company will no longer exist upon completion of the conversion and offering.

Home Federal Bancorp, Inc. of Louisiana. Home Federal Bancorp is a federally chartered corporation and currently is the mid-tier stock holding company for Home Federal Bank. At June 30, 2010, 63.8% of the issued and outstanding shares of Home Federal Bancorp were owned by Home Federal Mutual Holding Company, and the remaining 36.2% of Home Federal Bancorp's issued and outstanding shares were owned by the public shareholders. The common stock of Home Federal Bancorp is registered under the Securities Exchange Act of 1934, as amended, and is publicly traded on the OTC Bulletin Board. At the conclusion of the offering and the conversion of Home Federal Mutual Holding Company, Home Federal Bancorp will no

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longer exist. The existing public shareholders of Home Federal Bancorp will have their shares converted into 0.7464 to 1.0098 shares of common stock of the new holding company. The shares of common stock being offered by the new holding company represent Home Federal Mutual Holding Company's current ownership interest in Home Federal Bancorp. As of June 30, 2010, Home Federal Bancorp had \$185.1 million in total assets and \$33.4 million in stockholders' equity.

Our Current and Proposed Organizational Structure

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:

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.

Terms of the Conversion and Offering

The boards of directors of Home Federal Mutual Holding Company, Home Federal Bancorp and Home Federal Bank unanimously adopted the Plan of Conversion and Reorganization on July 8, 2010. The Plan of Conversion and Reorganization has been approved by the Office of Thrift Supervision, subject to, among other things, approval of the Plan of Conversion and Reorganization by the depositors and certain borrowers of

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Home Federal Bank and the shareholders of Home Federal Bancorp. The annual meeting of shareholders has been called for this purpose on December 15, 2010.

The conversion to a stock holding company structure also includes the offering by the new holding company of its outstanding shares to qualifying depositors and borrowers of Home Federal Bank in a subscription offering and to certain other persons in a community offering and/or syndicated community offering. The Plan of Conversion and Reorganization has been included as an exhibit to the registration statement filed with the Securities and Exchange Commission See *Where You Can Find Additional Information* in this proxy statement/prospectus.

After-Market Performance Information

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 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 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 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. (Nasdaq/COBK)	07/13/10	19.0	64.7	0.5	(1.6)	(2.6)	(1.5)
Oneida Financial Corp. (Nasdaq/ONFC)	07/07/10	26.5	97.8	(6.3)	(3.1)	(1.3)	(2.8)
ViewPoint Financial Group, Inc. (Nasdaq/VPFG)	07/07/10	166.8	93.9	(5.0)	(2.9)	(3.0)	(8.3)
Fox Chase Bancorp, Inc. (Nasdaq/FXCB)	06/29/10	76.6	72.6	(4.1)	(3.7)	(1.8)	(3.2)
Oritani Financial Corp. (Nasdaq/ORIT)	06/24/10	364.7	90.6	3.1		(0.9)	(3.9)
Eagle Bancorp Montana, Inc. (Nasdaq/EBMT)	04/05/10	19.9	81.2	5.5	5.0	4.0	(8.5)
	12/21/09	26.9	63.0	7.5	11.9	13.1	33.8

Ocean Shore Holding Co. (Nasdaq/OSHC)							
Northwest Bancshares, Inc. (Nasdaq/NWBI)	12/18/09	603.0	103.8	13.5	13.0	14.0	10.3
Average	N/A	145.8	80.8	2.4	2.7	2.7	1.8
Median	N/A	26.9	81.2	3.1		(0.9)	(2.8)

There can be no assurance that our stock price will trade similarly to these companies. There can also be no assurance that our stock price will not trade below \$10.00 per share, particularly as the proceeds raised as a percentage or pro forma stockholders equity may have a negative effect on our stock price performance.

The table is not intended to indicate how our common stock may perform. Data represented in the table reflects a small number of transactions and is not necessarily indicative of general stock market performance trends or of price performance trends of companies that undergo second-step conversions. Furthermore, this table presents only short-term price performance and may not be indicative of the longer term stock price performance of these companies.

Table of Contents**The Exchange of Home Federal Bancorp Common Stock**

Shares of Home Federal Bancorp, the existing publicly traded mid-tier holding company, held on the date of completion of the conversion will be canceled and exchanged for shares of common stock of the new holding company, also named Home Federal Bancorp. The number of new shares you will receive will be based on an exchange ratio determined as of the completion of the conversion. The actual number of shares you receive will depend upon the number of shares we sell in our offering, which in turn will depend upon the final appraisal value of Home Federal Bancorp. The exchange ratio will not depend on the market value of Home Federal Bancorp's common stock. At November 5, 2010, the date of this prospectus, the closing price of Home Federal Bancorp's common stock as reported on the OTC Bulletin Board was \$9.70 per share. The following table shows how the exchange ratio will adjust, based on the number of shares sold in our offering. The table also shows how many shares a hypothetical current owner of Home Federal Bancorp common stock would receive in the exchange, based on the number of shares sold in the offering.

	New Shares to be Sold in this Offering		New Shares to be Exchanged for Existing Common Stock		Total Shares of Common Stock to be Outstanding After the Offering	Exchange Ratio	Equivalent for 100 per Share Value(1)	New Shares that Would be Received Existing Shares(2)
	Amount	Percent	Amount	Percent				
	Minimum	1,593,750	63.8%	904,481				
Midpoint	1,875,000	63.8	1,064,095	36.2	2,939,095	0.8781	8.78	87
Maximum	2,156,250	63.8	1,223,709	36.2	3,379,959	1.0098	10.10	100
15% above the maximum	2,479,688	63.8	1,407,266	36.2	3,886,954	1.1612	11.61	116

(1) Represents the value of shares of the new holding company's common stock received in the conversion by a holder of one share of Home Federal Bancorp's common stock at the exchange ratio, assuming a value of \$10.00 per share.

(2) Cash will be paid instead of issuing fractional shares. For each fractional share that you would otherwise be issued, we will pay an amount equal to the product obtained by multiplying the fractional share interest by the \$10.00 per share purchase price.

If you own shares of Home Federal Bancorp's common stock which are held in a brokerage account in street name, they will be exchanged within the account without any action on your part. If you are the record owner of shares of Home Federal Bancorp's common stock and hold stock certificates, after the conversion and offering is completed, you will receive a transmittal form with instructions to surrender your stock certificates. Certificates representing the new holding company's common stock will be mailed within five business days after the exchange agent receives properly executed transmittal forms and certificates. Please do not submit a stock certificate until you receive a transmittal form.

Dissenters Rights

Under federal law and regulations, public shareholders of Home Federal Bancorp will have dissenters rights. See Rights of Dissenting Shareholders on page 127.

Reasons for the Conversion and Offering

We are pursuing the conversion and offering 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, diversifying into other financial services-related activities 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

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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 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 common stock.

To eliminate some of the uncertainties associated with the recently enacted financial regulatory legislations 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 fully 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 is important in order to support and implement our business plan. 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.

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Conditions to Completion of the Conversion

We cannot complete our conversion and related offering unless:

The Plan of Conversion and Reorganization is approved by at least a majority of votes eligible to be cast by members of Home Federal Mutual Holding Company (depositors and certain borrowers of Home Federal Bank);

The Plan of Conversion and Reorganization is approved by at least:

- two-thirds of the outstanding shares of Home Federal Bancorp common stock; and
- a majority of the outstanding shares of Home Federal Bancorp common stock, not including those shares held by Home Federal Mutual Holding Company;

We sell at least the minimum number of shares offered; and

We receive the final approval of the Office of Thrift Supervision to complete the conversion and offering and related transactions.

Home Federal Mutual Holding Company intends to vote its approximately 63.8% ownership interest in favor of the Plan of Conversion and Reorganization. In addition, as of October 29, 2010, directors and executive officers of Home Federal Bancorp and their associates owned 140,052 shares of Home Federal Bancorp's common stock, or 4.2% of the outstanding shares, excluding shares that may be acquired pursuant to the exercise of stock options. They intend to vote those shares in favor of the Plan of Conversion and Reorganization.

How We Determined the Offering Range and the Exchange Ratio

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 approximately 63.8% ownership interest in Home 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.

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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 institutions			
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 Our stock price may decline when trading commences at page 19 and Pro Forma Data at page 46.

We Intend to Continue to Pay Quarterly Cash Dividends

Home Federal Bancorp has paid quarterly cash dividends since the third quarter of 2005. For the quarter ended June 30, 2010, the cash dividend was \$0.06 per share. We intend to continue to pay quarterly cash dividends after we complete the conversion and offering. We expect that cash dividends per share after the conversion and offering will be consistent with the current amount of dividends of \$0.06 per share. However, the dividend rate and the continued payment of dividends will depend on a number of factors, including our capital requirements, our financial condition and results of operations, tax considerations, statutory and regulatory limitations and general economic conditions. No assurance can be given that we will continue to pay dividends or that they will not be reduced or eliminated in the future.

Table of Contents**Benefits to Management from the Conversion and Offering**

Our employees, officers and directors will benefit from the conversion and offering due to various stock-based benefit plans. See Management Compensation New Stock Benefit Plans beginning on page 94.

Full-time employees, including officers, are participants in our existing employee stock ownership plan which will purchase additional shares in connection with the conversion;

Following the first anniversary of the completion of the conversion and offering, we intend to implement the following plans which will benefit our employees and directors:

- a new stock recognition and retention plan; and
- a new stock option plan.

The following table summarizes, at the minimum and the maximum of the offering range, the total number and value of the shares of common stock that the employee stock ownership plan expects to acquire and the total number and value of all restricted stock awards and stock option grants that are expected to be available under the anticipated new stock recognition and retention plan and stock option plan, respectively, based on shares sold at the offering. We intend to adopt the new recognition and retention plan and stock option plan following the first anniversary of the completion of the conversion and offering.

	Number of Shares to be Granted or Purchased		As a % of Common Stock to Be Sold in the Offering	Dilution Resulting from Issuance of Shares(3)	Value of Grants	
	At Minimum of Offering Range	At Maximum of Offering Range			At Minimum of Offering Range	At Maximum of Offering Range
Employee stock ownership plan(1)	95,625	129,375	6.00%	% \$	956	\$ 1,294
Recognition and retention plan awards(1)	63,750	86,250	4.00	2.49	638	863
Stock options(2)	159,375	215,625	10.00	6.00	385	521
Total	318,750	431,250	20.00%	8.20%	\$ 1,979	\$ 2,678

(1) Assumes the value of the new holding company's common stock is \$10.00 per share for purposes of determining the total estimated value of the grants.

(2) Assumes the value of a stock option is \$2.42, which was determined using the Black-Scholes option-pricing formula. See Pro Forma Data.

- (3) Represents the dilution of stock ownership interest at the midpoint of the offering range. No dilution is reflected for the employee ownership because such shares are assumed to be purchased in the offering.

Shareholders will experience a reduction or dilution of their ownership interest of approximately 8.20% if we use newly issued shares to fund the awards of stock options and restricted shares under the proposed new stock option and recognition and retention plans expected to be implemented after the conversion and offering, assuming the midpoint of the offering range (or taken individually, 6.00% for the new stock option plan and 2.49% for the new recognition and retention plan). If any options previously granted under the 2005 Stock Option Plan are exercised during the first year following completion of the conversion and offering, they will be funded with newly issued shares as the Office of Thrift Supervision regulations do not permit us to repurchase our shares during the first year following the completion of this stock offering except to fund the restricted stock plan or under extraordinary circumstances. We have been advised by the staff of the Office of Thrift Supervision that the exercise of outstanding options and cancellation of treasury shares in the conversion and offering will not constitute an extraordinary circumstance for purposes of satisfying an exception to the requirement.

The following table presents information regarding the existing employee stock ownership plan shares, options and restricted stock previously awarded under the 2005 Stock Option Plan and 2005 Recognition and Retention Plan, the new shares to be purchased by the employee stock ownership plan and the proposed new stock option plan and recognition and retention plan. The table below assumes that 3,379,959 shares are

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outstanding after the conversion and offering, which includes the sale of 2,156,250 shares in the offering at the maximum of the offering range, the issuance of 1,223,709 shares of the new holding company's common stock in exchange for existing Home Federal Bancorp stock held by shareholders other than Home Federal Mutual Holding Company using an exchange ratio of 1.0098 (based on the maximum of the offering range). It is also assumed that the value of the stock is \$10.00 per share.

Existing and New Stock Benefit Plans	Participants	Shares(1)	Estimated Value (Dollars in thousands)	Percentage of Total Shares Outstanding
Employee Stock Ownership Plan:	All Employees			
Shares purchased in 2005 mutual holding company reorganization		115,005(2)	\$ 1,150	3.4%
Shares to be purchased in this offering		129,375	1,294	3.8%
Total employee stock ownership plan shares		244,380	2,444	7.2%
Recognition and Retention Plans:	Directors and Officers			
2005 Recognition and Retention Plan		70,440(3)	704	2.1%
Proposed new recognition and retention plan		86,250	863(4)	2.6%
Total recognition and retention plan shares		156,690	1,567	4.6%
Stock Option Plans:	Directors and Officers			
2005 Stock Option Plan		176,098(5)	426(6)	5.2%
Proposed new stock option plan		215,625	521(7)	6.4%
Total stock option plan shares		391,723	947	11.6%
Total stock benefit plans		792,793	\$ 4,958	23.5%

- (1) Shares purchased or awarded and options granted prior to the conversion and offering have been adjusted for the 1.0098 exchange ratio at the maximum of the offering range.
- (2) Approximately 28,751 (28,472 shares prior to adjustment for the exchange ratio) of these shares have been allocated to the accounts of participants. The employee stock ownership plan purchased 8.0% (113,889 shares) of the shares issued to shareholders other than Home Federal Mutual Holding Company (1,423,583 shares) in the mutual holding company reorganization completed in January 2005.
- (3) Home Federal Bancorp reserved 69,756 shares (before applying exchange ratio) which reflected an amount equal to 4.0% of the shares that would have been issued to persons other than Home Federal Mutual Holding Company in the mutual holding company reorganization if Home Federal Bancorp had issued 49% (1,743,889 shares) of the total shares issued in the reorganization (3,558,958 shares) to minority shareholders rather than 40% (1,423,583 shares) actually issued to such persons. As of June 30, 2010, awards covering 54,863 (55,400 shares

after adjustment for the exchange ratio) of the 2005 Recognition and Retention Plan awards have vested, and the shares of Home Federal Bancorp common stock subject to these vested awards have been distributed.

- (4) The actual value of new recognition and retention plan awards will be determined based on their fair value as of the date grants are made. For purposes of this table, fair value is assumed to be the same as the offering price of \$10.00 per share.
- (5) Of this amount, no options have been exercised to date. Home Federal Bancorp reserved 174,389 shares (before applying exchange ratio) under this plan which reflected 10.0% of the shares that would have been issued to persons other than Home Federal Mutual Holding Company in the mutual holding company reorganization if Home Federal Bancorp had issued 49% (1,743,889 shares) of the total shares issued in the reorganization (3,558,958 shares) to minority shareholders rather than the 40% (1,423,583 shares) actually issued to such persons. As of June 30, 2010, options covering 158,134 shares (before applying the exchange ratio) were issued and outstanding.
- (6) The weighted-average fair value of stock options under the 2005 Stock Option Plan has been estimated at \$2.42 using the Black-Scholes option pricing model and assumes that all options have been granted and are outstanding. Prior to the adjustment for exchange ratio, the 2005 Stock Option Plan covered a total of 174,389 shares. The weighted-average assumptions used for the options issued under the 2005 Stock Option Plan were the following: exercise price, \$10.00; dividend yield, 2.4%; expected life, 10 years; expected volatility, 23.23%; and risk-free interest rate, 2.97%.
- (7) The fair value of stock options to be granted under the new stock option plan has been estimated at \$2.42 per option using the Black-Scholes option pricing model with the following assumptions: exercise price, \$10.00; trading price on date of grant, \$10.00; dividend yield, 2.4%; expected life, 10 years; expected volatility, 23.23%; and risk-free interest rate, 2.97%.

As noted above, existing options granted under the 2005 Stock Option Plan will remain outstanding upon completion of the conversion, adjusted for the exchange ratio. In the event that any stock options under the 2005 Stock Option Plan are exercised during the first year after completion of the conversion, the shares issued upon exercise will be from authorized but unissued shares. Our new holding company will take steps to file a registration statement registering the shares issuable under the 2005 Stock Option Plan within 10 business days of the completion of the conversion and the offering.

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Market For Our Common Stock

Home Federal Bancorp's common stock is currently quoted on the OTC Bulletin Board under the symbol HFBL. We expect the new holding company's common stock will be listed for trading on the Nasdaq Capital Market under the symbol HFBLD for the first 20 trading days after the conversion and offering is completed. Thereafter it will trade under the symbol HFBL.

Material Income Tax Consequences

We have received the opinions of Elias, Matz, Tiernan & Herrick L.L.P. and LaPorte Sehr Romig & Hand, respectively, that under federal and Louisiana income tax law and regulation, the tax basis to the shareholders of the common stock purchased in the offering will be the amount paid for the common stock, and that the conversion will not be a taxable event for us. These opinions, however, are not binding on the Internal Revenue Service. The full texts of the opinions are filed as exhibits to the Registration Statement of which this prospectus is a part, and copies may be obtained from the Securities and Exchange Commission. See [Where You Can Find Additional Information](#).

Restrictions on Acquisitions of Home Federal Bancorp (New) and Home Federal Bank

Federal regulations, as well as provisions contained in the articles of incorporation and bylaws of the new holding company, contain certain restrictions on acquisitions of the new holding company or its capital stock. These regulatory restrictions include the requirement that a potential acquirer of common stock obtain the prior approval of the Office of Thrift Supervision before acquiring in excess of 10% of the outstanding common stock. Additionally, Office of Thrift Supervision approval would be required for the new holding company to be acquired within three years after the conversion and offering.

In addition, the new holding company's articles of incorporation and bylaws contain provisions that may discourage takeover attempts and prevent you from receiving a premium over the market price of your shares as part of a takeover. These provisions include:

- restrictions on the acquisition of more than 10% of our common stock and limitations on voting rights of shares held in excess of 10%;
- staggered election of only approximately one-third of our board of directors each year;
- the absence of cumulative voting by shareholders in the election of directors;
- limitations on the ability of shareholders to call special meetings;
- advance notice requirements for shareholder nominations and new business;
- removal of directors without cause by a 75% vote of shareholders and with cause by a majority vote of all shareholders;
- requirement of a 75% vote of shareholders for certain amendments to the bylaws and certain provisions of the articles of incorporation; and
- the right of the board of directors to issue shares of preferred or common stock without shareholder approval.

For further information, see Restrictions on Acquisitions of Home Federal Bancorp (New) and Home Federal Bank and Related Anti-Takeover Provisions.

Interest of Management and Directors in Matters to be Acted Upon

Management and directors of Home Federal Bancorp have an interest in the matters that will be acted upon because the new holding company intends to acquire additional stock for its employee stock ownership plan, to consider the implementation of a new stock recognition and retention plan and a new stock option plan. See Interests of Certain Persons in Matters To be Acted Upon.

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Common Stock Purchase Limitation

The number of shares of common stock that you may purchase in the offering individually, and together with associates or persons acting in concert, plus any exchange shares you and they receive may not exceed 5% of the total shares of common stock of the new holding company to be issued and outstanding at the completion of the conversion and offering, provided, however, that you will not be required to divest any of your shares or be limited in the number of shares you may receive in the exchange offer.

Differences in Shareholders' Rights

As a result of the conversion and offering, each Home Federal Bancorp shareholder will become a shareholder of the new holding company. Certain rights of shareholders of the new holding company will differ from the rights Home Federal Bancorp's shareholders currently have. See Proposal 2. Informational Proposals Related to the Articles of Incorporation of the New Holding Company and Comparison of Shareholders' Rights for a discussion of these differences.

How You Can Obtain Additional Information - Stock Information Center

For answers to questions about the conversion or voting, please read this proxy statement/prospectus.

Questions about voting may be directed to our Proxy Information Agent, Phoenix Advisory Partners, LLC, by calling toll-free 1-(800) 576-4314, Monday through Friday from 8:00 a.m. to 4:00 p.m., Central time.

Our banking personnel may not, by law, assist with investment-related questions about the offering. If you have questions regarding the offering, please contact our Stock Information Center. The toll-free phone number is 1-(877) 643-8196. The Stock Information Center's hours of operation are Monday through Friday, from 10:00 a.m. to 4:00 p.m., Central time. The Stock Information Center will be closed weekends and bank holidays.

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RISK FACTORS

You should consider carefully the following risk factors in deciding how to vote.

Risks Related to Our Business

Increased emphasis on commercial real estate lending may expose us to increased lending risks. We intend to continue to emphasize commercial lending which includes loans secured by owner occupied and non-owner occupied commercial real estate, investment real estate with guarantor support. At June 30, 2010, commercial real estate loans totaled \$15.4 million, or 16.4% of our total loan portfolio compared to \$8.2 million, or 17.2%, at June 30, 2009. Such lending activities generally are considered to involve a higher degree of risk than single-family residential lending due to a variety of factors, including generally larger loan balances, shorter terms to maturity and loan terms which often do not require full amortization of the loan over its term and, instead, provide for a balloon payment at stated maturity. Several of our borrowers have more than one commercial real estate loan outstanding with us. Consequently, an adverse development with respect to one loan or one credit relationship can expose us to significantly greater risk of loss compared to an adverse development with respect to a one- to four-family residential mortgage loan. Finally, if we foreclose on a commercial real estate loan, our holding period for the collateral, if any, typically is longer than for one- to four-family residential property because there are fewer potential purchasers of the collateral. Since we plan to continue to emphasize our originations of these loans, it may be necessary to increase the level of our allowance for loan losses due to the increased risk characteristics associated with these types of loans. Any increase to our allowance for loan losses would adversely affect our earnings. Any delinquent payments or the failure to repay these loans would hurt our earnings.

Increased emphasis on commercial business lending may expose us to increased lending risks. We intend to continue to emphasize commercial business lending which includes lines of credit, inventory financing and equipment loans. At June 30, 2010, our commercial business loans were \$9.5 million, or 10.1% of our total loan portfolio compared to \$3.9 million or 8.2% of our total loans at June 30, 2009. Although commercial business loans generally have shorter terms and higher interests rates than mortgage loans, they generally involve more risk than mortgage loans because of the nature of, or in certain cases the absence of, the collateral which secures such loans.

The loans in our commercial loan portfolio are unseasoned which means that we do not have a history of payments which would assist us in predicting future performance. As a result of our increasing emphasis on commercial lending over the past year, a large portion of our commercial real estate and commercial non-mortgage loan portfolios is relatively unseasoned. As a result, we may not have enough payment history upon which to judge future collectibility or to predict the future performance of this part of our loan portfolio. These loans may have delinquency or charge-off levels above our historical experience, which could adversely affect our future performance. We attempt to mitigate such risks by lending to known borrowers in our market area. Many of our commercial loans originated in fiscal 2010, were to borrowers who had prior lending relationships with our loan officers.

If we do not achieve profitability on new branches, the new branches may hurt our earnings and negatively impact our expense ratio. We intend to open a new branch office in North Bossier in November 2010 and expect to open an office in South Bossier at a future time. Our branch expansion strategy and our branch upgrading may not increase our earnings in the short term or within a reasonable period of time, if at all. Numerous factors will affect our branch expansion strategy, including our ability to attract new customers, select suitable branch locations and hire and retain qualified managers and personnel. It takes time for a new branch to generate significant deposits and loan volume to offset expenses, some of which like salaries, occupancy expense and depreciation of real property, are relatively fixed costs. We may not be able to increase the volume of our loans and deposits by expanding our branch network. We also

may not be able to manage the costs and implementation risks associated with this strategy so that expansion of our branch network will be profitable.

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Recently, we have increased our concentrations in land loans and commercial construction loans, including loans secured by speculative property and land loans. At June 30, 2010, \$8.4 million, or 9.0%, of our loan portfolio consisted of land loans and \$7.8 million, or 8.3% of our loan portfolio, consisted of construction loans, including \$3.4 million in loans secured by speculative property. Speculative construction loans are loans made to builders who have not identified a buyer for the completed property at the time of loan origination. We intend to continue to originate land loans and commercial construction loans. It is our policy to only originate construction loans with a permanent takeout. These loan types generally expose a lender to greater risk of non-payment and loss than one-to-four family mortgage loans because the repayment of such loans often depends on the successful operation or sale of the property and the income stream of the borrowers and such loans typically involve larger balances to a single borrower or groups of related borrowers. In addition, many borrowers of these types of loans have more than one loan outstanding with us so an adverse development with respect to one loan or credit relationship can expose us to significantly greater risk of non-payment and loss. We may need to increase our allowance for loan losses through future charges to income as the portfolio of these types of loans grows, which would hurt our earnings. Additionally, as a result of our increasing emphasis on this type of lending over the past year, a large portion of our land and construction loan portfolios is relatively unseasoned. As a result, we may not have enough payment history upon which to judge future collectibility or to predict the future performance of these parts of our loan portfolio. These loans may have delinquency or charge-off levels above our historical experience, which could adversely affect our future performance.

An expansion of gaming activities in other states, may lead to a decline in gaming revenue in Shreveport and Bossier City, Louisiana, which could hurt our business and our prospects. Shreveport and Bossier City, Louisiana compete with other areas of the country for gaming revenue, and it is possible that the expansion of gaming operations in other states, as a result of changes in laws or otherwise, could significantly reduce gaming revenue in the Shreveport and Bossier City metropolitan area. This is particularly true if gaming operations are expanded in Oklahoma or were to be authorized in Texas, a state from which the Shreveport casino industry generally draws substantial year-round clientele. The expansion of casinos in Oklahoma or establishment of casino gaming in Texas, or other states, could have a substantial adverse effect on gaming revenue in Shreveport and Bossier City which would adversely affect the Shreveport economy and our business.

If our allowance for losses on loans is not adequate to cover losses, our earnings could decrease. We have established an allowance for loan losses which we believe is adequate to offset probable losses on our existing loans. We anticipate originating more commercial real estate loans for which we will require additional provisions for loan losses. Material additions to our allowance would materially decrease our net income. We make various assumptions and judgments about the collectability of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of our loans. We rely on our loan quality reviews, our experience and our evaluation of economic conditions, among other factors, in determining the amount of the allowance for loan losses. While we are not aware of any specific factors indicating a deficiency in the amount of our allowance for loan losses, in light of the current economic slowdown, the increased number of foreclosures and lower real estate values, one of the most pressing current issues faced by financial institutions is the adequacy of their allowance for loan losses. Federal bank regulators have increased their scrutiny of the level of the allowance for losses maintained by regulated institutions. Many banks and other lenders are reporting significantly higher provisions to their allowance for loan losses, which are materially impacting their earnings. In the event that we have to increase our allowance for loan losses, it would have an adverse effect on our results in future periods. At June 30, 2010, our allowance for loan losses amounted to \$489,000, or 0.52% of our total loan portfolio at such date.

The recent economic recession could result in increases in our level of non-performing loans and/or reduce demand for our products and services, which could have an adverse effect on our results of operations. In recent periods, there has been a decline in the housing and real estate markets and the national economy has recently experienced a recession. Although improving, housing market conditions had deteriorated nationally as evidenced by

reduced levels of sales, increasing inventories of houses on the market, declining house prices and an increase in the length of time houses remain on the market. These conditions

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may not continue to improve or may worsen in the near term. Concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit, the mortgage market and a declining real estate market have contributed to increased volatility and diminished expectations for the economy and markets going forward. This turbulence in the markets also has been largely attributable to the fallout associated with a deteriorating market for subprime mortgage loans and securities backed by such loans.

Dramatic declines in the housing market, with falling home prices and increasing foreclosures and unemployment, resulted in significant asset write-downs by financial institutions, which have caused many financial institutions to seek additional capital, to merge with other institutions and, in some cases, to fail. These developments also have contributed to a substantial decrease in both lending activities by banks and other financial institutions and activity in the secondary residential mortgage loan market. If these conditions do not improve or worsen, they could adversely affect our results of operations.

Our business is geographically concentrated in northern Louisiana, which makes us vulnerable to downturns in the local and regional economy. Most of our loans are to individuals and businesses located in northern Louisiana. Regional economic conditions affect the demand for our products and services as well as the ability of our customers to repay loans. While economic conditions in northern Louisiana have been relatively good in recent periods, the concentration of our business operations makes us particularly vulnerable to downturns in the local economy. According to the US Department of Labor's Bureau of Labor Statistics, unemployment in the Shreveport/Bossier metropolitan statistical area has increased from 6.2% in 2005 to 7.8% in June 2010. The population of Caddo Parish is projected to decline 1.3% from 2010 to 2015 according to the Louisiana Parish Population Projection Series, 2010-2030 available at www.louisiana.gov/Explore/Population_Projections/. Declines in local real estate values, both residential and commercial, could adversely affect the value of property used as collateral for the loans we make. Historically, the oil and gas industry has constituted a significant component of the local economy. The oil and gas industry remains an important factor in the regional economy in the markets that Home Federal Bank operates in and downturns in the local oil and gas industry could adversely affect Home Federal Bank.

Changes in interest rates could have a material adverse effect on our operations. Our profitability is dependent to a large extent on net interest income, which 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. Changes in the general level of interest rates can affect our net interest income by affecting the difference between the weighted average yield earned on our interest-earning assets and the weighted average rate paid on our interest-bearing liabilities, or interest rate spread, and the average life of our interest-earning assets and interest-bearing liabilities. For the year ended June 30, 2010, our average interest rate spread was 3.03% compared to 1.89% for the year ended June 30, 2009. We continue to monitor our interest rate sensitivity and expect to emphasize higher yielding types of lending and grow our lower cost transaction deposit accounts, but may not be able to effectively do so.

We are dependent upon the services of key officers. We rely heavily on our President and Chief Operating Officer, James R. Barlow, and our senior commercial lending team. The loss of Mr. Barlow or our other senior commercial loan officers could have a material adverse impact on our operations because, as a small company, we have fewer management-level personnel that have the experience and expertise to readily replace these individuals who were responsible for the increase in our commercial loan portfolio. In addition, competition with respect to hiring and retaining commercial loan officers in our market area is intense. Changes in key personnel and their responsibilities may be disruptive to our business and could have a material adverse effect on our business, financial condition, and results of operations.

Increased and/or special Federal Deposit Insurance Corporation assessments will hurt our earnings. The recent economic recession has caused a high level of bank failures, which has dramatically increased Federal Deposit

Insurance Corporation resolution costs and led to a significant reduction in the balance of the Deposit Insurance Fund. As a result, the Federal Deposit Insurance Corporation has significantly increased the initial base assessment rates paid by financial institutions for deposit insurance. Increases in the base assessment rate have increased our deposit insurance costs and negatively impacted our earnings. In addition, in May 2009, the Federal Deposit Insurance Corporation imposed a special assessment on all insured

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institutions. Our special assessment, which was reflected in earnings for the year ended June 30, 2009, was \$65,000. In lieu of imposing an additional special assessment, the Federal Deposit Insurance Corporation required all institutions to prepay their assessments for the fourth quarter of 2009 and all of 2010, 2011 and 2012. Additional increases in the base assessment rate or special assessments would negatively impact our earnings.

We operate in a highly regulated environment and we may be adversely affected by changes in laws and regulations. We are subject to extensive regulation, supervision and examination by the Office of Thrift Supervision, our primary federal regulator, and by the Federal Deposit Insurance Corporation, as insurer of our deposits. Such regulation and supervision governs the activities in which an institution and its holding company may engage and are intended primarily for the protection of the insurance fund and the depositors and borrowers of Home Federal Bank rather than for holders of our common stock. Regulatory authorities have extensive discretion in their supervisory and enforcement activities, including the imposition of restrictions on our operations, the classification of our assets and determination of the level of our allowance for loan losses. Any change in such regulation and oversight, whether in the form of regulatory policy, regulations, legislation or supervisory action, may have a material impact on our operations.

Recently enacted regulatory reform may have a material impact on our operations. On July 21, 2010, the President signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act that, among other things, imposes new restrictions and an expanded framework of regulatory oversight for financial institutions and their holding companies, including Home Federal Bank and Home Federal Bancorp. Under the new law, Home Federal Bank's primary regulator, the Office of Thrift Supervision, will be eliminated and existing federal thrifts will be subject to regulation and supervision by the Office of Comptroller of the Currency, which currently supervises and regulates all national banks. Savings and loan holding companies will be regulated by the Federal Reserve Board, which will have the authority to promulgate new regulations governing Home Federal Bancorp that will impose additional capital requirements and may result in additional restrictions on investments and other holding company activities. The law also creates a new consumer financial protection bureau that will have the authority to promulgate rules intended to protect consumers in the financial products and services market. The creation of this independent bureau could result in new regulatory requirements and raise the cost of regulatory compliance. The federal preemption of state laws currently accorded federally chartered financial institutions will be reduced. In addition, regulation mandated by the new law could require changes in regulatory capital requirements, loan loss provisioning practices, and compensation practices which may have a material impact on our operations. Because the regulations under the new law have not been promulgated, we cannot determine the full impact on our business and operations at this time. See Regulation Recently Enacted Regulatory Reform.

We face strong competition in our primary market area which may adversely affect our profitability. We are subject to vigorous competition in all aspects and areas of our business from commercial banks, mortgage banking companies, credit unions and other providers of financial services, such as money market mutual funds, brokerage firms, consumer finance companies and insurance companies. Based on data from the Federal Deposit Insurance Corporation, as of June 30, 2009, the most recent date for which data is available, we had 1.6% of the total deposits in the Shreveport/Bossier metropolitan statistical area. The financial resources of our larger competitors may permit them to pay higher interest rates on their deposits and to be more aggressive in new loan originations. We also compete with non-financial institutions, including retail stores that maintain their own credit programs and governmental agencies that make available low cost or guaranteed loans to certain borrowers. Competition from both bank and non-bank organizations will continue.

Risks Related to the Conversion and the Exchange Offering

The market value of the common stock of the New Holding Company to be received in the share exchange may be less than the market value of Home Federal Bancorp common stock exchanged. The number of shares of common

stock of the new holding company you receive will be based on an exchange ratio which will be determined as of the date of completion of the conversion and offering. The exchange ratio will be based on the percentage of Home Federal Bancorp common stock held by the public prior to the conversion, the final independent appraisal of the new holding company common stock prepared by Feldman

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Financial and the number of shares of common stock sold in the offering. The exchange ratio will ensure that existing public shareholders of Home Federal Bancorp common stock will own approximately the same percentage of common stock of the new holding company after the conversion and offering as they owned of Home Federal Bancorp common stock immediately prior to completion of the conversion and offering, exclusive of the effect of their purchase of additional shares in the offering and the receipt of cash in lieu of fractional shares. The exchange ratio will not depend on the market price of Home Federal Bancorp's common stock.

The exchange ratio ranges from a minimum of 0.7464 to a maximum of 1.0098 shares of common stock of the new holding company per share of Home Federal Bancorp common stock. Under certain circumstances, the pro forma market value can be adjusted upward by 15.0% to reflect changes in market conditions, and, at the adjusted maximum, the exchange ratio would be 1.1612 shares of common stock of the new holding company per share of Home Federal Bancorp common stock. Shares of common stock of the new holding company issued in the share exchange will have an initial value of \$10.00 per share. The exchange ratio and the number of shares of the new holding company you would receive in exchange for your Home Federal Bancorp shares will be determined by the number of shares we sell in the offering. The higher the number of shares sold, the higher the exchange ratio. If the offering closes at the minimum of the offering range and you own 100 shares of Home Federal Bancorp common stock, you would receive 74 shares of common stock of the new holding company, which would have an initial value of \$740 based on the offering price, plus \$6.40 cash. If the offering closes at 15% above the maximum of the offering range, you would receive 116 shares of common stock of the new holding company for each 100 shares of Home Federal Bancorp stock, with an initial value of \$1,160 based on the offering price, plus \$1.20 cash. We cannot tell you today whether the offering will close at the minimum or some other point in the valuation range. Depending on the exchange ratio and the market value of Home Federal Bancorp common stock at the time of the exchange, the initial market value of the common stock of the new holding company that you receive in the share exchange could be less than the market value of the Home Federal Bancorp common stock that you currently own. Based on the \$9.70 per share closing price of Home Federal Bancorp common stock as of the date of this proxy statement/prospectus, unless at least 2,071,314 shares of common stock of the new holding company are sold in the offering (between the mid point and maximum of the offering range), the initial value of the common stock of the new holding company you receive in the share exchange would be less than the market value of the Home Federal Bancorp common stock you currently own. See [The Conversion and Offering – Delivery and Exchange of Home Federal Bancorp Stock Certificates](#) and [The Conversion and Offering – Effects of the Conversion on Public Shareholders](#).

The implementation of stock-based benefit plans will increase our future compensation and may adversely affect our net income. Following the offering, we will recognize additional employee compensation and benefit expenses stemming from options and shares granted to employees, directors and executives under our proposed new stock benefit plans. These additional expenses will adversely affect our net income. We cannot determine the actual amount of these new stock-related compensation and benefit expenses at this time because applicable accounting practices generally require that they be based on the fair market value of the options or shares of common stock at the date of the grant; however, we expect them to be significant. We will recognize expenses for our employee stock ownership plan when additional shares are committed to be released to participants' accounts and will recognize expenses for restricted stock awards and stock options generally over the vesting period of awards made to recipients under our new plans. These benefit expenses in the first year following the offering have been estimated to be approximately \$261,000, in the aggregate, at the maximum of the offering range as set forth in the pro forma financial information under [Pro Forma Data](#) assuming the \$10.00 per share purchase price as fair market value. Actual expenses, however, may be higher or lower, depending on the price of our common stock at that time. For further discussion of these plans, see [Management Compensation – New Stock Benefit Plans](#).

A limited market for our common stock may depress our market price and make it difficult to buy or sell our stock. We expect our stock to be listed on the Nasdaq Capital Market. If an active and liquid trading market for our stock does not develop, you may not be able to buy or sell our common stock immediately following the close of the

offering or at or above the \$10.00 per share offering price. There may be a wide

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spread between the bid and asked price for our common stock after the conversion. You should consider the potentially long-term nature of an investment in our common stock.

Our stock price may decline when trading commences. We are offering shares of our common stock at a uniform price of \$10.00 per share. After the offering is completed, the trading price of the common stock will be determined by the marketplace, and will be influenced by many factors outside of our control, including prevailing interest rates, investor perceptions, securities analyst research reports and general industry, geopolitical and economic conditions. Publicly traded stock, including stocks of financial institutions, often experience substantial market price volatility. Market fluctuations in the price of our common stock may not be related to the operating performance of Home Federal Bancorp.

We intend to remain independent, which may mean you will not receive a premium for your common stock. We intend to remain independent for the foreseeable future. Because we do not plan on seeking possible acquirors, it is unlikely that we will be acquired in the foreseeable future. Accordingly, you should not purchase our common stock with any expectation that a takeover premium will be paid to you in the near term.

We have broad discretion in investing the net proceeds of the offering. Home Federal Bancorp intends to contribute 50% of the net proceeds as equity capital to Home Federal Bank for the purchase of all of Home Federal Bank's capital stock and the remaining 50% of the net proceeds will be retained by Home Federal Bancorp. Initially, Home Federal Bancorp intends to use the proceeds that it retains to loan funds to the employee stock ownership plan to purchase 6.0% of the shares sold in the offering and will invest the remaining amount in a deposit account at Home Federal Bank. Under applicable regulations, Home Federal Bancorp may during the first year following the conversion, assuming shareholder approval, use a portion of the net proceeds it retains to fund the recognition and retention plan. After one year following the conversion, we may repurchase shares of common stock, subject to regulatory restriction. Home Federal Bank initially intends to use the net proceeds it receives as a contribution of capital from Home Federal Bancorp to fund loans and to invest in securities. We have not allocated specific amounts of proceeds for any of these purposes, and we will have significant flexibility in determining how much of the net proceeds we apply to different uses and the timing of such applications. There is a risk that we may fail to effectively use the net proceeds which could have a negative effect on our future profitability ratios.

Our stock-based benefit plans will be dilutive. If the offering is completed and shareholders subsequently approve a new recognition and retention plan and a new stock option plan, we will allocate stock to our officers, employees and directors through these plans. If the shares for the recognition and retention plan are issued from our authorized but unissued stock, the ownership percentage of outstanding shares of Home Federal Bancorp would be diluted by approximately 2.49%. However, it is our intention to purchase shares of our common stock in the open market to fund the recognition and retention plan. Assuming the shares of our common stock to be awarded under the recognition and retention plan are purchased at a price equal to the offering price in the offering, the reduction to stockholders' equity from the recognition and retention plan would be between \$638,000 and \$992,000 at the minimum and the maximum, as adjusted, of the offering range. The ownership percentage of Home Federal Bancorp shareholders would also decrease by approximately 6.00% if all potential stock options under our proposed stock option plan are exercised and are filled using shares issued from authorized but unissued common stock, assuming the offering closes at the maximum of the offering range. See Pro Forma Data for data on the dilutive effect of the recognition and retention plan and the stock option plan and Management Compensation New Stock Benefit Plans for a description of the plans.

Our stock value may suffer from anti-takeover provisions in our articles of incorporation and bylaws that may impede potential takeovers that management opposes. Provisions in our corporate documents, as well as certain federal regulations, may make it difficult and expensive to pursue a tender offer, change in control or takeover attempt that our board of directors opposes. As a result, our shareholders may not have an opportunity to participate in such a

transaction, and the trading price of our stock may not rise to the level of

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other institutions that are more vulnerable to hostile takeovers. Anti-takeover provisions contained in our corporate documents include:

restrictions on acquiring more than 10% of our common stock by any person and limitations on voting rights;

the election of members of the board of directors to staggered three-year terms;

the absence of cumulative voting by shareholders in the election of directors;

provisions restricting the calling of special meetings of shareholders; and

our ability to issue preferred stock and additional shares of common stock without shareholder approval.

See [Restrictions on Acquisitions of Home Federal Bancorp \(New\) and Home Federal Bank and Related Anti-Takeover Provisions](#) for a description of anti-takeover provisions in our corporate documents and federal regulations.

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FORWARD LOOKING STATEMENTS

This document contains forward-looking statements, which can be identified by the use of words such as would be, will, estimate, project, believe, intend, anticipate, plan, seek, expect and similar expressions. These statements include:

- statements of goals, intentions and expectations;
- statements regarding prospects and business strategy;
- statements regarding asset quality and market risk; and
- estimates of future costs, benefits and results.

These forward-looking statements are subject to significant risks, assumptions and uncertainties, including, among other things, the factors discussed under the heading Risk Factors beginning on page 14 that could affect the actual outcome of future events and the following factors:

- general economic conditions, either nationally or in our market area, that are worse than expected;
- changes in the interest rate environment that reduce our interest margins or reduce the fair value of financial instruments;
- increased competitive pressures among financial services companies;
- changes in consumer spending, borrowing and savings habits;
- legislative or regulatory changes that adversely affect our business;
- adverse changes in the securities markets;
- our ability to grow and successfully manage such growth;
- changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Securities and Exchange Commission or the Financial Accounting Standards Board; and
- our ability to successfully implement our branch expansion strategy, enter into new markets and/or expand product offerings successfully and take advantage of growth opportunities.

Any of the forward-looking statements that we make in this prospectus and in other public statements we make may turn out to be wrong because of inaccurate assumptions we might make, because of the factors illustrated above or because of other factors that we cannot foresee.

Because of these and other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements and you should not rely on such statements.

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INFORMATION ABOUT THE ANNUAL MEETING OF SHAREHOLDERS

To Be Held on December 15, 2010

General

This proxy statement/prospectus is being furnished to you in connection with the solicitation by the board of directors of Home Federal Bancorp of proxies to be voted at the annual meeting of shareholders to be held at Home Federal Bancorp's main office, located at 624 Market Street, Shreveport, Louisiana on Wednesday, December 15, 2010 at 10:00 a.m., Central time, and any adjournment or postponement thereof.

The purpose of the annual meeting is to consider and vote upon, among other things, the Plan of Conversion and Reorganization of Home Federal Mutual Holding Company, Home Federal Bancorp, Home Federal Bank and the new holding company.

The Plan of Conversion and Reorganization provides for a series of transactions, referred to as the conversion and offering, which will result in the elimination of the mutual holding company. The Plan of Conversion and Reorganization will also result in the creation of a new stock form holding company which will own all of the outstanding shares of Home Federal Bank, the exchange of shares of common stock of Home Federal Bancorp by shareholders other than Home Federal Mutual Holding Company, who are referred to as the public shareholders, for shares of the new stock form holding company, the issuance and the sale of additional shares to depositors of Home Federal Bank and others in an offering. The conversion and offering will be accomplished through a series of substantially simultaneous and interdependent transactions as follows:

Home Federal Mutual Holding Company will convert from mutual to stock form and simultaneously merge with and into Home Federal Bancorp, pursuant to which the mutual holding company will cease to exist and the shares of Home Federal Bancorp common stock held by the mutual holding company will be canceled; and

Home Federal Bancorp then will merge with and into the new holding company with the new holding company being the survivor of such merger.

As a result of the above transactions, Home Federal Bank will become a wholly-owned subsidiary of the new holding company, and the outstanding shares of Home Federal Bancorp common stock will be converted into the shares of common stock of the new holding company pursuant to the exchange ratio, which will result in the holders of such shares owning in the aggregate approximately the same percentage of the common stock of the new holding company to be outstanding upon the completion of the conversion and offering as the percentage of common stock of Home Federal Bancorp owned by them in the aggregate immediately prior to consummation of the conversion and offering before giving effect to (a) the payment of cash in lieu of issuing fractional exchange shares, and (b) any shares of common stock purchased by public shareholders in the offering.

In addition to the Plan of Conversion and Reorganization, you will be asked to vote on informational proposals regarding the new holding company's articles of incorporation, the election of directors and the ratification of the appointment of our independent public accounting firm for fiscal 2011. You may also be asked to vote on a proposal to adjourn the annual meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the meeting to approve the Plan of Conversion and Reorganization.

This proxy statement/prospectus, together with the accompanying proxy card(s), is first being mailed or delivered to shareholders of Home Federal Bancorp on or about November 15, 2010.

Voting in favor of or against the Plan of Conversion and Reorganization includes a vote for or against the conversion of Home Federal Mutual Holding Company to a stock form holding company as contemplated by the Plan of Conversion and Reorganization. Voting in favor of the Plan of Conversion and Reorganization will not obligate you to purchase any common stock in the offering and will not affect the balance, interest rate or federal deposit insurance of any deposits at Home Federal Bank.

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Record Date and Voting Rights

You are entitled to one vote at the annual meeting for each share of Home Federal Bancorp common stock that you owned of record at the close of business on October 29, 2010 (the Record Date.) On the Record Date, there were 3,343,601 shares of common stock outstanding.

Shareholders of record may vote by attending the annual meeting and voting in person, as well as by appointing a proxy by telephone, via the Internet or by mail. Our telephone and Internet voting procedures are designed to authenticate shareholders. The telephone and Internet voting facilities will close at 2:00 a.m., Central time, on December 15, 2010.

Voting by Telephone: You can vote your shares by telephone by calling the toll-free telephone number on your proxy card. Telephone voting is available 24 hours a day. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. If you vote by telephone, you do not need to return your proxy card.

Voting via the Internet: You can vote via the Internet by accessing the web site listed on your proxy card and following the instructions you will find on the web site. Internet voting is available 24 hours a day. As with telephone voting, you will be given the opportunity to confirm that your instructions have been properly recorded. If you vote via the Internet, you do not need to return your proxy card.

Voting by Mail: If you choose to vote by mail, simply mark the enclosed proxy card, date and sign it, and return it in the postage paid envelope provided.

You may vote your shares at the annual meeting in person or by proxy. To vote in person, you must attend the annual meeting and obtain and submit a ballot, which we will provide to you at the annual meeting. To vote by proxy, you must complete, sign and return the enclosed proxy card. If you properly complete your proxy card and send it to us in time to vote, your proxy (one of the individuals named on your proxy card) will vote your shares as you have directed.

If you sign the proxy card but do not make specific choices, your proxy will vote your shares FOR all the proposals identified in the Notice of Annual Meeting.

If any other matter is presented, your proxy will vote the shares represented by all properly executed proxies on such matters as a majority of the board of directors determines. As of the date of this proxy statement/prospectus, we know of no other matters that may be presented at the annual meeting, other than those listed in the Notice of Annual Meeting.

Quorum

A quorum of shareholders is necessary to hold a valid meeting. If the holders of at least a majority of the total number of the outstanding shares of common stock entitled to vote are represented in person or by proxy at the annual meeting, a quorum will exist. We will include proxies marked as abstentions and broker non-votes to determine the number of shares present at the annual meeting.

Vote Required

Proposal 1: Approval of the Plan of Conversion and Reorganization. We must obtain the affirmative vote of (i) the holders of a majority of the outstanding shares of common stock of Home Federal Bancorp, other than Home Federal Mutual Holding Company, and (ii) the holders of two-thirds of the votes eligible to be cast by all shareholders of Home Federal Bancorp, including Home Federal Mutual Holding Company.

Informational Proposals 2A 2C: Related to Certain Provisions in the Articles of Incorporation of the New Holding Company. The provisions of the articles of incorporation of the new holding company which are summarized as informational proposals 2A through 2C were approved by the board of directors of Home Federal Bancorp as part of the process to approve the Plan of Conversion and Reorganization. These proposals are informational in nature only, because the Office of Thrift Supervision regulations governing mutual to stock conversion do not provide for votes on matters other than the Plan of Conversion and Reorganization. While we are asking you to vote with respect to each of the informational proposals, we are not required to receive the approval of shareholders of the proposed provisions for which an informational

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vote is being requested. The proposed provisions will become effective if shareholders approve the Plan of Conversion and Reorganization, regardless of whether shareholders vote to approve any or all of the informational proposals.

Proposal 3. Election of Directors. Directors are elected by a plurality of the votes cast at the annual meeting. The four nominees receiving the most for votes will be elected as directors.

Proposal 4. Ratification of Appointment of Independent Registered Public Accounting Firm. Ratification of our appointment of LaPorte Sehrt Romig & Hand as our independent public accounting firm for the fiscal year ended June 30, 2011 requires the affirmative vote of a majority of the shares present in person or by proxy at the annual meeting.

Proposal 5: Adjournment of the annual meeting, if necessary, to solicit additional proxies. We must obtain the affirmative vote of a majority of the total votes present at the annual meeting in person and by proxy to approval the proposal to adjourn the annual meeting, if necessary, to solicit additional proxies.

Other Matters. We must obtain the affirmative vote of a majority of the total votes present at the annual meeting in person or by proxy to approve other proposals.

We expect that Home Federal Mutual Holding Company will vote all of the shares of Home Federal Bancorp common stock that it owns in favor of the proposals to approve of the Plan of Conversion and Reorganization, the informational proposals, the election of directors, ratification of the appointment of our independent public accounting firm and the proposal to adjourn the annual meeting, if necessary, to solicit additional proxies.

Effect of Abstentions and Broker Non-Votes

If you do not instruct your broker how to vote on the proposals, your broker is not permitted to vote on the proposals to approve the Plan of Conversion and Reorganization or the informational proposals on your behalf and this will constitute a broker non-vote. Broker non-votes and abstentions will have the same effect as a vote Against the proposal to approve the Plan of Conversion and Reorganization and the other proposals. Home Federal Mutual Holding Company is expected to vote all of its shares to approve the Plan of Conversion and Reorganization and the other proposals.

Revoking Your Proxy

You may revoke your proxy at any time before it is voted by:

filing a written revocation of the proxy with the corporate secretary of Home Federal Bancorp;

submitting a signed proxy card bearing a later date;

voting on a later date by telephone or via the Internet (only your last telephone or Internet proxy will be counted); or

attending and voting in person at the annual meeting, but you also must file a written revocation at the meeting with the corporate secretary of Home Federal Bancorp prior to the voting.

If your shares are not registered in your own name, you will need appropriate documentation from your shareholder of record to vote personally at the annual meeting. Examples of such documentation include a broker's statement, letter or

other document that will confirm your ownership of shares of Home Federal Bancorp common stock.

Solicitation of Proxies

This proxy statement/prospectus and the accompanying proxy card are being furnished to you in connection with the solicitation of proxies for the annual meeting by the Home Federal Bancorp board of directors. Home Federal Bancorp will pay the costs of soliciting proxies from its shareholders. To the extent necessary to permit approval of the Plan of Conversion and Reorganization and the other proposals being

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considered, directors, officers or employees of Home Federal Bancorp and Home Federal Bank may solicit proxies by mail, telephone and other forms of communication. We will reimburse such persons for their reasonable out-of-pocket expenses incurred in connection with such solicitation.

We have retained Phoenix Advisory Partners, LLC, a professional proxy solicitation firm, to assist in the solicitation of proxies for the special meeting and to serve as our Proxy Information Agent. The fee payable to such firm is \$6,000, plus reimbursement for reasonable out-of-pocket expenses and other charges in connection with the proxy solicitation, which shall not exceed \$10,000 without our prior approval. Arrangements also will be made with brokerage firms and other custodians, nominees and fiduciaries for the forwarding of the proxy statement/prospectus to the beneficial owners of common stock held of record by such persons, and we will reimburse such custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses in connection therewith.

The board of directors of Home Federal Bancorp recommends that you promptly sign, date and mark the enclosed proxy card in favor of the adoption of the Plan of Conversion and Reorganization and for each of the other proposals being presented at the annual meeting promptly return it in the enclosed self-addressed, postage-prepaid proxy reply envelope. Returning the proxy card will not prevent you from voting in person at the annual meeting.

Your prompt vote is very important. Failure to vote will have the same effect as voting against the Plan of Conversion and Reorganization.

PROPOSAL 1 APPROVAL OF THE PLAN OF CONVERSION AND REORGANIZATION

The Boards of Directors of Home Federal Bancorp, the new holding company, Home Federal Mutual Holding Company and Home Federal Bank all have approved the Plan of Conversion and Reorganization. The Plan of Conversion and Reorganization also has been conditionally approved by the Office of Thrift Supervision, subject to approval by the depositors and certain borrowers of Home Federal Bank and the shareholders of Home Federal Bancorp. Such approval by the Office of Thrift Supervision, however, does not constitute a recommendation or endorsement of the Plan of Conversion and Reorganization by such agency.

General

The boards of directors of Home Federal Mutual Holding Company, Home Federal Bancorp and Home Federal Bank unanimously adopted the Plan of Conversion and Reorganization on July 8, 2010. The Plan of Conversion and Reorganization has been approved by the Office of Thrift Supervision subject to, among other things, approval of the Plan of Conversion and Reorganization by the depositors and certain depositors of Home Federal Bank and the shareholders of Home Federal Bancorp. The special meeting of depositors and certain borrowers of Home Federal Bank and the annual meeting of shareholders of Home Federal Bancorp have been called for this purpose on December 15, 2010.

The second-step conversion that we are now undertaking involves a series of transactions by which we will convert our organization from the partially public mutual holding company form to the fully public stock holding company structure. Under the Plan of Conversion and Reorganization, Home Federal Bank will convert from the mutual holding company form of organization to the stock holding company form of organization and become a wholly owned subsidiary of the new holding company. Current shareholders of Home Federal Bancorp, other than Home Federal Mutual Holding Company, will receive shares of common stock of the new holding company, also using the corporate title Home Federal Bancorp, Inc. of Louisiana, in exchange for their existing shares of Home Federal Bancorp common stock. Following the conversion and offering, Home Federal Bancorp and Home Federal Mutual Holding Company will no longer exist.

A copy of the Plan of Conversion and Reorganization is available for inspection at each branch office of Home Federal Bank and at the Western Regional Office (in Dallas, Texas) and Washington D.C. office of the Office of Thrift Supervision. The Plan of Conversion and Reorganization also is filed as an exhibit to the

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registration statement of which this document is a part, copies of which may be obtained from the Securities and Exchange Commission. See [Where You Can Find Additional Information](#).

Purposes of the Conversion and Offering

Home Federal Mutual Holding Company, as a mutual holding company, does not have shareholders and has no authority to issue capital stock. As a result of the conversion and offering, Home Federal Bank will be structured in the form used by holding companies of commercial banks, most business entities and most stock savings institutions. The conversion to the fully public form of ownership will remove the uncertainties associated with the mutual holding company structure created by the recently enacted financial reform legislation. The conversion and offering will also be important to our future growth and performance by providing a larger capital base to support our operations and by enhancing our future access to capital markets, ability to continue to grow our asset base, through additional new branches, further acquisitions or otherwise, and enhancing our ability to diversify into other financial services related activities and to provide additional services to the public. Although Home Federal Bancorp currently has the ability to raise additional capital through the sale of additional shares of Home Federal Bancorp common stock, that ability is limited by the mutual holding company structure which, among other things, requires that Home Federal Mutual Holding Company always hold a majority of the outstanding shares of Home Federal Bancorp's common stock.

The conversion and offering also will result in an increase in the number of shares of common stock held by public shareholders, as compared to the current number of outstanding shares of Home Federal Bancorp common stock, which we expect will facilitate development of a more active and liquid trading market for our common stock. See [Market for Our Common Stock](#).

Home Federal Bank remains committed to controlled growth and diversification. The additional funds received in the conversion and reorganization will facilitate Home Federal Bank's ability to continue to grow in accordance with its business plan, through both internal growth and possible acquisitions of other institutions or through the expansion of its branch office network. We believe that the conversion and reorganization will enhance Home Federal Bank's ability to continue its growth through possible acquisitions and will support its ability to more fully serve the borrowing and other financial needs of the communities it serves.

In light of the foregoing, the boards of directors of Home Federal Mutual Holding Company, Home Federal Bancorp and Home Federal Bank as well as the new holding company believe that it is in the best interests of such companies, the depositors and borrowers of Home Federal Bank and shareholders of Home Federal Bancorp to continue to implement our strategic business plan, and that the most feasible way to do so is through the conversion and reorganization.

For information regarding the effects of the conversion and offering on public shareholders, see [The Conversion and Offering](#) [Effect of the Conversion and Offering on Public Shareholders](#) and [Ownership of Home Federal Bancorp after the Conversion and Offering](#).

Exchange of Shares

The conversion of your shares of common stock of Home Federal Bancorp into the right to receive shares of common stock of the new holding company will occur automatically on the effective date of the conversion, although you will need to exchange your stock certificate(s) if you hold shares in certificate form. As soon as practicable after the effective date of the conversion, our exchange agent will send a transmittal form to you. The transmittal forms are expected to be mailed promptly after the effective date and will contain instructions on how to submit the stock certificate(s) representing existing shares of common stock of Home Federal Bancorp.

No fractional shares of common stock of the new holding company will be issued to you when the conversion is completed. For each fractional share that would otherwise be issued to a shareholder who holds a certificate, you will be paid by check an amount equal to the product obtained by multiplying the fractional share interest to which you would otherwise be entitled by \$10.00. If your shares are held in street name, you

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will automatically receive cash in lieu of fractional shares. For more information regarding the exchange of your shares see [The Conversion and Offering](#) [Delivery and Exchange of Home Federal Bancorp Stock Certificates](#).

Conditions to the Conversion and Offering

Consummation of the conversion and stock offering are subject to the receipt of all requisite regulatory approvals, including various approvals of the Office of Thrift Supervision. No assurance can be given that all regulatory approvals will be received. Receipt of such approvals from the Office of Thrift Supervision will not constitute a recommendation or endorsement of the Plan of Conversion and Reorganization or the stock offering by the Office of Thrift Supervision. Consummation of the conversion and stock offering also are subject to approval by the shareholders of Home Federal Bancorp at the annual meeting of shareholders of Home Federal Bancorp and of depositors and certain borrowers of Home Federal Bank at a special meeting of depositors and certain borrowers to be held the same day as the annual meeting of shareholders.

The board of directors of Home Federal Bancorp unanimously recommends that you vote FOR approval of the Plan of Conversion and Reorganization.

**PROPOSALS 2A TO 2C INFORMATIONAL PROPOSALS RELATED
TO THE ARTICLES OF INCORPORATION OF THE NEW HOLDING COMPANY.**

By their approval of the Plan of Conversion and Reorganization as set forth in Proposal 1, the board of directors of Home Federal Bancorp has approved each of the informational proposals numbered 2A through 2C, all of which relate to provisions included in the articles of incorporation of the new holding company. Each of these informational proposals is discussed in more detail below.

As a result of the conversion, the public shareholders of Home Federal Bancorp, whose rights are presently governed by the charter and bylaws of Home Federal Bancorp, will become shareholders of the new holding company, whose rights will be governed by the articles of incorporation and bylaws of the new holding company. The following informational proposals address the material differences between the governing documents of the two companies. This discussion is qualified in its entirety by reference to the charter of Home Federal Bancorp and the articles of incorporation of the new holding company. See [Where You Can Find Additional Information](#) for procedures for obtaining a copy of those documents.

The provisions of the articles of incorporation of the new holding company which are summarized as informational proposals 2A through 2C were approved as part of the process in which the board of directors of Home Federal Bancorp approved the Plan of Conversion and Reorganization. These proposals are informational in nature only, because the Office of Thrift Supervision regulations governing mutual to stock conversion do not provide for votes on matters other than the Plan of Conversion and Reorganization. While we are asking shareholders of Home Federal Bancorp to vote with respect to each of the informational proposals, shareholders are not being asked to approve the proposed provisions for which an informational vote is requested and the proposed provisions will become effective if shareholders approve the Plan of Conversion and Reorganization, regardless of whether shareholders vote to approve any or all of the informational proposals.

Informational Proposal 2A Approval of a Provision in the Articles of Incorporation of the New Holding Company Providing for the Authorized Capital Stock of 40,000,000 shares of Common Stock and 10,000,000 Shares of Serial Preferred Stock Compared to 8,000,000 Shares of Common Stock and 2,000,000 Shares of Preferred Stock in the Charter of Home Federal Bancorp.

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Home Federal Bancorp's authorized capital stock consists of 8,000,000 shares of common stock and 2,000,000 shares of preferred stock. The articles of incorporation of the new holding company authorize 40,000,000 shares of common stock and 10,000,000 shares of serial preferred stock.

At June 30, 2010, there were 3,348,237 issued and outstanding shares of common stock of Home Federal Bancorp and no outstanding shares of preferred stock. At the maximum of the offering range, we expect to

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issue an aggregate of 3,379,959 shares of common stock of the new holding company in the offering and as Exchange Shares. At the maximum of the offering range, an additional 215,625 shares of common stock of the new holding company will be reserved for issuance under the new stock option plan which is contemplated.

All authorized and unissued shares of common stock of the new holding company and preferred stock following the conversion and offering will be available for issuance without further action of the shareholders, unless such action is required by applicable law or the listing standards of The Nasdaq Stock Market or the listing standards of any other stock exchange on which securities of the new holding company may then be listed. The board of directors of the new holding company currently has no plans for the issuance of additional shares of common stock, other than the issuance of shares pursuant to the terms of the proposed new stock option plan.

This increase in the number of authorized shares of capital stock may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of the new holding company, if such attempts are not approved by the board of directors. In the event that a tender offer or other takeover attempt is threatened, the board of directors could issue shares of stock from authorized and unissued shares in order to dilute the stock ownership of persons seeking to take control of the company.

Informational Proposal 2B Approval of a Provision in the Articles of Incorporation of the New Holding Company Requiring Super-Majority Shareholder Approval of Amendments to Certain Provisions in the Articles of Incorporation and Bylaws of the New Holding Company.

No amendment of the current charter of Home Federal Bancorp may be made unless it is first proposed by the board of directors, then preliminarily approved by the Office of Thrift Supervision, and thereafter approved by the holders of a majority of the total votes eligible to be cast at a legal meeting. The articles of incorporation of the new holding company generally provide that no amendment of the articles of incorporation may be made unless it is first approved by the board of directors and thereafter approved by the holders of a majority of the shares entitled to vote generally in an election of directors, voting together as a single class, as well as such additional vote of the preferred stock as may be required by the provisions of any series thereof, provided, however, any amendment which is inconsistent with Articles 5 (directors), 6 (preemptive rights), 7 (liability of directors and officers), 8 (meetings of shareholders, actions without a meeting), 9 (restrictions on offers and acquisitions) and 10 (amendments to the articles of incorporation and bylaws) must be approved by the affirmative vote of the holders of not less than 75% of the voting power of the shares entitled to vote thereon.

The current bylaws of Home Federal Bancorp may be amended by a majority vote of the full board of directors or by a majority vote of the votes cast by the shareholders at any legal meeting. The bylaws of the new holding company may similarly be amended by the majority vote of the full board of directors at a regular or annual meeting of the board of directors or by a majority vote of the shares entitled to vote generally in an election of directors, voting together as a single class, as well as such additional vote the preferred stock as may be required by the provisions of any series thereof, provided, however, that the shareholder vote requirement for any amendment to the bylaws which is inconsistent with Articles II (shareholder meetings), IV (board of directors), VII (personal liability of directors) and XII (amendments) is the affirmative vote of the holders of not less than 75% of the voting power of the shares entitled to vote thereon.

These limitations on amendments to specified provisions of the articles of incorporation and bylaws of the new holding company are intended to ensure that the referenced provisions are not limited or changed upon a simple majority vote. While this limits the ability of shareholders of the new holding company to amend those provisions, Home Federal Mutual Holding Company, as a 63.8% shareholder of Home Federal Bancorp, currently can effectively block any shareholder proposed change to the charter or bylaws of Home Federal Bancorp.

These provisions in the articles of incorporation of the new holding company could have the effect of discouraging a tender offer or other takeover attempt where to ability to make fundamental changes through

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amendments to the articles of incorporation or bylaws is an important element of the takeover strategy of the potential acquiror. The board of directors believes that the provisions limiting certain amendments to the articles of incorporation and bylaws will put the board of directors in a stronger position to negotiate with third parties with respect to transactions potentially affecting the corporate structure of the new holding company and the fundamental rights of its shareholders, and to preserve the ability of all shareholders to have an effective voice in the outcome of such matters.

Informational Proposal 2C Approval of a provision in the Articles of Incorporation of the New Holding Company to Limit the Voting Rights of Shares Beneficially Owned in Excess of 10% of the Outstanding Voting Securities of the New Holding Company.

The articles of incorporation of the new holding company provide that no person shall directly or indirectly offer to acquire or acquire the beneficial ownership of (a) more than 10% of the issued and outstanding shares of any class of an equity security of the new holding company or (b) any securities convertible into, or exercisable for, any equity securities of the new holding company if, assuming conversion or exercise by such person of all securities of which such person is the beneficial owner which are convertible into, or exercisable for such equity securities, such person would be the beneficial owner of more than 10% of any class of an equity security of the new holding company. The term "person" is broadly defined in the articles of incorporation to prevent circumvention of this restriction.

The foregoing restrictions do not apply to (a) any offer with a view toward public resale made exclusively to the new holding company by underwriters or a selling group acting on its behalf, (b) any employee benefit plan established by the new holding company or Home Federal Bank and (c) any other offer or acquisition approved in advance by the affirmative vote of 80% of the board of directors. In the event that shares are acquired in violation of this restriction, all shares beneficially owned by any person in excess of 10% will not be counted as shares entitled to vote and will not be voted by any person or counted as voting shares in connection with any matters submitted to shareholders for a vote, and the board of directors may cause the excess shares to be transferred to an independent trustee for sale.

This provision is intended to limit the ability of any person to acquire a significant number of shares of common stock of the new holding company and thereby gain sufficient voting control so as to cause the new holding company to effect a transaction that may not be in the best interests of the new holding company and its shareholders generally. This provision will not prevent a shareholder from seeking to acquire a controlling interest in the new holding company, but it will prevent a shareholder from voting more than 10% of the outstanding shares of common stock unless that shareholder has first persuaded the board of directors of the merits of the course of action proposed by the shareholder. The board of directors believes that fundamental transactions generally should be first considered and approved by the board of directors as the board generally believes that it is in the best position to make an initial assessment of the merits of any such transactions and that the board of directors' ability to make the initial assessment could be impeded if a single shareholder could acquire a sufficiently large voting interest so as to control a shareholder vote on any given proposal. This provision in the articles of incorporation of the new holding company makes an acquisition, merger or other similar corporate transaction less likely to occur, even if such transaction is supported by most shareholders, because it can prevent a holder of shares in excess of the 10% limit from voting the excess shares in favor of the transaction. Thus, it may be deemed to have an anti-takeover effect.

The board of directors of Home Federal Bancorp unanimously recommends that you vote FOR approval of the Informational Proposals 2A through 2C.

PROPOSAL 3 ELECTION OF DIRECTORS

Our bylaws 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. One class shall be elected annually. At this meeting, you will be asked to elect one class of directors, consisting of three directors, for a three-year term expiring in 2013 as well as one nominee for a two-year term expiring in 2012 and until their successors are elected and qualified. Mr. Wilhite, the

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nominee for the two-year term, is being presented for election because under Home Federal Bancorp's bylaws, a director appointed to fill a vacancy can only serve until the next annual meeting of shareholders.

Our Board of Directors has recommended the re-election of Messrs. Colquitt, Herndon, Lawrence and Wilhite as directors. No director or nominee for director is related to any other director or executive officer by blood, marriage or adoption, except Daniel Herndon and David Herndon III who are brothers. Shareholders are not permitted to use cumulative voting for the election of directors.

Unless otherwise directed, each proxy signed 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 our continuing directors, all of whom also serve as directors of Home Federal Bank. The indicated period of service as a director includes service as a director of Home Federal Bank prior to the organization of Home Federal Bancorp in 2005. Ages are reflected as of June 30, 2010.

Nominees for Director for Three-Year Terms Expiring in 2013

Name	Age	Position with Home Federal Bancorp and Principal Occupation During the Past Five Years	Director Since
Walter T. Colquitt III	65	Director. Dentist, Shreveport, Louisiana. Dr. Colquitt brings extensive knowledge to the board of the professional community through his dental practice in Shreveport, Louisiana..	1993
Daniel R. Herndon	70	Chairman of the Board, President and Chief Executive Officer of Home Federal Bancorp since 2005. Chairman of the Board of Directors of Home Federal Bank since January 1998. Chief Executive Officer of Home Federal Bank since September 1993 and President from 1993 to February 2009. Mr. Daniel Herndon brings valuable insight and knowledge to the board from his service as President and Chief Executive Officer of Home Federal Bancorp and as one of the longest serving members of the Board. Mr. Herndon has gained valuable banking and institutional knowledge from his years of service and his ties to the local business community in the greater Shreveport area.	1980
Scott D. Lawrence	64	Director. President of Southwestern Wholesale, Shreveport, Louisiana since 1980.	1994

Mr. Lawrence brings significant business enterprise and managerial oversight skills to the board as President and owner of a dry goods wholesale supplier in Shreveport, Louisiana.

Table of Contents**Nominee for Director for Two-Year Term Expiring in 2012**

Name	Age	Position with Home Federal Bancorp and Principal Occupation During the Past Five Years	Director Since
Timothy W. Wilhite, Esq.	41	<p>Director. Chief Financial Officer of Wilhite Electric Co. Chairman of the Greater Bossier Economic Development Foundation. Of Counsel for the firm Downer, Huguet & Wilhite, LLC. Serves on the Executive Committee of the Bossier Chamber of Commerce and as Executive Committee and Board Member of the Greater Bossier Economic Development Foundation. Previously, a Partner Attorney for the firm Downer, Huguet & Wilhite, LLC.</p> <p>Mr. Wilhite brings knowledge of the local business and legal community to the board through his service as Chairman of the Greater Bossier Economic Development Foundation and as a member of the Executive Committee of the Bossier Chamber of Commerce.</p>	2010

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 Terms Expire in 2011**

Name	Age	Position with Home Federal Bancorp and Principal Occupation During the Past Five Years	Director Since
David A. Herndon III	73	<p>Director. Retired geologist.</p> <p>Mr. David Herndon brings valuable institutional knowledge to the board which he has gained through his years of service as a director, as well as knowledge of oil and gas industry customers through his work as a geologist in that industry.</p>	1998
Woodus K. Humphrey	70	<p>Director. Insurance executive, Woodus Humphrey Insurance, Inc., Shreveport, Louisiana.</p> <p>Mr. Humphrey brings entrepreneurial experience to the board as former owner of an insurance agency that focuses on property and liability insurance for woodworking plants and operations with field representatives in six states.</p>	2001

Mark Malloy Harrison	51	Director. Co-owner of House of Carpets and Lighting, a floor coverings and lighting fixtures business in Shreveport, Louisiana, since September 2007, and co-owner of Roly Poly sandwich franchises located in Shreveport and West Monroe, Louisiana since 2005.	2007
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Mr. Harrison brings substantial business and entrepreneurial experience to the board as co-owner of a local carpet and lighting business in Shreveport, Louisiana and sandwich franchises in the greater Shreveport area.

Table of Contents**Directors Whose Terms Expire in 2012**

Name	Age	Position with Home Federal Bancorp and Principal Occupation During the Past Five Years	Director Since
James R. Barlow	41	<p>Director. President and Chief Operating Officer of Home Federal Bank since February 2009. Previously, Mr. Barlow served as Executive Vice President and Area Manager for the Arkansas-Louisiana-Texas area commercial real estate operations of Regions Bank from August 2006 until February 2009. From 2005 until August 2006, Mr. Barlow was a Regions Bank City President for the Shreveport-Bossier area and from February 2003 to 2005 he served as Commercial Loan Manager for Regions Bank for the Shreveport-Bossier area. Mr. Barlow served in various positions at Regions Bank since 1997.</p> <p>Mr. Barlow brings substantial managerial, banking and lending experience to the board, as well as significant knowledge of the local commercial real estate market from his years of service as manager and is regional President of a regional bank.</p>	2009
Clyde D. Patterson	68	<p>Director. Executive Vice President of Home Federal Bank and Home Federal Bancorp since September 1993 and January 2005, respectively.</p> <p>Mr. Patterson brings significant banking and institutional experience to the board having served in various positions with Home Federal Bank since 1964.</p>	1990
Amos L. Wedgeworth, Jr.	84	<p>Director. Retired physician.</p> <p>Mr. Wedgeworth brings significant institutional knowledge to the board as one of our longest serving directors and whose father served as the first manager of Home Federal Bank in 1924.</p>	1980

**PROPOSAL 4 RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors of Home Federal Bancorp has appointed LaPorte Sehrt Romig & Hand, independent registered public accounting firm, to perform the audit of our financial statements for the year ending June 30, 2011, and further directed that the selection of auditors be submitted for ratification by the shareholders at the annual meeting.

We have been advised by LaPorte Sehart Romig & Hand that neither that firm nor any of its associates has any relationship with Home Federal Bancorp or its subsidiaries other than the usual relationship that exists between an independent registered public accounting firm and its clients. LaPorte Sehart Romig & Hand will have one or more representatives at the annual meeting who will have an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions.

In determining whether to appoint LaPorte Sehart Romig & Hand as our independent registered public accounting firm, the Audit Committee considered whether the provision of services, other than auditing services, by LaPorte Sehart Romig & Hand is compatible with maintaining their independence. In fiscal 2010 and 2009, LaPorte Sehart Romig & Hand performed auditing services as well as reviewed our public filings. The Audit Committee believes that LaPorte Sehart Romig & Hand's performance of these services is compatible with maintaining the independent registered public accounting firm's independence.

Audit Fees

The following table sets forth the aggregate fees paid by us to LaPorte Sehart Romig & Hand for professional services rendered by LaPorte Sehart Romig & Hand in connection with the audit of Home Federal Bancorp's consolidated financial statements for fiscal 2010 and 2009, as well as the fees paid by us to LaPorte

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Sehrt Romig & Hand for audit-related services, tax services and all other services rendered by LaPorte Sehrt Romig & Hand to us during fiscal 2010 and 2009.

	Year Ended June 30,	
	2010	2009
Audit fees(1)	\$ 71,606	\$ 63,950
Audit-related fees(2)	5,596	5,443
Tax fees		
All other fees(3)		
Total	\$ 77,202	\$ 69,393

- (1) Audit fees consist of fees incurred in connection with the audit of our annual financial statements and the review of the interim financial statements included in our quarterly reports filed with the Securities and Exchange Commission, as well as work generally only the independent auditor can reasonably be expected to provide, such as statutory audits, consents and assistance with and review of documents filed with the Securities and Exchange Commission.
- (2) Audit related fees consist of fees incurred in connection with the provision of due diligence services and consultations regarding financial and accounting standards.
- (3) All other fees consist of fees incurred in connection with services rendered to review certain operational aspects of an employee benefit plan.

The Audit Committee selects our independent registered public accounting firm and pre-approves all audit services to be provided by it to Home Federal Bancorp. The Audit Committee also reviews and pre-approves all audit-related and non-audit related services rendered by our independent registered public accounting firm in accordance with the Audit Committee's charter. In its review of these services and related fees and terms, the Audit Committee considers, among other things, the possible effect of the performance of such services on the independence of our independent registered public accounting firm. The Audit Committee pre-approves certain audit-related services and certain non-audit related tax services which are specifically described by the Audit Committee on an annual basis and separately approves other individual engagements as necessary.

Each new engagement of LaPorte Sehrt Romig & Hand was approved in advance by the Audit Committee or its Chair, and none of those engagements made use of the *de minimis* exception to pre-approval contained in the Securities and Exchange Commission's rules.

The Board of Directors recommends that you vote FOR the ratification of the appointment of LaPorte Sehrt Romig & Hand for the fiscal year ending June 30, 2011.

PROPOSAL 5 ADJOURNMENT OF THE ANNUAL MEETING

If there are not sufficient votes to constitute a quorum or to approve the Plan of Conversion and Reorganization at the time of the annual meeting, the Plan of Conversion and Reorganization may not be approved unless the annual

meeting is adjourned to a later date or dates in order to permit further solicitation of proxies. In order to allow proxies that have been received by Home Federal Bancorp at the time of the annual meeting to be voted for an adjournment, if necessary, Home Federal Bancorp has submitted the question of adjournment to its shareholders as a separate matter for their consideration. If it is necessary to adjourn the annual meeting, no notice of the adjourned annual meeting is required to be given to shareholders (unless the adjournment is for more than 30 days or if a new record date is fixed), other than an announcement at the annual meeting of the hour, date and place to which the annual meeting is adjourned.

The board of directors of Home Federal Bancorp recommends that you vote FOR approval of the adjournment of the annual meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the annual meeting to approve the proposal to approve the Plan of Conversion and Reorganization.

Table of Contents**SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA**

Set forth below is selected consolidated financial and other data of Home Federal Bancorp. The information at or for the years ended June 30, 2010 and 2009 is derived in part from the audited financial statements that appear in this prospectus. The information at or for the years ended June 30, 2008, 2007 and 2006, is also derived from audited financial statements that do not appear in this prospectus. You should read the consolidated financial statements and related notes contained at the end of this prospectus which provide more detailed information.

	2010	2009	At June 30, 2008 (In thousands)	2007	2006
Selected Financial and Other Data:					
Total assets	\$ 185,145	\$ 154,766	\$ 137,715	\$ 118,785	\$ 114,000
Cash and cash equivalents	8,837	10,007	7,363	3,972	4,930
Securities available for sale	63,688	92,647	96,324	83,752	83,694
Securities held to maturity	2,138	2,184	1,688	1,408	1,425
Loans held-for-sale	13,403	1,277	852	1,478	
Loans receivable, net	93,056	46,948	28,263	25,211	20,866
Deposits	117,722	86,146	78,359	77,710	71,279
Federal Home Loan Bank advances	31,507	35,997	26,876	12,368	13,417
Total Stockholders' equity	33,365	31,310	27,874	27,812	28,539

	2010	2009	2008	2007	2006
As of or for the Year Ended June 30,					
(In thousands, except per share amounts)					
Selected Operating Data:					
Total interest income	\$ 9,169	\$ 7,596	\$ 7,004	\$ 6,590	\$ 5,664
Total interest expense	3,458	3,838	3,968	3,448	2,433
Net interest income	5,711	3,758	3,036	3,142	3,231
Provision for loan losses	36	240		1	
Net interest income after provision for loan losses	5,675	3,518	3,036	3,141	3,231
Total non-interest income	864	363	198	240	144
Total non-interest expense(1)	5,196	3,113	3,359	2,417	2,414
Income (loss) before income tax expense (benefit)	1,343	768	(125)	964	961
Income tax expense (benefit)	673	253	(43)	327	327
Net income (loss)	\$ 670	\$ 515	\$ (82)	\$ 637	\$ 634
Earnings (loss) per share of common stock:					
Basic	\$ 0.21	\$ 0.16	\$ (0.03)	\$ 0.19	\$ 0.19

Diluted \$ 0.21 \$ 0.16 \$ (0.03) \$ 0.19 \$ 0.19

(Footnotes on following page)

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	As of or for the Year Ended June 30,				
	2010	2009	2008	2007	2006
Selected Operating Ratios(2):					
Average yield on interest-earning assets	5.59%	5.21%	5.39%	5.69%	5.35%
Average rate on interest-bearing liabilities	2.56	3.32	4.00	3.84	2.98
Average interest rate spread(3)	3.03	1.89	1.39	1.85	2.37
Net interest margin(3)	3.48	2.58	2.33	2.71	3.05
Average interest-earning assets to average interest-bearing liabilities	121.43	126.37	131.06	128.93	129.49
Net interest income after provision for loan losses to non-interest expense	109.22	113.01	90.38	129.95	133.82
Total non-interest expense to average assets	3.08	2.09	2.52	2.00	2.14
Efficiency ratio(4)	79.46	80.21	103.87	71.49	71.53
Return on average assets	0.40	0.35	(0.06)	0.53	0.56
Return on average equity	2.09	1.70	(0.25)	2.13	2.10
Average equity to average assets	18.98	20.35	24.83	24.82	26.81
Dividend payout ratio(5)	43.73	57.86		52.90	49.37
Asset Quality Ratios(6):					
Non-performing loans as a percent of total loans receivable	0.38%	0.72%	%	0.46%	%
Non-performing assets as a percent of total assets	0.19	0.23	0.04	0.10	
Allowance for loan losses as a percent of total loans receivable	0.52	0.98	0.82	0.92	1.11
Net charge-offs to average loans receivable					
Allowance for loan losses as a percent of non-performing loans	135.83	133.52		202.59	
Bank Capital Ratios(6):					
Tangible capital ratio	16.47%	18.93%	20.21%	22.79%	23.48%
Core capital ratio	16.47	18.93	20.21	22.79	23.48
Total capital ratio	33.67	54.77	73.08	80.63	87.78
Other Data:					
Full service offices	4	4	3	3	3
Employees (full-time)	39	22	17	17	17

(1) Includes merger and stock issuance related expense of \$133,000 and \$883,000 for the years ended June 30, 2009 and 2008, respectively.

(2) With the exception of end of period ratios, all ratios are based on average monthly balances during the indicated periods.

(3) Average interest rate spread represents the difference between the average yield on interest-earning assets and the average rate paid on interest-bearing liabilities, and net interest margin represents net interest income as a percentage of average interest-earning assets.

(4)

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The efficiency ratio represents the ratio of non-interest expense divided by the sum of net interest income and non-interest income.

- (5) Based on dividends paid on outstanding shares. Excludes the effect of dividends declared on shares owned by Home Federal Mutual Holding Company, as Home Federal Mutual Holding Company waived the receipt of dividends.
- (6) Asset quality ratios and capital ratios are end of period ratios, except for net charge-offs to average loans receivable.

Table of Contents**RECENT DEVELOPMENTS OF HOME FEDERAL BANCORP**

The following tables contain certain information concerning the financial position and results of operations of Home Federal Bancorp at and for the three months ended September 30, 2010 as well as the prior comparison periods. You should read this information in conjunction with the audited financial statements included in this prospectus. The financial information as of and for the three months ended September 30, 2010 and 2009 are unaudited and are derived from our interim condensed consolidated financial statements. The balance sheet data as of June 30, 2010 is derived from Home Federal Bancorp's audited consolidated financial statements. In the opinion of management, financial information at September 30, 2010 and for the three months ended September 30, 2010 and 2009 reflect all adjustments, consisting only of normal recurring accruals, which are necessary to present fairly the results for such periods. Results for the three-month period ended September 30, 2010 may not be indicative of operations of Home Federal Bancorp for the year ending June 30, 2011.

	At September 30, 2010 (Unaudited)	At June 30, 2010
	(In thousands)	
Selected Financial and Other Data:		
Total assets	\$ 193,393	\$ 185,145
Cash and cash equivalents	24,645	8,837
Securities available for sale	55,512	63,688
Securities held to maturity	1,833	2,138
Loans held-for-sale	7,385	13,403
Loans receivable, net	99,580	93,056
Deposits	128,888	117,722
Federal Home Loan Bank advances	27,995	31,507
Total Stockholders' equity	33,759	33,365

	As of or For the Three Months Ended September 30, 2010 2009 (Unaudited)	
	(In thousands, except per share amounts)	
Selected Operating Data:		
Total interest income	\$ 2,537	\$ 2,190
Total interest expense	831	909
Net interest income	1,706	1,281
Provision for loan losses	72	

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Net interest income after provision for loan losses	1,634	1,281
Total non-interest income	834	54
Total non-interest expense	1,490	953
Income before income tax expense	978	382
Income tax expense	332	130
Net income	\$ 646	\$ 252
 Earnings per share of common stock:		
Basic	\$ 0.20	\$ 0.08
Diluted	\$ 0.20	\$ 0.08

(Footnotes on following page)

dividends.

- (5) Asset quality ratios and capital ratios are end of period ratios, except for net charge-offs to average loans receivable.

Comparison of Financial Condition at September 30, 2010 and June 30, 2010

Home Federal Bancorp's total assets increased \$8.3 million, or 4.5%, to \$193.4 million at September 30, 2010, compared to \$185.1 million at June 30, 2010. This increase was primarily due to an increase in cash and cash equivalents of \$15.8 million, an increase in loans receivable and loans held-for-sale of \$506,000, partially offset by a decrease in available-for-sale securities of \$8.2 million at September 30, 2010 compared to June 30, 2010.

Loans receivable, net, excluding loans-held-for sale, increased \$6.5 million, or 7.0%, from \$93.1 million at June 30, 2010, to \$99.6 million at September 30, 2010. The increase in loans receivable, net was attributable primarily to increases in commercial real estate loans, land loans and one-to four family residential loans.

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Commercial real estate loans increased \$1.1 million, one-to-four family residential loans increased \$2.6 million, land loans increased \$2.8 million and commercial business loans increased \$570,000 at September 30, 2010, compared to June 30, 2010. Although we primarily originate one-to-four family residential loans for sale, certain lending relationships are retained for portfolio. Home equity and second mortgage loans decreased \$902,000 and construction loans decreased \$221,000 at September 30, 2010 compared to the year ended June 30, 2010. Loans held-for-sale decreased \$6.0 million at September 30, 2010 compared to June 30, 2010. During the quarter ended September 30, 2010, originations of loans held-for-sale declined to \$41.0 million, a decrease of \$3.0 million from \$44.0 million originated during the previous quarter ended June 30, 2010. Originations of all other loans for portfolio declined to \$8.0 million from \$28.0 million in the previous quarter. The originations in the previous quarter of \$28.0 million were the result of hiring several new loan officers who moved relationships to Home Federal Bank. The \$8.0 million of originations during the quarter ended September 30, 2010 is a normalized level that is more in line with our business plan.

Securities available-for-sale decreased \$8.2 million, or 12.8%, from \$63.7 million at June 30, 2010 to \$55.5 million at September 30, 2010. This decrease resulted primarily from the reduction of new investment acquisitions, the sale of securities and normal principal paydowns, offset by market value increases in the portfolio. In recent periods, there have been significant loan prepayments due to the heavy volume of loan refinancing.

Cash and cash equivalents increased \$15.8 million, or 178.9%, from \$8.8 million at June 30, 2010 to \$24.6 million at September 30, 2010. The net increase in cash and cash equivalents was attributable primarily to the growth in our deposits and sales and principal payments from our securities, offset by the funding of our loan growth and repayment of advances from Federal Home Loan Bank.

Total liabilities increased \$7.8 million, or 5.2%, from \$151.8 million at June 30, 2010 to \$159.6 million at September 30, 2010 due primarily to an increase of \$11.2 million, or 9.5%, in our deposits, offset by a decrease in advances from the Federal Home Loan Bank of \$3.5 million, or 11.1%. The increase in deposits was attributable primarily to increases in our NOW accounts, certificates of deposit accounts, and savings accounts. NOW accounts increased \$5.9 million as the result of an expansion of commercial deposit accounts. Certificate accounts increased \$4.4 million, or 5.9%, from \$73.9 million at June 30, 2010 to \$78.2 million at September 30, 2010. Savings accounts increased \$703,000 from \$5.3 million at June 30, 2010 to \$6.0 million at September 30, 2010.

Stockholders' equity increased \$394,000, or 1.2%, to \$33.8 million at September 30, 2010 from \$33.4 million at June 30, 2010, due primarily to net income of 646,000 for the three months ended September 30, 2010, and the distribution of shares associated with Home Federal Bancorp's Recognition Plan of \$116,000, less dividends of \$73,000 paid during the three months ended September 30, 2010, treasury stock acquisitions of \$46,000, and a decrease of \$270,000 in Home Federal Bancorp's accumulated other comprehensive income. The change in accumulated other comprehensive income was primarily due to the change in net unrealized gain on securities available for sale due to recent declines in interest rates. The net unrealized loss on securities available-for-sale is affected by interest rate fluctuations. Generally, an increase in interest rates will have an adverse impact while a decrease in interest rates will have a positive impact.

Comparison of Operating Results for the Three Months Ended September 30, 2010 and 2009

General. Net income amounted to \$646,000 for the three months ended September 30, 2010, reflecting an increase of \$394,000 compared to net income of \$252,000 for the three months ended September 30, 2009. This change was due to an increase of \$780,000 in non-interest income and a \$425,000 increase in net interest income, partially offset by an increase of \$537,000 in non-interest expense and an increase of \$202,000 in the provision for income taxes and an increase in the provision for loan losses of \$72,000.

Net Interest Income. Net interest income after provision for loan losses amounted to \$1.6 million for the three months ended September 30, 2010, an increase of \$353,000, or 27.6%, compared to \$1.3 million for the three months ended September 30, 2009. The increase was due primarily to an increase of \$347,000 in total interest income, and a \$78,000 decrease in interest expense.

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The average interest rate spread increased from 2.50% for the three months ended September 30, 2009 to 3.47% for the three months ended September 30, 2010 while the average balance of net interest-earning assets increased from \$155.7 million to \$180.0 million during the same periods. The percentage of average interest-earning assets to average interest-bearing liabilities decreased to 117.47% for the three months ended September 30, 2010 compared to 123.07% for the three months ended September 30, 2009. The increase in the average interest rate spread reflects the lower interest rates paid on interest bearing liabilities. Additionally, Home Federal Bancorp's average cost of funds decreased 71 basis points for the three months ended September 30, 2010, compared to the three months ended September 30, 2009, as the Federal Reserve continued to reduce short-term rates. Lower certificate of deposit interest rates in our market area led us to decrease the average rates paid on certificates of deposit 74 basis points for the three months ended September 30, 2010 compared to the three months ended September 30, 2009. Net interest margin increased to 3.79% for the three months ended September 30, 2010 compared to 3.04% for the three months ended September 30, 2009.

Interest income increased \$347,000, or 15.8%, to \$2.5 million for the three months ended September 30, 2010 compared to \$2.2 million for the three months ended September 30, 2009. Such increase was primarily due to an increase in the average balance of total interest earning assets as well as an increase in the average yield. The increase in average yields on interest earning assets reflects an increase in higher yielding loans during the three months ended September 30, 2010. The decrease in the average balance of investment securities was due to security sales and normal principal payments while no purchase of new securities were made. The increase in the average balance of loans receivable was primarily due to new loans originated by our new commercial lending activities.

Interest expense decreased \$78,000, or 8.5%, to \$831,000 for the three months ended September 30, 2010, compared to \$909,000 for the three months ended September 30, 2009, primarily as a result of decreases in the average rates paid on interest-bearing liabilities, partially offset by increases in the average balance of interest-bearing deposits.

Provision for Loan Losses. A provision of \$72,000 was made to the allowance in the first quarter of fiscal 2011, primarily in response to the increase in commercial lending during the period. No provision for loan losses was made in the first quarter of fiscal 2010. We held two residential mortgage loans at September 30, 2010 classified as substandard compared to one at September 30, 2009.

Non-Interest Income. Non-interest income amounted to \$834,000 for the three months ended September 30, 2010, an increase of \$780,000 compared to non-interest income of \$54,000 for the three months ended September 30, 2009. The increase was primarily due to a \$229,000 increase in gain on sale of securities, and a \$535,000 increase in gain on sale of loans.

Non-Interest Expense. Non-interest expense increased \$537,000, or 56.3%, for the three months ended September 30, 2010, largely due to increases in compensation and benefits of \$405,000, legal and examination fees of \$33,000, occupancy expenses of \$31,000 and miscellaneous non-interest expenses of \$68,000. The increase in compensation and benefits expense was primarily attributable to the hiring of additional personnel and operating costs associated with our new and expanding commercial loan activities. Non-interest expense also increased as a result of increases in advertising expense, and other general overhead expenses, including printing and office supplies expense.

Provision for Income Tax Expense. The provision for income taxes amounted to \$332,000 and \$130,000 for the three months ended September 30, 2010 and 2009, respectively. Our effective tax rate was 33.9% for the three months ended September 30, 2010 and 34.0% for the three months Ended September 30, 2009.

Table of Contents**HOW OUR NET PROCEEDS WILL BE USED**

The following table shows how we intend to use the net proceeds of the offering. The actual net proceeds will depend on the number of shares of common stock sold in the offering and the expenses incurred in connection with the offering. Payments for shares made through withdrawals from deposit accounts at Home Federal Bank will reduce Home Federal Bank's deposits and will not result in the receipt of new funds for investment. See Pro Forma Data for the assumptions used to arrive at these amounts.

	Minimum of Offering Range		Midpoint of Offering Range		Maximum of Offering Range		15% Above Maximum of Offering Range	
	1,593,750 Shares at \$10.00 per Share	Percent of Net Proceeds	1,875,000 Shares at \$10.00 per Share	Percent of Net Proceeds	2,156,250 Shares at \$10.00 per Share	Percent of Net Proceeds	2,479,688 Shares at \$10.00 per Share	Percent of Net Proceeds
	(Dollars in thousands)							
Offering proceeds	\$ 15,938	100.00%	\$ 18,750	100.00%	\$ 21,563	100.00%	\$ 24,797	100.00%
Less: offering expenses	(1,496)	(9.38)	(1,592)	(8.49)	(1,689)	(7.83)	(1,800)	(7.26)
Net offering proceeds	\$ 14,442	90.62%	\$ 17,158	91.51%	\$ 19,873	92.17%	\$ 22,996	92.74%
Plus: MHC capital contribution	100	0.63%	100	0.53%	100	0.46%	100	0.40%
Less: Proceeds contributed to Home Federal Bank	\$ (7,221)	(45.31)%	\$ (8,579)	(45.75)%	\$ (9,937)	(46.08)%	\$ (11,498)	(46.37)%
Proceeds used for loan to employee stock ownership plan	(956)	(6.00)	(1,125)	(6.00)	(1,294)	(6.00)	(1,488)	(6.00)
Proceeds used to repurchase shares for stock recognition plan	(638)	(4.01)	(750)	(4.00)	(863)	(4.00)	(992)	(4.00)
Proceeds remaining for Home Federal Bancorp	\$ 5,727	35.93%	\$ 6,804	36.29%	\$ 7,880	36.54%	\$ 9,118	36.77%

The new holding company will retain 50% of the net proceeds of the offering, with the remaining 50% being contributed to Home Federal Bank, and intends to initially invest 100% of the proceeds it retains (other than the amount used to fund the employee stock ownership plan loan) in short-term, liquid investments. The actual amounts to be invested in different instruments will depend on the interest rate environment and the new holding company's liquidity needs. Although there can be no assurance that we will invest the net proceeds in anything other than short-term, liquid investments, over time, the new holding company may use the proceeds it retains from the offering:

to invest in securities;

to pay dividends to shareholders;

to repurchase shares of its common stock, subject to regulatory restrictions;

to finance the possible acquisition of financial institutions or branch offices or other businesses that are related to banking; and

for general corporate purposes.

Under current Office of Thrift Supervision regulations, the new holding company may not repurchase shares of its common stock during the first year following the conversion and offering, except to fund

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recognition plans that have been ratified by shareholders or tax qualified employee stock benefit plans or, with prior regulatory approval, when extraordinary circumstances exist.

Home Federal Bank intends to use the net proceeds it receives to purchase investment and mortgage-backed securities and in the future, may use the additional proceeds that it receives from the offering to fund new loans, both residential and commercial, or for other general corporate purposes.

We may need regulatory approvals to engage in some of the activities listed above. We currently have no specific plans or agreements regarding any expansion activities or acquisitions. Except as described above, neither the new holding company nor Home Federal Bank has any specific plans for the investment of the proceeds of this offering and has not allocated a specific portion of the proceeds to any particular use.

WE INTEND TO CONTINUE TO PAY QUARTERLY CASH DIVIDENDS

Home Federal Bancorp has paid quarterly cash dividends since the third quarter of fiscal 2005. Home Federal Bancorp's current quarterly dividend is \$0.06 per share. After we complete the conversion and offering, dividends will be paid by the new holding company on its outstanding shares of common stock. We currently expect that the level of cash dividends per share after the conversion and offering will be substantially consistent with the current amount of dividends of \$0.06 per share. However, the rate of such dividends and the initial or continued payment thereof will be in the discretion of the board of directors of the new holding company and will depend upon a number of factors, including the amount of net proceeds retained by us in the offering, investment opportunities available to us, capital requirements, our financial condition and results of operations, tax considerations, statutory and regulatory limitations, and general economic conditions. No assurance can be given that we will continue to pay dividends or that they will not be reduced or eliminated in the future. In addition, during the first three years after the conversion and offering, no dividend will be declared or paid if it would be classified as a return of capital.

Dividends from the new holding company may eventually depend, primarily upon receipt of dividends from Home Federal Bank, because the new holding company initially will have no source of income other than dividends from Home Federal Bank, earnings from the investment of proceeds from the sale of common stock retained by us, and interest payments with respect to our loan to our employee stock ownership plan.

Home Federal Bank's ability to pay dividends to the new holding company will be governed by the Home Owners Loan Act, as amended, and the regulations of the Office of Thrift Supervision. In addition, the prior approval of the Office of Thrift Supervision will be required for the payment of a dividend if the total of all dividends declared by Home Federal Bank in any calendar year would exceed the total of its net profits for the year combined with its net profits for the two preceding years, less any required transfers to surplus or a fund for the retirement of any preferred stock. In addition, Home Federal Bank will be prohibited from paying cash dividends to the new holding company to the extent that any such payment would reduce Home Federal Bank's regulatory capital below required capital levels or would impair the liquidation account to be established for the benefit of Home Federal Bank's eligible account holders and supplemental eligible account holders. See [The Conversion and Offering](#) [Liquidation Rights](#).

Any payment of dividends by Home Federal Bank to the new holding company which would be deemed to be drawn out of Home Federal Bank's bad debt reserves would require a payment of taxes at the then-current tax rate by Home Federal Bank on the amount of earnings deemed to be removed from the reserves for such distribution. Home Federal Bank does not intend to make any distribution to the new holding company that would create such a federal tax liability. See [Taxation](#).

Unlike Home Federal Bank, the new holding company is not subject to the above regulatory restrictions on the payment of dividends to our shareholders. Under Louisiana law, the new holding company generally may pay

dividends out of surplus, or if no surplus is available, may pay dividends out of its net profits for the current or preceding fiscal year or both.

Table of Contents**MARKET FOR OUR COMMON STOCK**

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. We cannot assure you that our common stock will be approved for listing on the Nasdaq Capital Market.

Making a market may include the solicitation of potential buyers and sellers in order to match buy and sell orders. The development of a liquid public market depends upon the existence of willing buyers and sellers, the presence of which is not within our control or the control of any market maker. You should view the common stock as a long-term investment. Furthermore, there can be no assurance that you will be able to sell your shares at or above the \$10.00 per share purchase price.

Presented below is the high and low bid information for Home Federal Bancorp's common stock and cash dividends declared for the periods indicated. The over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. Information relating to bid quotations has been obtained from the Nasdaq Stock Market, Inc.

Quarter Ended:	Stock Price per Share		Cash Dividends
	High Bid	Low Bid	per Share
Fiscal 2010:			
June 30, 2010	\$ 9.00	\$ 7.55	\$ 0.06
March 31, 2010	8.55	8.55	0.06
December 31, 2009	8.55	7.25	0.06
June 30, 2009	7.75	6.25	0.06
Fiscal 2009:			
June 30, 2009	7.50	5.60	0.06
March 31, 2009	7.00	5.60	0.06
December 31, 2008	7.15	5.00	0.05
September 30, 2008	9.30	6.85	0.05

At July 7, 2010, the business day immediately preceding the public announcement of the conversion and offering, and at November 5, 2010, the date of this prospectus, the closing prices of Home Federal Bancorp common stock as reported on the OTC Bulletin Board were \$8.00 per share and \$9.70 per share, respectively. At November 5, 2010, Home Federal Bancorp had approximately 149 shareholders of record.

Table of Contents**REGULATORY CAPITAL REQUIREMENTS**

At June 30, 2010, Home Federal Bank exceeded all of its regulatory capital requirements. The table below sets forth Home Federal Bank's historical capital under accounting principles generally accepted in the United States of America and regulatory capital at June 30, 2010, and pro forma capital after giving effect to the offering. The pro forma capital amounts reflect the receipt by Home Federal Bank of 50.0% of the net offering proceeds. The pro forma risk-based capital amounts assume the investment of the net proceeds received by Home Federal Bank in assets which have a risk-weight of 20% under applicable regulations, as if such net proceeds had been received and so applied at June 30, 2010.

	Pro Forma Capital at June 30, 2010, Based Upon the Sale at \$10.00 per Share									
	Home Federal Bank Historical at June 30, 2010		Minimum 1,593,750 Shares		Midpoint 1,875,000 Shares		Maximum 2,156,250 Shares		15% Above Maximum 2,479,688 Shares	
	Amount	Percent of Assets(1)	Amount	Percent of Assets	Amount	Percent of Assets	Amount	Percent of Assets	Amount	Percent of Assets
	(Dollars in thousands)									
AP capital	\$ 32,206	17.38%	\$ 37,833	19.81%	\$ 38,910	20.26%	\$ 39,986	20.70%	\$ 41,224	21.21%
Tier 1 leverage ratio										
Regulatory capital:										
Actual	\$ 29,989	16.47%	\$ 35,616	18.98%	\$ 36,693	19.44%	\$ 37,769	19.90%	\$ 39,007	20.41%
Requirement	7,282	4.00	7,507	4.00	7,550	4.00	7,593	4.00	7,643	4.00
Excess	\$ 22,707	12.47%	\$ 28,109	14.98%	\$ 29,143	15.44%	\$ 30,176	15.90%	\$ 31,364	16.41%
Tier 1 risk-based capital:										
Actual	\$ 29,989	33.13%	\$ 35,616	38.87%	\$ 36,693	39.95%	\$ 37,769	41.02%	\$ 39,007	42.25%
Requirement	3,621	4.00	3,666	4.00	3,674	4.00	3,683	4.00	3,693	4.00
Excess	\$ 26,368	29.13%	\$ 31,950	34.87%	\$ 33,019	35.95%	\$ 34,086	37.02%	\$ 35,314	38.25%
Regulatory capital:										
Actual	\$ 30,478	33.67%	\$ 36,105	39.40%	\$ 37,182	40.48%	\$ 38,258	41.55%	\$ 39,496	42.78%
Requirement	7,241	8.00	7,331	8.00	7,348	8.00	7,366	8.00	7,385	8.00
Excess	\$ 23,237	25.67%	\$ 28,774	31.40%	\$ 29,834	32.48%	\$ 30,892	33.55%	\$ 32,111	34.78%

reconciliation				
capital				
contributed to				
Home Federal				
Bank:				
proceeds				
contributed to				
Home Federal				
Bank	\$ 7,221	\$ 8,579	\$ 9,937	\$ 11,498
as common				
stock				
required by				
employee				
stock				
ownership plan	(956)	(1,125)	(1,294)	(1,488)
required by				
restricted stock				
plan	(638)	(750)	(863)	(992)
forma				
increase in				
AP and				
regulatory				
capital	\$ 5,627	\$ 6,704	\$ 7,780	\$ 9,018

(1) Tier 1 leverage capital level is shown as a percentage of adjusted total assets of \$182.1 million. Risk-based capital levels are shown as a percentage of risk-weighted assets of \$90.5 million.

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The following table presents the historical capitalization of Home Federal Bancorp at June 30, 2010 and the capitalization of Home Federal Bancorp after giving effect to the offering proceeds (referred to as pro forma information). The table depicts Home Federal Bancorp's capitalization following the offering at the minimum, midpoint, maximum and maximum, as adjusted, of the offering range. The pro forma capitalization gives effect to the assumptions listed under Pro Forma Data, based on the sale of the number of shares of common stock indicated in the table. A change in the number of shares to be issued in the offering may materially affect pro forma capitalization. We are offering our common stock on a best efforts basis. We must sell a minimum of 1,593,750 shares to complete the offering.

	Home Federal Bancorp Historical	Pro Forma Capital Based Upon the Sale at \$10.00 per Share			Maximum as Adjusted, 2,479,688 Shares
		Minimum 1,593,750 Shares	Midpoint 1,875,000 Shares (Dollars in thousands)	Maximum 2,156,250 Shares	
Deposits(1)	\$ 117,722	\$ 117,722	\$ 117,722	\$ 117,722	\$ 117,722
Borrowings	31,507	31,507	31,507	31,507	31,507
Total deposits and borrowed funds	\$ 149,229	\$ 149,229	\$ 149,229	\$ 149,229	\$ 149,229
Stockholders' equity:					
Preferred stock \$.01 par value, 10,000,000 shares authorized (post conversion)(2)					
Common stock \$.01 par value, 40,000,000 shares authorized (post conversion)(2)(3)	14	25	29	34	39
Additional paid-in capital(3)	13,655	28,086	30,797	33,508	36,627
Retained earnings(4)	20,665	20,665	20,665	20,665	20,665
Mutual Holding Company Capital Consideration		100	100	100	100
Accumulated other comprehensive income	2,096	2,096	2,096	2,096	2,096
Treasury shares	(2,094)	(2,094)	(2,094)	(2,094)	(2,094)
Less:					
Common stock already acquired by employee stock ownership plan(5)	(826)	(826)	(826)	(826)	(826)
Common stock already acquired for restricted stock awards(6)	(145)	(145)	(145)	(145)	(145)
Less:					

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Common stock acquired by employee stock ownership plan		(956)	(1,125)	(1,294)	(1,488)
Common stock acquired for restricted stock awards		(638)	(750)	(863)	(992)
Total stockholders equity	\$ 33,365	\$ 46,313	\$ 48,748	\$ 51,182	\$ 53,982
Total stockholders equity/assets	18.02%	23.38%	24.31%	25.22%	26.24%

- (1) Does not reflect withdrawals from deposit accounts for the purchase of common stock in the offering. Such withdrawals would reduce pro forma deposits and assets by the amount of such withdrawals.
- (2) Home Federal Bancorp currently has 2,000,000 authorized shares of preferred stock and 8,000,000 authorized shares of common stock, \$.01 par value.
- (3) The pro forma amounts of common stock and additional paid-in capital have been increased to reflect the number of shares of common stock to be outstanding, which includes the exchange of all of the currently outstanding shares of Home Federal Bancorp common stock pursuant to the exchange ratio. No effect has been given to the issuance of additional shares of common stock pursuant to our proposed stock option plan. We intend to adopt a new stock option plan and to submit such plan to shareholders at a meeting of shareholders to be held at least six months following completion of the conversion and offering. If the stock option plan is approved by shareholders, an amount equal to approximately 10.0% of the shares of Home Federal Bancorp common stock sold in the offering will be reserved for the stock option plan. Your ownership percentage would decrease by approximately 6.00% if all potential stock options are exercised from our authorized but unissued stock. See Pro Forma Data and Management Compensation New Stock

(Footnotes continue on the following page)

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Benefit Plans Stock Option Plan. In addition, all treasury stock of Home Federal Bancorp will be cancelled in connection with the consummation of the conversion and the offering.

- (4) The retained earnings of Home Federal Bank will be partially restricted after the offering. Home Federal Bank will be prohibited from paying cash dividends to Home Federal Bancorp to the extent that any such payment would reduce Home Federal Bank's regulatory capital levels below its minimum regulatory capital levels or would impair the liquidation account to be established for the benefit of eligible account holders and supplemental eligible account holders of Home Federal Bank. See Regulation Regulation of Home Federal Bank Capital Distributions.
- (5) Assumes that 6.0% of Home Federal Bancorp's common stock sold in the offering will be purchased by our employee stock ownership plan in addition to the shares already owned by the employee stock ownership plan. The common stock acquired by our employee stock ownership plan is reflected as a reduction of stockholders equity. Assumes the funds used to acquire our employee stock ownership plan shares will be borrowed from Home Federal Bancorp. See Footnote 1 to the table set forth under Pro Forma Data and see also Management Compensation New Stock Benefit Plans Employee Stock Ownership Plan.
- (6) Gives effect to the recognition and retention plan which we expect to adopt after the conversion and offering and present to shareholders for approval at a meeting of shareholders to be held at least six months after we complete the offering. No shares will be purchased by the recognition and retention plan in the conversion and offering, and such plan cannot purchase any shares until shareholder approval has been obtained. If the recognition and retention plan is approved by our shareholders, the plan intends to acquire an amount of common stock equal to approximately 4.0% of the shares of Home Federal Bancorp common stock sold in the offering. The funds to enable such purchases will be provided by Home Federal Bancorp. The table assumes that shareholder approval has been obtained and that such shares are purchased in the open market at \$10.00 per share. The common stock so acquired by the recognition plan is reflected as a reduction in stockholders' equity. If the shares are purchased at prices higher or lower than the initial purchase price of \$10.00 per share, such purchases would have a greater or lesser impact, respectively, on stockholders' equity. If the recognition and retention plan purchases authorized but unissued shares from Home Federal Bancorp such issuance would dilute the voting interests of existing shareholders by approximately 2.49%. See Pro Forma Data and Management Compensation New Stock Benefit Plans Recognition and Retention Plan.

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PRO FORMA DATA

The following table shows information about Home Federal Bancorp's historical combined consolidated net income and stockholders' equity prior to the conversion and offering and the new holding company's pro forma consolidated net income and stockholders' equity following the conversion and offering. The information provided illustrates our consolidated pro forma net income and stockholders' equity based on the sale of common stock at the minimum, midpoint, maximum and 15% above the maximum of the offering range, respectively. The actual net proceeds from the sale of the new holding company common stock in the offering cannot be determined until the offering is completed. However, the net proceeds are currently estimated to be between \$14.4 million and \$19.9 million, or up to \$23.0 million in the event the offering range is increased by approximately 15%, based upon the following assumptions:

The new holding company will sell 50% of the shares of common stock in the subscription offering and community offering and 50% of the shares will be sold in a syndicated community offering;

The new holding company's employee stock ownership plan will purchase an amount equal to 6.0% of the shares sold in the offering at a price of \$10.00 per share with a loan from Home Federal Bancorp;

Expenses of the conversion and offering, other than the fees to be paid to Stifel Nicolaus & Company, Incorporated are estimated to be \$950,000;

25,200 shares of common stock will be purchased by Home Federal Bancorp's executive officers and directors and their immediate families; and

Stifel Nicolaus & Company, Incorporated will receive a fee equal to 1.0% of the aggregate purchase price of the shares of common stock sold in the offering, excluding any shares purchased by any employee benefit plans, and any of our directors, officers or employees or members of their immediate families.

We have prepared the following tables, which set forth our historical consolidated net income and stockholders' equity prior to the conversion and offering and our pro forma consolidated net income and stockholders' equity following the conversion and offering. In preparing these tables and in calculating pro forma data, the following assumptions have been made:

Pro forma earnings have been calculated assuming the stock had been sold at the beginning of the period and the net proceeds had been invested at a yield of 1.79% for the year ended June 30, 2010. This represents the yield on a five-year U.S. Treasury note as of June 30, 2010, which, in light of current market interest rates, we consider to more accurately reflect the pro forma reinvestment rate than the arithmetic average of the weighted average yield earned on our interest earning assets and the weighted average rate paid on our deposits, which is the reinvestment rate generally required by Office of Thrift Supervision regulations.

The pro forma after-tax yields on the net proceeds from the offering were assumed to be 1.18% for the year ended June 30, 2010.

No withdrawals were made from Home Federal Bank's deposit accounts for the purchase of shares in the offering.

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Historical and pro forma per share amounts have been calculated by dividing historical and pro forma amounts by the indicated number of shares of common stock, as adjusted in the pro forma net income per share to give effect to the purchase of shares by the employee stock ownership plan.

Pro forma stockholders' equity amounts have been calculated as if the conversion and offering had been completed on June 30, 2010 and no effect has been given to the assumed earnings effect of the transactions.

The following pro forma information may not be representative of the financial effects of the conversion and offering at the date on which the offering actually occurs and should not be taken as indicative of future results of operations. Pro forma stockholders' equity represents the difference between the stated amount of

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our assets and liabilities computed in accordance with generally accepted accounting principles. Stockholders' equity does not give effect to intangible assets in the event of a liquidation, to Home Federal Bank's bad debt reserve or to the liquidation accounts to be maintained by Home Federal Bank and the new holding company. The pro forma stockholders' equity is not intended to represent the fair market value of the common stock and may be different than amounts that would be available for distribution to shareholders in the event of liquidation.

We are offering our common stock on a best efforts basis. We must issue a minimum of 1,593,750 shares in the conversion and offering to complete the transactions.

The table on the following page summarizes historical consolidated data of Home Federal Bancorp and Home Federal Bancorp's pro forma data at or for the dates and periods indicated based on the assumptions set forth above and in the table and should not be used as a basis for projection of the market value of the common stock following the conversion and offering.

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	At or for the Year Ended June 30, 2010			
	1,593,750	1,875,000	2,156,250	2,479,688
	Shares Sold	Shares Sold	Shares Sold	Shares Sold
	at \$10.00	at \$10.00	at \$10.00	at \$10.00
	per Share	per Share	per Share	per Share
	(Minimum	(Midpoint	(Maximum	(15% Above
	of Range)	of Range)	of Range)	Maximum)
	(Dollars in thousands)			
Gross proceeds of offering	\$ 15,938	\$ 18,750	\$ 21,563	\$ 24,797
Fair value of shares issued in exchange to Home Federal Bancorp shareholders	9,045	10,641	12,237	14,073
Pro forma value	\$ 24,983	\$ 29,391	\$ 33,800	\$ 38,870
Gross proceeds	\$ 15,938	\$ 18,750	\$ 21,563	\$ 24,797
Less: estimated offering expenses	(1,496)	(1,592)	(1,689)	(1,800)
Estimated net proceeds	14,442	17,158	19,874	22,997
Plus: assets received from mutual holding company	100	100	100	100
Less: common stock acquired by employee stock ownership plan(1)	(956)	(1,125)	(1,294)	(1,488)
Less: common stock to be acquired by recognition and retention plan(2)	(638)	(750)	(863)	(992)
Net investable proceeds, as adjusted	\$ 12,948	\$ 15,383	\$ 17,816	\$ 20,617
Consolidated Pro Forma Net Income:				
Historical	\$ 670	\$ 670	\$ 670	\$ 670
Pro forma income on net investable proceeds(3)	153	182	210	243
Pro forma Louisiana shares tax(4)	(42)	(50)	(58)	(66)
Less: pro forma employee stock ownership plan adjustments(1)	(32)	(37)	(43)	(49)
Less: pro forma restricted stock award expense(2)	(84)	(99)	(114)	(131)
Less: pro forma stock option expense(5)	(77)	(91)	(104)	(120)
Pro forma net income	\$ 588	\$ 575	\$ 561	\$ 547
Pro forma net income per share:				
Historical, as adjusted(5)	\$ 0.28	\$ 0.24	\$ 0.21	\$ 0.18
Pro forma income on net investable proceeds	0.06	0.06	0.06	0.07
Pro forma state shares tax(4)	(0.02)	(0.02)	(0.02)	(0.02)
Less: pro forma employee stock ownership plan adjustments(1)	(0.01)	(0.01)	(0.01)	(0.01)
Less: pro forma restricted stock award expense(2)	(0.03)	(0.03)	(0.04)	(0.03)
Less: pro forma stock option expense(5)	(0.03)	(0.03)	(0.03)	(0.03)

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Pro forma net income per share	\$ 0.24	\$ 0.20	\$ 0.17	\$ 0.15
Offering price as a multiple of pro forma net income per share	41.7x	50.0x	58.8x	66.7x
Number of shares used to calculate pro forma net income per share(7)	2,407,387	2,832,220	3,257,053	3,745,612
Pro forma stockholders equity (book value)(5):				
Historical	\$ 33,365	\$ 33,365	\$ 33,365	\$ 33,365
Estimated net proceeds	14,442	17,158	19,874	22,997
Plus: assets received from mutual holding company	100	100	100	100
Less: common stock acquired by employee stock ownership plan(1)	(956)	(1,125)	(1,294)	(1,488)
Less: common stock to be acquired by recognition and retention plan(2)	(638)	(750)	(863)	(992)
Pro forma stockholders equity	\$ 46,313	\$ 48,748	\$ 51,182	\$ 53,982
Pro forma stockholders equity per share(6):				
Historical	\$ 13.36	\$ 11.35	\$ 9.87	\$ 8.58
Estimated net proceeds	5.78	5.84	5.88	5.92
Plus: assets received from mutual holding company	0.04	0.03	0.03	0.03
Less: common stock acquired by employee stock ownership plan(1)	(0.38)	(0.38)	(0.38)	(0.38)
Less: common stock to be acquired by recognition and retention plan(2)	(0.26)	(0.26)	(0.26)	(0.26)
Pro forma stockholders equity per share	\$ 18.54	\$ 16.59	\$ 15.14	\$ 13.89
Offering price as a percentage of pro forma stockholders equity per share	53.9%	60.3%	66.1%	72.0%
Number of shares used to calculate pro forma stockholders equity per share	2,498,231	2,939,095	3,379,959	3,886,954

(Footnotes on following page)

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- (1) Assumes that the employee stock ownership plan will acquire a number of shares equal to 6.0% of Home Federal Bancorp's common stock to be sold in the conversion and offering. The employee stock ownership plan will borrow the funds used to acquire these shares from the net proceeds of the offering retained by Home Federal Bancorp. The amount of this borrowing has been reflected as a reduction from gross proceeds to determine estimated net investable proceeds. This borrowing will have an interest rate of 3.25%, and a term of 20 years. Home Federal Bank intends to make contributions to the employee stock ownership plan in amounts at least equal to the principal and interest requirement of the debt. Interest income that Home Federal Bancorp will earn on the loan will offset the interest paid on the loan by Home Federal Bank. As the debt is paid down, shares will be released for allocation to participants' accounts and shareholders' equity will be increased.

The adjustment to pro forma net income for the employee stock ownership plan reflects the after-tax compensation expense associated with the plan, based on an assumed effective tax rate of 34.0%. Applicable accounting principles require that compensation expense for the employee stock ownership plan be based upon shares committed to be released and that unallocated shares be excluded from earnings per share computations. An equal number of shares (1/15% of the total, based on a 15-year loan) will be released each year over the term of the loan. The valuation of shares committed to be released would be based upon the average market value of the shares during the year, which, for purposes of this calculation, was assumed to be equal to the \$10.00 per share purchase price. If the average market value per share is greater than \$10.00 per share, total employee stock ownership plan expense would be greater.

- (2) Assumes that Home Federal Bancorp will purchase in the open market a number of shares equal to 4.0% of the shares of Home Federal Bancorp common stock sold in the offering, that will be reissued as restricted stock awards under the recognition and retention plan proposed to be adopted following the conversion and offering. Repurchases will be funded with cash on hand at Home Federal Bancorp or with dividends paid to Home Federal Bancorp by Home Federal Bank. The cost of these shares has been reflected as a reduction from gross proceeds to determine estimated net investable proceeds. In calculating the pro forma effect of the restricted stock awards, it is assumed that the required shareholder approval has been received, that the shares used to fund the awards were acquired at the beginning of the respective period and that the shares were acquired at the \$10.00 per share purchase price. The issuance of authorized but unissued shares of common stock instead of shares repurchased in the open market would dilute the ownership interests of existing shareholders, by approximately 2.49%, assuming the midpoint of the offering range. The adjustment to pro forma net income for the restricted stock awards reflects the after-tax compensation expense associated with the awards. It is assumed that the fair market value of a share of Home Federal Bancorp common stock was \$10.00 at the time the awards were made, that all shares were granted in the first year after the conversion and offering, that shares of restricted stock issued under the recognition and retention plan vest over a five-year period, or 20% per year, that compensation expense is recognized on a straight-line basis over each vesting period so that 20% of the value of the shares awarded was an amortized expense during each year, and that the combined federal and state income tax rate was 34.0%. If the fair market value per share is greater than \$10.00 per share on the date shares are awarded then, total recognition and retention plan expense would be greater.
- (3) Pro forma income on net investable proceeds is equal to the net proceeds less the cost of acquiring shares in the open market at the \$10.00 per share purchase price to fund the employee stock ownership plan and the restricted stock awards under the recognition and retention plan multiplied by the after-tax reinvestment rate. The after-tax reinvestment rate is equal to 1.18% for the year ended June 30, 2010 based on the following assumptions: combined federal and state income tax rate of 34.0% and a pre-tax reinvestment rate of 1.79% for the year ended June 30, 2010.

- (4)

Following the offering, Home Federal Bank will be subject to the Louisiana shares tax. The shares tax is based upon capitalized earnings and taxable stockholders' equity minus certain real and personal property credits. The amount shown is an estimate. For additional information, see Taxation - State Taxation.

(Footnotes continue on the following page)

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- (5) The adjustment to pro forma net income for stock options reflects the compensation expense associated with the stock options (assuming no federal tax benefit) that may be granted under the new stock option plan to be adopted following the conversion and offering. If the new stock option plan is approved by shareholders, a number of shares equal to 10.0% of Home Federal Bancorp's common stock sold in the offering will be reserved for future issuance upon the exercise of stock options that may be granted under the plan. Using the Black-Scholes option-pricing formula, each option is assumed to have a value of \$2.42 based on the following assumptions: exercise price, \$10.00; trading price on date of grant, \$10.00; dividend yield, 2.4%; expected life, six years; expected volatility, 23.23%; and risk-free interest rate, 2.97%. It is assumed that all stock options were granted in the first year after the offering, that stock options granted under the stock option plan vest over a five-year period, or 20.0% per year, that compensation expense is recognized on a straight-line basis over each vesting period so that 20.0% of the value of the options awarded was an amortized expense during each year. If the fair market value per share is different than \$10.00 per share on the date options are awarded under the stock option plan, or if the assumptions used in the option-pricing formula are different from those used in preparing this pro forma data, the value of the stock options and the related expense would be different. Applicable accounting standards do not prescribe a specific valuation technique to be used to estimate the fair value of employee stock options. Home Federal Bancorp may use a valuation technique other than the Black-Scholes option-pricing formula and that technique may produce a different value. The issuance of authorized but unissued shares of common stock to satisfy option exercises instead of shares repurchased in the open market would dilute the ownership interests of existing shareholders by approximately 6.00%, assuming the midpoint of the offering range.
- (6) The historical net income per share has been adjusted to reflect the exchange ratio of the additional shares to be issued by Home Federal Bancorp in exchange for the shares of Home Federal Bancorp common stock. As reported, the basic net income per share of Home Federal Bancorp for the year ended June 30, 2010 was \$0.21.
- (7) The number of shares used to calculate pro forma net income per share is equal to the total number of shares to be outstanding upon completion of the conversion and offering, less the number of shares purchased by the employee stock ownership plan not committed to be released within one year following the conversion and offering. The number of shares used to calculate pro forma shareholders' equity per share is equal to the total number of shares to be outstanding upon completion of the conversion and offering.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

General

Our profitability depends primarily on our net interest income, which is the difference between interest and dividend income on interest-earning assets, principally loans, investment securities and interest-earning deposits in other institutions, and interest expense on interest-bearing deposits and borrowings from the Federal Home Loan Bank of Dallas. Net interest income is dependent upon the level of interest rates and the extent to which such rates are changing. Our profitability also depends, to a lesser extent, on non-interest income, provision for loan losses, non-interest expenses and federal income taxes. Home Federal Bancorp, Inc. of Louisiana had net income of \$670,000 in fiscal 2010 and net income of \$515,000 in fiscal 2009.

Historically, our business consisted primarily of originating single-family real estate loans secured by property in our market area. Typically, single-family loans involve a lower degree of risk and carry a lower yield than commercial real estate, construction, commercial business and consumer loans. During fiscal 2009, we hired three commercial loan officers and began to offer commercial real estate loans, commercial business loans and real estate secured lines of credit which typically have higher rates and shorter terms than single-family loans. Although our loans continue to be primarily funded by certificates of deposit, which typically have a higher interest rate than passbook accounts, it is now our policy to require commercial customers to have a deposit relationship with us, which has increased our balance of NOW accounts in recent periods. The combination of these factors has resulted in higher interest rate spreads in fiscal 2010. Due to the low interest rate environment, we have sold substantially all of our fixed rate single-family residential loan originations in recent periods. We have also sold investment securities as available-for-sale to realize gains in the portfolio. Because of a decrease in our cost of funds and the volume increase of interest earning assets, our net interest margin increased during fiscal 2010 and our net interest income increased to \$5.7 million for fiscal 2010 as compared to \$3.8 million for fiscal 2009. We expect to continue to emphasize consumer and commercial lending in the future in order to improve the yield on our portfolio. In July, 2009, we began offering security brokerage and advisory services at our new agency office through Tipton Wealth Management, a registered representative of LPL Financial Corporation. In the future, we expect to continue to diversify our services by adding an annuity product at our branch offices and brokered certificates of deposit also offered through Tipton Wealth Management. We are offering these services as an accommodation to our customers and have not received, nor do we expect to receive, significant revenue from fees and commissions paid through LPL Financial.

During fiscal 2008, Home Federal Bancorp entered into an Agreement and Plan of Merger with First Louisiana Bancshares, Inc., pursuant to which Home Federal Bancorp would acquire First Louisiana Bancshares and its wholly-owned subsidiary, First Louisiana Bank. Simultaneously with the adoption of the Agreement and Plan of Merger, Home Federal Mutual Holding Company adopted a Plan of Conversion and Reorganization whereby Home Federal Mutual Holding Company would convert from the mutual holding company form of organization to the fully public stock holding company form of organization and offer shares of a new holding company to its members and the general public in a subscription and community offering. At the close of the offering period in August 2008, as a result of market conditions at that time, the orders received were not sufficient to reach the required minimum of the offering range. As a result, Home Federal Bancorp's second-step conversion and offering terminated and, as of August 14, 2008, Home Federal Bancorp and First Louisiana Bancshares mutually agreed to terminate the Agreement and Plan of Merger. Completion of the merger was contingent on completion of the second-step conversion. During fiscal 2009, Home Federal Bancorp incurred related merger and stock issuance expenses of \$133,000.

Home Federal Bancorp's operations and profitability are subject to changes in interest rates, applicable statutes and regulations and general economic conditions, as well as other factors beyond our control.

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Business Strategy

Our business strategy is focused on operating a growing and profitable community-oriented financial institution. Following the conversion and offering, we expect to:

Continue to Grow and Diversify Our Loan Portfolio by, among other things, emphasizing our origination of commercial real estate and business loans. Home Federal Bancorp's traditional lending activity historically had been concentrated on the origination of single-family residential loans and, to a lesser degree, consumer loans. Beginning in 2009, we hired three senior commercial loan officers to develop a loan portfolio more consistent with that of a community bank. At June 30, 2010, our commercial real estate loans amounted to \$15.4 million, or 16.4% of the total loan portfolio, compared to \$8.2 million, or 17.2% at June 30, 2009. Our commercial business loans at June 30, 2010 amounted to \$9.5 million or 10.1% of the total loan portfolio compared to \$3.9 million, or 8.2% at June 30, 2009. Commercial real estate, commercial business, construction and development and consumer loans all typically have higher yields and are more interest sensitive than long-term single-family residential mortgage loans. We plan to continue to grow and diversify our loan portfolio, and we intend to continue to grow our holdings of commercial real estate and business loans. In addition, the net proceeds to be received from the conversion and offering will increase our loan-to-one borrower limits, which will permit us to originate and retain larger balance, commercial real estate and business loans.

Diversify Our Products and Services. We intend to continue to emphasize increasing the amount of our commercial business products to provide a full-service banking relationship to our commercial customers. We have also introduced mobile and Internet banking and remote deposit capture, to better serve our commercial clients. Additionally, we have developed new deposit products focused on expanding our deposit base to new types of customers.

Managing Our Expenses. In recent periods, we have incurred significant additional expenses related to personnel and infrastructure as we updated and remodeled our existing offices, hired new loan officers and new staff to serve at our Bossier location. While our total non-interest expense increased \$2.1 million in fiscal 2010 compared to 2009, we expect such increases will moderate in the future.

Enhancing Core Earnings. We expect to improve our interest rate spread by emphasizing commercial real estate and business loans which generally bear interest rates higher than residential real estate loans and selling most of our fixed rate residential mortgage loan originations. The weighted average yield on our loan portfolio for the year ended June 30, 2010 was 6.7% and average interest rate spread for the year ended June 30, 2010 was 3.0% as compared to 1.9% for the year ended June 30, 2009. Likewise, we have increased the amount of low cost deposits including non-interest-bearing checking accounts which resulted in a reduction in Home Federal Bancorp's weighted average cost of its deposits, the primary component of its interest expense for fiscal 2010.

Expanding Our Franchise in our Market Area and Contiguous Communities. We intend to pursue opportunities to expand our market area by opening additional *de novo* banking offices 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). We expect to focus on contiguous areas to our current locations in Caddo and Bossier Parishes. Our first branch office in North Bossier is expected to open in November 2010 and may develop a site in South Bossier in the future. While we intend to expand in our market area, our operations and the location of the collateral securing our loans are expected to remain primarily in northwest Louisiana. See the Risk Factor Our business is geographically concentrated in northern Louisiana, which makes us vulnerable to downturns in the local and regional economy.

Maintain Our Asset Quality. At June 30, 2010, our non-performing assets totaled \$360,000 or 0.19% of total assets. We had no real estate owned or troubled debt restructurings at June 30, 2010. We intend to continue to stress maintaining high asset quality after the conversion and offering even as we continue to grow our institution and diversity our loan portfolio. Home Federal Bancorp does not, nor has it in the past, originated or purchased sub-prime mortgage loans.

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Cross-Selling Products and Services and Emphasizing Local Decision. We have promoted cross-selling products and services in our branch offices and emphasized our local decision making and streamlined loan approval process. We presently have two full-time loan underwriters at Home Federal Bank.

Critical Accounting Policies

In reviewing and understanding financial information for Home Federal Bancorp, you are encouraged to read and understand the significant accounting policies used in preparing our consolidated financial statements. These policies are described in Note 1 of the notes to our consolidated financial statements included in this document. Our accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America and to general practices within the banking industry. Accordingly, the consolidated financial statements require certain estimates, judgments, and assumptions, which are believed to be reasonable, based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the periods presented. The following accounting policies comprise those that management believes are the most critical to aid in fully understanding and evaluating our reported financial results. These policies require numerous estimates or economic assumptions that may prove inaccurate or may be subject to variations which may significantly affect our reported results and financial condition for the period or in future periods.

Allowance for Loan Losses. We have identified the evaluation of the allowance for loan losses as a critical accounting policy where amounts are sensitive to material variation. The allowance for loan losses represents management's estimate for probable losses that are inherent in our loan portfolio but which have not yet been realized as of the date of our consolidated balance sheet. It is established through a provision for loan losses charged to earnings. Loans are charged against the allowance for loan losses when management believes that the collectability of the principal is unlikely. Subsequent recoveries are added to the allowance. The allowance is an amount that management believes will cover known and inherent losses in the loan portfolio, based on evaluations of the collectability of loans. The evaluations take into consideration such factors as changes in the types and amount of loans in the loan portfolio, historical loss experience, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, estimated losses relating to specifically identified loans, and current economic conditions. This evaluation is inherently subjective as it requires material estimates including, among others, exposure at default, the amount and timing of expected future cash flows on impacted loans, value of collateral, estimated losses on our commercial and residential loan portfolios and general amounts for historical loss experience. All of these estimates may be susceptible to significant changes as more information becomes available.

While management uses the best information available to make loan loss allowance evaluations, adjustments to the allowance may be necessary based on changes in economic and other conditions or changes in accounting guidance. Historically, our estimates of the allowance for loan loss have not required significant adjustments from management's initial estimates. In addition, the Office of Thrift Supervision, as an integral part of their examination processes, periodically reviews our allowance for loan losses. The Office of Thrift Supervision may require the recognition of adjustments to the allowance for loan losses based on their judgment of information available to them at the time of their examinations. To the extent that actual outcomes differ from management's estimates, additional provisions to the allowance for loan losses may be required that would adversely impact earnings in future periods.

Income Taxes. Deferred income tax assets and liabilities are determined using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the temporary differences between the book and tax bases of the various assets and liabilities and gives current recognition to changes in tax rates and laws. Realizing our deferred tax assets principally depends upon our achieving projected future taxable income. We may change our judgments regarding future profitability due to future market conditions

and other factors. We may adjust our deferred tax asset balances if our judgments change.

Changes in Financial Condition

Home Federal Bancorp's total assets increased \$30.4 million, or 19.6%, to \$185.1 million at June 30, 2010 compared to \$154.8 million at June 30, 2009. This increase was primarily due to an increase in loans

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receivable and loans held-for-sale of \$58.2 million, an increase in premises and equipment of \$2.1 million, a decrease in available-for-sale securities of \$29.0 million, and a decrease in cash and cash equivalents of \$1.2 million, compared to the prior year period.

Loans receivable, net increased \$46.2 million, or 98.5%, from \$46.9 million at June 30, 2009 to \$93.1 million at June 30, 2010. The increase in loans receivable, net was attributable primarily to increases in commercial real estate and commercial business loans, land loans and construction loans which in the aggregate totaled \$41.1 million at June 30, 2010 compared to \$14.8 million at June 30, 2009, an increase of \$26.3 million. One-to-four family residential loans increased \$14.2 million, and home equity and second mortgage loans increased \$1.7 million at June 30, 2010 compared to the prior year period. At June 30, 2010, the balance of purchased loans approximated \$8.9 million, which consisted solely of one-to-four family residential loans, including \$8.8 million of loans from the mortgage originator in Arkansas. We did not purchase any loans in fiscal 2009 or 2010. Our loans are primarily originated in Caddo and Bossier Parishes in northwest Louisiana.

As part of implementing our business strategy, during the second half of fiscal 2009 we diversified the loan products we offer and increased our efforts to originate higher yielding commercial real estate loans and lines of credit and commercial business loans. In February 2009, we hired three commercial loan officers, including Home Federal Bank's President and Chief Operating Officer, Mr. Barlow, with over 16 years of commercial lending experience and 21 years of total banking experience, particularly in the local Shreveport market. Commercial real estate loans and lines of credit and commercial business loans were deemed attractive due to their generally higher yields and shorter anticipated lives compared to single-family residential mortgage loans. As of June 30, 2010, Home Federal Bank had \$15.4 million of commercial real estate loans and \$9.5 million of commercial business loans compared to \$8.2 million of commercial real estate loans and \$3.9 million of commercial business loans at June 30, 2009. Although commercial loans are generally considered to have greater credit risk than other certain types of loans, management expects to mitigate such risk by originating such loans in our market area to known borrowers.

Securities available-for-sale decreased \$28.9 million, or 31.2%, from \$92.6 million at June 30, 2009 to \$63.7 million at June 30, 2010. This decrease resulted primarily from the reduction of new investment acquisitions, the sale of securities and normal principal paydowns, offset by market value increases in the portfolio. During the past two years, there have been significant loan prepayments due to the heavy volume of loan refinancing. However, when interest rates were at their cyclical lows, management was reluctant to invest in long-term, fixed rate mortgage loans for the portfolio and instead sold the majority of the long-term, fixed rate mortgage loan production. Prior to fiscal 2010, we attempted to strengthen our interest-rate risk position and favorably structure our balance sheet to take advantage of a rising rate environment by purchasing investment securities classified as available-for-sale.

Cash and cash equivalents decreased \$1.2 million, or 12.0%, from \$10.0 million at June 30, 2009 to \$8.8 million at June 30, 2010. The net decrease in cash and cash equivalents was attributable primarily to the growth in our deposits and sales and principal payments from our securities, offset by the funding of our loan growth and repayment of advances from Federal Home Loan Bank.

Premises and equipment increased \$2.1 million, or 210.5%, from \$982,000 at June 30, 2009 to \$3.0 million at June 30, 2010. The increase resulted primarily from the branch office addition in North Bossier, which is expected to open in November 2010.

Total liabilities increased \$28.3 million, or 22.9%, from \$123.5 million at June 30, 2009 to \$151.8 million at June 30, 2010 due primarily to an increase of \$31.5 million, or 36.5%, in our deposits, offset by a decrease in advances from the Federal Home Loan Bank of \$4.5 million, or 12.5%. The increase in deposits was attributable primarily to increases in our NOW Accounts, money market accounts and certificates of deposit. Money market accounts increased \$11.6 million as the result of an expansion of commercial deposit accounts. Certificates of deposit increased

\$11.1 million, or 17.7%, from \$62.8 million at June 30, 2009 to \$73.9 million at June 30, 2010. NOW Accounts increased \$9.6 million from \$8.5 million at June 30, 2009 to \$18.1 million at June 30, 2010. We also received deposits from other financial institutions participating in the U.S. Department of the Treasury's Troubled Asset Relief Program.

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Stockholders' equity increased \$2.1 million, or 6.7%, to \$33.4 million at June 30, 2010 from \$31.3 million at June 30, 2009, due primarily to a change of \$1.7 million in Home Federal Bancorp's accumulated other comprehensive income, net income of \$670,000 for the year ended June 30, 2010 and the vesting of restricted stock awards, stock options and release of employee stock ownership plan shares totaling \$228,000. This was partially offset by dividends paid of \$293,000 and treasury stock acquisitions of \$207,000 during the year ended June 30, 2010. The change in accumulated other comprehensive income was primarily due to the change in net unrealized loss on securities available for sale due to recent declines in interest rates. The net unrealized loss on securities available-for-sale is affected by interest rate fluctuations. Generally, an increase in interest rates will have an adverse impact while a decrease in interest rates will have a positive impact. The repurchases of capital stock were primarily intended to enhance shareholder value and, to a lesser extent, accommodate employee tax withholding obligations on the vesting of recognition plan share awards. All shares of treasury stock will be cancelled in the conversion.

Average Balances, Net Interest Income, Yields Earned and Rates Paid. The following table shows for the periods indicated the total dollar amount of interest from average interest-earning assets and the resulting yields, as well as the interest expense on average interest-bearing liabilities, expressed both in dollars and rates, and the net interest margin. Tax-exempt income and yields have not been adjusted to a tax-equivalent basis. All average balances are based on monthly balances. Management does not believe that the monthly averages differ significantly from what the daily averages would be.

	Yield/ Rate at June 30, 2010	Average Balance	2010		June 30, Average		2009	
			Interest	Yield/ Rate (Dollars in thousands)	Average Balance	Interest	Average Yield/ Rate	
Interest-earning assets:								
Investment securities	4.78%	\$ 78,880	\$ 3,942	5.00%	\$ 107,683	\$ 5,333	4.95%	
Loans receivable	5.70	77,879	5,218	6.70	32,630	2,238	6.86	
Interest-earning deposits	0.07	7,163	9	0.13	5,578	25	0.45	
Total interest-earning assets	5.20%	163,922	9,169	5.59%	145,891	7,596	5.21%	
Non-interest-earning assets		4,787			2,730			
Total assets		\$ 168,709			\$ 148,621			
Interest-bearing liabilities:								
Savings accounts	0.42%	5,588	23	0.41%	5,653	26	0.46%	
NOW accounts	0.12	11,523	22	0.19	7,896	21	0.27	
Money market accounts	1.19	14,377	183	1.27	4,268	38	0.89	
Certificate accounts	2.66	67,981	2,010	2.96	61,780	2,378	3.85	
Total deposits	1.90	99,469	2,238	2.25	79,597	2,463	3.09	
FHLB advances	3.47	35,529	1,219	3.43	35,853	1,375	3.84	

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Total interest-bearing liabilities	2.23%	134,998	3,457	2.56%	115,450	3,838	3.32%
Non-interest-bearing liabilities		1,696			2,927		
Total liabilities		136,694			118,377		
Total Stockholders' Equity(1)		32,015			30,244		
Total liabilities and equity		\$ 168,709			\$ 148,621		
Net interest-earning assets		\$ 28,924			\$ 30,441		
Net interest income; average interest rate spread(2)			\$ 5,712	3.03%		\$ 3,758	1.89%
Net interest margin(3)				3.48%			2.58%
Average interest-earning assets to average interest-bearing liabilities				121.43%			126.37%

(1) Includes retained earnings and accumulated other comprehensive loss.

(2) Interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted-average rate on interest-bearing liabilities.

(3) Net interest margin is net interest income divided by net average interest-earning assets.

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Rate/Volume Analysis. The following table describes the extent to which changes in interest rates and changes in volume of interest-related assets and liabilities have affected Home Federal Bancorp's interest income and interest expense during the periods indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (i) changes in volume (change in volume multiplied by prior year rate), (ii) changes in rate (change in rate multiplied by current year volume), and (iii) total change in rate and volume. The combined effect of changes in both rate and volume has been allocated proportionately to the change due to rate and the change due to volume.

	2010 vs. 2009			2009 vs. 2008		
	Increase (Decrease) Due to		Total Increase (Decrease) (In thousands)	Increase (Decrease) Due to		Total Increase (Decrease)
	Rate	Volume		Rate	Volume	
Interest income:						
Investment securities	\$ 39	\$ (1,427)	\$ (1,388)	\$ (98)	\$ 651	\$ 553
Loans receivable, net	(126)	3,103	2,977	(118)	284	166
Interest-earning deposits	(23)	7	(16)	(104)	(23)	(127)
Total interest-earning assets	(110)	1,683	1,573	(320)	912	592
Interest expense:						
Savings accounts	(3)	(1)	(4)	(1)	5	4
NOW accounts	(9)	10	1	3	2	5
Money market accounts	55	90	145	21	5	26
Certificate accounts	(605)	239	(366)	(508)	(99)	(607)
Total deposits	(562)	338	(224)	(485)	(87)	(572)
FHLB advances	(145)	(12)	(157)	(249)	691	442
Total interest-bearing liabilities	(707)	326	(381)	(734)	604	(130)
Increase (Decrease) in net interest income	\$ 597	\$ 1,357	\$ 1,954	\$ 414	\$ 308	\$ 722

Comparison of Operating Results for the Years Ended June 30, 2010 and 2009

General. Net income amounted to \$670,000 for the year ended June 30, 2010, reflecting a change of \$155,000 compared to net income of \$515,000 for the year ended June 30, 2009. This change was due to an increase of \$501,000 in non-interest income and a \$2.2 million increase in net interest income after provision for loan losses, offset by an increase of \$2.1 million in non-interest expense and an increase of \$420,000 in the provision for income taxes.

Net Interest Income. Net interest income amounted to \$5.7 million for fiscal year 2010, an increase of \$1.9 million, or 52.0%, compared to \$3.8 million for fiscal year 2009. The increase was due primarily to an increase of \$1.6 million

in total interest income, and a \$380,000 decrease in interest expense.

The average interest rate spread increased from 1.89% for fiscal 2009 to 3.03% for fiscal 2010 while the average balance of net interest-earning assets decreased from \$30.4 million to \$28.9 million during the same periods. The percentage of average interest-earning assets to average interest-bearing liabilities decreased to 121.4% for fiscal 2010 compared to 126.4% for fiscal 2009. The increase in the average interest rate spread reflects the lower interest rates paid on interest bearing liabilities and management's decision to temporarily invest in lower rate securities available for sale rather than long-term, fixed rate residential mortgage loans. Additionally, Home Federal Bancorp's average cost of funds decreased 76 basis points in fiscal 2010 compared to fiscal 2009 as the Federal Reserve was reducing short-term rates. Lower certificate of deposit interest rates in our market area led us to decrease the average rates paid on certificates of deposit 89 basis points in fiscal 2010 compared to fiscal 2009. Net interest margin increased to 3.4% in fiscal 2010 compared to 2.58% for fiscal 2009.

Interest income increased \$1.6 million, or 21.1%, to \$9.2 million for fiscal 2010 compared to \$7.6 million for fiscal 2009. Such increase was primarily due to an increase in the average balance of total interest earning

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assets as well as an increase in the average yield. The increase in average yields on interest earning assets reflects an increase in higher yielding loans during fiscal 2010. The decrease in the average balance of investment securities was due to security sales and normal principal payments while no purchase of new securities were made. The increase in the average balance of loans receivable was primarily due to new loans originated by our new commercial lending activities.

Interest expense decreased \$380,000, or 9.9%, to \$3.5 million for fiscal 2010 compared to fiscal 2009 primarily as a result of decreases in the average rates paid on interest-bearing liabilities, partially offset by increases in the average balance of interest-bearing deposits.

Provision for Loan Losses. The allowance for loan losses is established through a provision for loan losses charged to earnings as losses are estimated to have occurred in our loan portfolio. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of the underlying collateral and prevailing economic conditions. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

A loan is considered impaired when, based on current information or events, it is probable that we will be unable to collect the scheduled payments of principal and interest when due according to the contractual terms of the loan agreement. When a loan is impaired, the measurement of such impairment is based upon the fair value of the collateral of the loan. If the fair value of the collateral is less than the recorded investment in the loan, we will recognize the impairment by creating a valuation allowance with a corresponding charge against earnings.

An allowance is also established for uncollectible interest on loans classified as substandard. Substandard loans are those loans which are in excess of ninety days delinquent. The allowance is established by a charge to interest income equal to all interest previously accrued and income is subsequently recognized only to the extent that cash payments are received. When, in management's judgment, the borrower's ability to make interest and principal payments is back to normal, the loan is returned to accrual status.