SOUTHERN MISSOURI BANCORP INC
Form 424B1
November 17, 2011
Filed Pursuant to Rule 424(b)(1)
Registration No. 333-174113
PROSPECTUS

1,000,000 Shares

Common Stock

We are offering 1,000,000 shares of our common stock, par value $0.01 per share, which is equal to 32.3% of our total outstanding shares of common stock as of November 16, 2011 (giving effect to 1,000,000 shares issued in the offering), at a price of $19.00 per share. Our common stock is currently listed on the Nasdaq Global Market under the symbol "SMBC." On November 16, 2011, the closing price of our common stock on the Nasdaq Global Market was $22.50 per share.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 14 of this prospectus to read about risks you should carefully consider before making your investment decision.

	Per Share	Total
Public offering price	$ 19.000	$19,000,000
Underwriting discounts and commissions(1)	$ 1.235	$ 1,213,459
Proceeds to us, before expenses	$ 17.765	$ 17,786,541

(1) The underwriting discount will be $1.235 per share. However, the underwriter has agreed that the underwriting discount will be $0.6175 per share for 34,884 shares purchased by our directors and executive officers. The total underwriting discount and the total proceeds to us, before expenses, reflect the reduced discount for the 34,884 shares to be purchased by our directors and executive officers. See "Underwriting" beginning on page 40 for disclosure regarding the underwriting discounts and expenses payable to the underwriter by us.

The shares of common stock are being offered through the underwriter on a firm commitment basis. We have granted the underwriter a 30 day option to purchase up to 150,000 additional shares of common stock at the same price, and on the same terms, solely to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The shares of common stock are not savings accounts, deposits or other obligations of our bank subsidiary or any of our non-banking subsidiaries and are not insured by the Federal Deposit Insurance Corporation or any other government agency.

The underwriter expects to deliver the shares of common stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about November 22, 2011, subject to customary closing conditions.

The date of this prospectus is November 17, 2011

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FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference may contain forward-looking statements. Forward-looking statements often include the words “believes,” “expects,” “anticipates,” “estimates,” “forecasts,” “intends,” “plans,” “targets,” “potentially,” “probably,” “projects,” “outlook” or similar expressions or future or conditional ve such as “may,” “will,” “should,” “would” and “could.” These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from the forward-looking statements, including:

- the strength of the United States economy in general and the strength of the local economies in which we conduct operations;
- fluctuations in interest rates and in real estate values;
- monetary and fiscal policies of the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”) and the U.S. Government and other governmental initiatives affecting the financial services industry;
- the risks of lending and investing activities, including changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses;
- our ability to access cost-effective funding;
- the timely development of and acceptance of our new products and services and the perceived overall value of these products and services by users, including the features, pricing and quality compared to competitors' products and services;
- expected cost savings, synergies and other benefits from our merger and acquisition activities might not be realized within the anticipated time frames or at all, and costs or difficulties relating to integration matters, including but not limited to customer and employee retention, might be greater than expected;
- fluctuations in real estate values and both residential and commercial real estate market conditions;
- demand for loans and deposits in our market area;
- legislative or regulatory changes that adversely affect our business;
- results of examinations of us by our regulators, including the possibility that our regulators may, among other things, require us to increase our reserve for loan losses or to write-down assets;
- the impact of technological changes; and
- our success at managing the risks involved in the foreground.

Some of these and other factors are discussed in this prospectus under the caption "Risk Factors" and elsewhere in this prospectus and in the incorporated documents. The development of any or all of these factors could have an adverse impact on our financial position and our results of operations.

Any forward-looking statements are based upon management's beliefs and assumptions at the time they are made. We undertake no obligation to publicly update or revise any forward-looking statements included or incorporated by reference in this prospectus or to update the reasons why actual results could differ from those contained in such statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this prospectus or the incorporated documents might not occur, and you should not put undue reliance on any forward-looking statements.

ABOUT THIS PROSPECTUS

You should rely only on the information contained in or incorporated by reference into this prospectus and any "free writing prospectus" we authorize to be delivered to you. We have not, and the underwriter has not, authorized anyone to provide you with additional information or information different from that contained in or incorporated by reference into this prospectus and any "free writing prospectus." If anyone provides you with different or inconsistent information, you should not rely on it. To the extent information in this prospectus and any "free writing prospectus" is inconsistent with any of the documents incorporated by reference into this prospectus and any "free writing prospectus," you should rely on this prospectus and any "free writing prospectus." We are offering to sell, and seeking offers to buy, our common stock only in states where those offers and sales are permitted. You should assume that the information contained in or incorporated by reference into this prospectus and any "free writing prospectus" is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

You should read this prospectus, all of the information incorporated by reference into this prospectus and the additional information about us described in the section entitled "Where You Can Find More Information" before making your investment decision. In this prospectus, we rely on and refer to information and statistics regarding the banking industry and the banking market in Missouri and Arkansas. We obtained this market data from independent publications or other publicly available information.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about, and to observe, any restrictions as to the offering and the distribution of this prospectus applicable to those jurisdictions.

Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus assumes that the underwriter will not exercise its option to purchase additional shares of our common stock to cover over-allotments, if any.

As used in this prospectus, the terms "we," "our," "us," "Southern Missouri Bancorp," and the "Company" refer to Southern Missouri Bancorp, Inc. and its consolidated subsidiaries, unless the context indicates otherwise. References to "Southern Bank" or the "Bank" refer to Southern Bank, a wholly owned subsidiary of Southern Missouri Bancorp, Inc.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in, or incorporated by reference into, this prospectus. As a result, it does not contain all of the information that may be important to you or that you should consider before investing in our common stock. Before making an investment decision, you should read this entire prospectus, including the "Risk Factors" section, and the documents incorporated by reference into this prospectus, which are described below under "Incorporation of Certain Information by Reference."

Company Overview

We are a Missouri corporation headquartered in Poplar Bluff, Missouri, and serve as the holding company for Southern Bank, a Missouri-chartered trust company with bank powers organized in 1887. We are a growth-oriented, community-based financial services company that strives to provide financial solutions to the markets and clients that we serve based on their unique circumstances and needs. Our services are provided through the Bank's system of 17 banking offices, located in Poplar Bluff (3), Van Buren, Dexter, Kennett, Doniphan, Qulin, Sikeston, Matthews, and Springfield, Missouri, and Paragould, Jonesboro, Brookland, Leachville, Batesville, and Searcy, Arkansas, and a loan production office located in Little Rock, Arkansas. We offer a broad range of commercial banking services to our business and professional clients, as well as full service consumer banking services to individuals living and/or working in our primary market areas. We are registered as a bank holding company under the Bank Holding Company Act of 1956, as amended.

Our common stock is listed on the Nasdaq Global Market under the symbol "SMBC."

As of September 30, 2011, we had 2,099,976 shares of common stock outstanding. At that date, we had total assets of $718.5 million, deposits of $578.8 million, total stockholders' equity of $69.0 million and tangible common equity to tangible assets of 6.58%. Our non-performing assets (consisting of nonaccrual loans, loans past due 90 or more days, nonperforming troubled debt restructurings, other real estate owned, and nonperforming investment securities) were $2.0 million, or 0.28% of total assets. An additional $2.1 million in loans were considered performing troubled debt restructurings. For the quarter ended September 30, 2011 and the fiscal year ended June 30, 2011, we had earnings per diluted common share of $1.21 and $5.12, respectively. If the impact of the FDIC-assisted acquisition discussed below was eliminated, we would have had earnings per diluted common share for the fiscal year ended June 30, 2011 of $3.20. Our principal office is located at 531 Vine Street, Poplar Bluff, Missouri 63901. Our telephone number is (573) 778-1800 and our website address is www.bankwithsouthern.com. The information on our website is not a part of this prospectus and the reference to our website address does not constitute incorporation by reference of any information on our website into this prospectus.

Recent Acquisitions

On December 17, 2010, we completed the FDIC-assisted acquisition of certain assets and assumption of certain liabilities of First Southern Bank, which was headquartered in Batesville, Arkansas, and had a branch in Searcy, Arkansas, prior to being placed into receivership with the FDIC. In the transaction, we acquired assets of $144.6 million, including loans of $124.4 million, and we assumed deposits of $130.3 million, all of which are prior to fair value adjustments. We paid a 0.25% deposit premium and received a discount on the assets of $17.5 million. We did not seek any loss sharing from the FDIC in the acquisition. First Southern's non-performing assets as a percentage of total assets at September 30, 2010, were 0.87%. First Southern's capital position became impaired when it suffered losses associated with fraud in its securities portfolio, which led to its failure. We did not acquire any investment securities in the transaction. As part of this acquisition, we booked a bargain purchase gain of $7.0 million, and

recorded $437,000 in transaction expenses. The transaction resulted in an increase in after tax income of approximately $4.1 million. This transaction has been accretive to earnings for the quarterly periods ended December 31, 2010, March 31, 2011, June 30, 2011 and September 30, 2011.

On July 17, 2009, we completed the acquisition of Southern Bank of Commerce headquartered in Paragould, Arkansas, with branches in Jonesboro, Leachville, and Brookland, Arkansas. As of June 30, 2009, the quarter-end immediately prior to the closing of the transaction, Southern Bank of Commerce had assets of $30.3 million, loans of $16.2 million, deposits of $29.3 million, and total equity of $916,000, all of which are prior to fair value adjustments. The purchase price was $600,000. As part of this acquisition, we booked transaction expenses of $140,000, goodwill of $126,000 and a core deposit intangible of $184,000. This transaction was dilutive to earnings during fiscal year 2010 and has been break even or accretive for each quarter since June 30, 2010.

SBLF and TARP Programs

On July 21, 2011, as part of the Small Business Lending Fund ("SBLF") program of the United States Department of the Treasury (the "U.S. Treasury"), we sold to the U.S. Treasury 20,000 shares of our Senior Non-Cumulative Perpetual Preferred Stock, Series A (the "SBLF preferred stock") for a purchase price of $20.0 million. As required by our agreement with the U.S. Treasury for the sale of the SBLF preferred stock, we used $9,635,000 of the proceeds from the sale of the SBLF preferred stock to redeem all 9,550 shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series A (the "TARP CPP preferred stock") we issued to the U.S. Treasury in December 2008 pursuant to the Troubled Asset Relief Program ("TARP") Capital Purchase Program ("CPP"), including the payment of accrued dividends on the TARP CPP preferred stock to the redemption date. Concurrent with issuing the TARP CPP preferred stock, we issued to the U.S. Treasury a ten-year warrant to purchase 114,326 shares of our common stock at a per share exercise price of $12.53. That warrant is currently outstanding. For information on the terms of the SBLF preferred stock, including terms that could affect the holders of our common stock, see "Description of Capital Stock—SBLF Preferred Stock."

Our Strategy

Our current business strategy is to operate a well-capitalized and profitable commercial and retail financial institution dedicated to serving the needs of our customers. We offer a broad range of products and services while stressing personalized and efficient customer service and convenient access to these products and services. We intend to continue to operate as a residential, commercial and consumer lender. We have structured operations around a branch system that is staffed with knowledgeable and well-trained employees. Subject to capital requirements and our ability to grow in a reasonable and prudent manner, we may open or acquire additional branches and acquire whole banks as opportunities arise. In addition to our branch system, we continue to expand electronic services for our customers. We attempt to differentiate ourselves from our competitors by providing a higher level of customer service, including through the use of technology.

A key element of our business strategy has been to increase our presence and grow the "Southern Bank" brand in the markets we currently serve and new markets in southern Missouri, northeastern Arkansas and other adjacent communities that present attractive opportunities for expansion, consistent with our capital availability. We have pursued this expansion program through both prudent, disciplined internal growth and strategic acquisitions. Because some of the financial institutions in our market areas are experiencing financial difficulties, these opportunities have increased in recent months. As those troubled banks have closed or curtailed their lending activities, shrunk their assets or sold branches to improve their capital levels, we have experienced increased loan demand and branch acquisition opportunities; we have hired highly regarded and experienced lending officers and commercial bankers; and we have expanded into new market areas that are contiguous to our existing market areas, including Springfield, Missouri and Little Rock, Paragould, Jonesboro, Brookland, Leachville, Batesville and Searcy, Arkansas. These recent activities reflect our ability to take advantage of these expansion opportunities. We anticipate that a significant part of our future growth could come from Springfield, Missouri and Jonesboro, Arkansas.

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Our goal is to continue to expand our franchise organically and, if available, through further opportunistic acquisitions, while maintaining sound operations and risk management, in order to provide superior returns to our shareholders. We are quickly becoming a leading community bank in our primary market area. Our strategy has been successful and we believe that we can continue to drive returns to shareholders by focusing on the following key elements:

- Continue to Increase Core Profitability. The management team and the Board of Directors, who collectively own 17.5% of the outstanding shares of the Company, are dedicated to producing profits and returns for the shareholders. We are focused on achieving a strong net interest margin, which is a key driver of our profitability. We are also continuing to focus on expense control, paying particular attention to our efficiency ratio. By striving to constantly improve these ratios, we seek to improve our return on average assets and return on average equity.

- Exceptional Asset Quality Record. As of September 30, 2011, approximately 70.7% of our loan portfolio was secured by real estate, including approximately 32.8% consisting of commercial real estate loans and agricultural real estate loans. As a result of the high degree of real estate expertise among our lending and credit review staff, executive officers and board of directors, and our strict, quality-oriented underwriting and credit monitoring processes, our cumulative loss, through September 30, 2011, on commercial real estate loans since June 30, 2005 has been approximately $175,000. While credit problems at other banks in the United States have increased recently over historic levels, due to tumultuous economic conditions, credit quality remains our highest priority, and we are vigilant in rapidly responding to these conditions and to specific problem credits, as well as working to minimize losses. With the lending opportunities that are available in our market areas as a result of retrenching by larger banks, we have been increasingly able to selectively fund only the opportunities we deem most attractive, and to adequately price for risk. At September 30, 2011, non-performing assets to total assets were 0.28%.

- Proven Ability to Execute Acquisitions. We plan to continue a long-term strategy of expanding and diversifying our franchise in terms of revenue, profitability, asset size and location. Our recent growth has been enhanced significantly by a whole bank acquisition transaction and an FDIC-assisted acquisition, both in the state of Arkansas, and both accomplished at minimal cost to us. Due in large part to the impact of the recent economic downturn on the financial health of numerous financial institutions, we anticipate continued consolidation in the financial services industry in our market areas and will seek to enhance our franchise through future acquisition opportunities of whole banks or branches, including through FDIC-assisted transactions. We are the only publicly traded banking institution headquartered in southeastern Missouri and northeastern Arkansas. We believe this gives us an advantage when competing for acquisitions in our market area.

- Emphasis on Core Deposits. We strive to be the leading financial institution in the market areas we serve. We are positioned as a bank that is an alternative solution for customers between the small community banks and the larger regional and money center banks. We offer a broad range of products and services while stressing personalized and efficient customer service and convenient access to these products and services. We have always maintained a strong emphasis on core deposits and a culture that is based on sales and service. We provide customers with immediate access to senior management and decision-makers that have local market knowledge. Our philosophy has allowed us to attract and retain lower cost core deposits.

- Experienced Management Team and Dedicated Board. Our management and board of directors combine extensive experience in growing a community bank franchise on a profitable and sound basis. The management team has an established track record integrating bank and product line acquisitions in our target market. Our team is experienced in the acquisition of banks, the purchase and assumption of branch networks, the acquisition of assets and deposit divestitures. Our team has also successfully developed and implemented innovative client- and community-focused strategies that have delivered organic growth. Our team has worked extensively with state and federal bank regulators and has developed an understanding and capability of managing a depository institution in challenging economic and business cycles. As we execute on our growth opportunities, we will look to add directors and management team members with proven track records of acquiring, growing, integrating and operating community, regional and super-regional banks in the Midwestern banking markets.

- Commitment to Technology to Attract and Maintain Customer Relationships. While we watch our expenses and our efficiency ratio closely, we have invested in and utilize technology to compete effectively with the larger regional and money center banks operating in our area. Recently, we have upgraded our systems and infrastructure to prepare for the future growth of our company.

Our Leadership Team

The members of our leadership team all have significant experience in the financial institution industry. They have been able to leverage that experience to provide a broad understanding of the financial services business and the financial markets to our community-based operations. Combined, our leadership team has over 100 years of banking and financial services experience.

- Greg A. Steffens, the Company's President and Chief Executive Officer, has been with us since 1998. He was hired in 1998 as Chief Financial Officer and was appointed President and CEO in1999. He has over 22 years of experience in the banking industry, including service from 1993 to 1998 as chief financial officer of Mount Vernon, Missouri-based Sho-Me Financial Corp, prior to the sale of that company. Mr. Steffens also served from 1989 to 1993 as an examiner with the Office of Thrift Supervision.

- Matthew T. Funke, the Company's Chief Financial Officer, has worked for us since 2003. He has more than 13 years of banking and finance experience. Mr. Funke was initially hired to establish an internal audit function for the Company, and served as internal auditor and compliance officer until 2006, when he was named Chief Financial Officer. Previously, Mr. Funke was employed with Central Bancompany, Inc., where he advanced to the role of internal audit manager, and as a fiscal analyst with the Missouri General Assembly.

- Lora L. Daves, the Company's Chief of Credit Administration, has worked for us since 2006. Ms. Daves is responsible for the administration of the Company's credit portfolio, including analysis of proposed new credits and monitoring of the portfolio's credit quality. Ms. Daves has over 23 years of banking and finance experience, including 11 years beginning with Mercantile Bank of Poplar Bluff, which merged with and into US Bank, a subsidiary of U.S. Bancorp, headquartered in Minneapolis, Minnesota, during her tenure there. Ms. Daves' responsibilities with US Bank included credit analysis, underwriting, credit presentation, credit approval, monitoring credit quality, and analysis of the allowance for loan losses. She advanced to hold responsibility for regional credit

administration, loan review, compliance, and problem credit management. Ms. Daves' experience also includes four years as Chief Financial Officer of a Southeast Missouri healthcare provider which operated a critical access hospital, eight rural health clinics, two retail pharmacies, an ambulatory surgery center, and provided outpatient radiology and physical therapy services; and four years with a national real estate development and management firm, working in their St. Louis-based Midwest regional office as a general accounting manager.

- William D. Hribovsek, our Chief Lending Officer, has been with us since 1999. Mr. Hribovsek joined the Company as its senior commercial lender, and was named Chief Lending Officer in 2006. He has over 32 years banking experience. Prior to joining the Company, Mr. Hribovsek was employed as a commercial lender from 1979 to 1999 with Commerce Bank of Poplar Bluff, which was since merged with and into Commerce Bank, N.A., a subsidiary of Commerce Bancshares, Inc., headquartered in Kansas City, Missouri. While with Commerce Bank, Mr. Hribovsek oversaw the institution's installment loan department for 12 years.

- Kimberly A. Capps, the Company's Chief Operations Officer, has been with us since 1994. She has over 20 years banking experience. Ms. Capps is responsible for the Company's retail deposit operations, product development and marketing, and data processing and network administration functions. Ms. Capps was initially hired by our bank subsidiary as controller, and was named Chief Financial Officer in 2001. In 2006, Ms. Capps was named Chief Operations Officer. Prior to joining the Company, Ms. Capps was employed for more than three years with the accounting firm of Kraft, Miles & Tatum, where she specialized in financial institution audits and taxation.

Our Market Area

We provide our customers with a full array of community banking services. We conduct our business from our headquarters in Poplar Bluff, 16 additional full service offices located in Poplar Bluff, Van Buren, Dexter, Kennett, Doniphan, Sikeston, Springfield, Qulin, and Matthews, Missouri, and Paragould, Jonesboro, Leachville, Brookland, Searcy and Batesville, Arkansas and a loan production office in Little Rock, Arkansas. We operate ten branches in six southeast Missouri counties, with one branch in a municipality that straddles a county line and is mostly situated in a seventh county. Those seven counties have a population of roughly 180,000 persons. In northeast and north central Arkansas, our six full-service branches are located in five counties with a population of roughly 300,000 persons. We also serve a few communities just outside these county borders, but without a notable impact on the demographics of the market area. We operate one branch in Springfield, Missouri, which is situated in Greene County, Missouri.Greene County has a population of approximately 274,000, and anchors the surrounding metropolitan statistical area, which had a population of nearly 440,000 at the 2010 census. Our southeast Missouri and northeast and north central Arkansas markets are primarily rural in nature with economies supported by manufacturing activity, agriculture (livestock, rice, timber, soybeans, wheat, melons, corn, and cotton), healthcare, and education. Large employers include hospitals, manufacturers, school districts, and colleges. In the Springfield market, major employers include healthcare providers, educational institutions, federal, local, and state government, retailers, and transportation and distribution firms

We believe that we have opportunities to grow our business within and adjacent to our primary market area. Following completion of the offering, we believe we will be well-positioned to take advantage of these growth opportunities. As many of our competitors have pulled back or reduced their lending efforts in these areas or been acquired or placed in receivership, we believe opportunities exist to increase our market share through organic growth. We continue to invest in our credit and lending teams, through both hiring experienced commercial lenders and additional underwriting and credit monitoring training of our employees.

We believe that our best opportunities for growth are in the Springfield, Missouri, and Jonesboro, Arkansas, areas, based on favorable demographic trends in those areas, particularly in terms of economic and population growth. We began operating a loan production office in Springfield in September 2010, which we converted to a full service banking office in August 2011. We have operated a full service banking office in Jonesboro since 2009. We acquired that office in connection with our July 2009 acquisition of Southern Bank of Commerce.

Our Capital Needs

We need additional capital in order to take advantage of the opportunities that may be presented to us. Management believes that with additional capital, the Company will be able to act upon opportunities to improve its profitability, and enhance its franchise and overall shareholder value.

Executive Offices and Website

Our principal office is located at 531 Vine Street, Poplar Bluff, Missouri 63901. Our telephone number is (573) 778-1800. Our website address is www.bankwithsouthern.com. The information on our website is not a part of this prospectus and the reference to our website address does not constitute incorporation by reference of any information on our website into this prospectus.

Risk Factors

An investment in our common stock involves certain risks. For more information on these risks, please carefully review all of the information under the heading “Risk Factors” beginning on page 14 of this prospectus. You should carefully review and consider all of this information before making an investment decision.

The Offering

Issuer	Southern Missouri Bancorp, Inc.
Offering price	$19.00 per share
Common stock offered by us	1,000,000 shares(1)
Common stock outstanding after the offering	3,099,976 shares(2)
Net proceeds	Based on the sale of 1,000,000 shares at the public offering price of $19.00, we estimate the net proceeds from the offering, after underwriting discounts and commissions and estimated expenses, will be approximately $17.3 million, or approximately $19.9 million if the underwriter exercises its over-allotment option in full.
Use of proceeds	We intend to use the net proceeds of the offering for general corporate purposes, including funding organic loan growth, investment in securities, the pursuit of strategic acquisition opportunities and the payment of dividends. We do not currently have any agreements or commitments with respect to any acquisitions. Initially, we intend to invest the net proceeds in short-term investments and government agency backed mortgage-backed securities, as well as investment-grade debt obligations. See "Use of Proceeds."
Trading market	Our common stock is listed on the Nasdaq Global Market under the symbol "SMBC." See "Market for Common Stock and Dividend Information."
Dividends	We currently pay a $0.12 per share quarterly dividend on our shares of common stock, and we intend to continue to pay a quarterly dividend after the offering, subject to our capital requirements, financial condition, results of operations, tax considerations, statutory and regulatory limitations, and general economic conditions. In addition, we are subject to restrictions on payment of dividends as a result of our current participation in the SBLF program. See "Market for Common Stock and Dividend Information."

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(1) The number of shares of common stock offered assumes that the underwriter's over-allotment option is not exercised. If the over-allotment option is exercised in full, we would issue 150,000 additional shares of common stock in the offering.

(2) The number of shares of common stock outstanding after the offering excludes 150,000 shares issuable pursuant to the exercise of the underwriter's over-allotment option, 86,500 shares issuable upon exercise of outstanding stock options as of September 30, 2011, with a weighted average exercise price of $14.43, 75,536 shares authorized for issuance for potential future equity awards under our equity compensation plans, and 114,326 shares issuable upon the exercise of the warrant issued to the U.S. Treasury in connection with the TARP CPP at an exercise price of $12.53 per share.

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Proposed Purchases by Directors and Executive Officers

The table below sets forth, for each of our directors and executive officers and for all of the directors and executive officers as a group, the following information:

(i) the number of shares of Company common stock beneficially owned as of November 3, 2011;

(ii) the proposed purchases in this offering, assuming sufficient shares of common stock are available to satisfy their orders; and

(iii) the total amount of Company common stock to be beneficially owned upon consummation of the offering.

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	Number of Shares Currently Beneficially Owned(1)	Percent of Common Stock Currently Outstanding	Proposed Purchases of Stock in the Offering		Total Common Stock to be Beneficially Owned After the Offering	
			Number of Shares	Aggregate Purchase Price	Number of Shares	Percentage of Common Stock Outstanding
Directors and Named Executive Officers						
Greg A. Steffens, Director and President and Chief Executive Officer(2)	136,033	6.4%	5,000	$ 95,000	141,033	4.5%
Matthew T. Funke, Chief Financial Officer	11,069	*	2,000	$ 38,000	13,069	*
Lora L. Daves, Chief of Credit Administration	3,201	*	500	$ 9,500	3,701	*
William D. Hribovsek Chief Lending Officer(2)	26,726	1.3%	500	$ 9,500	27,226	*
Kimberly A. Capps Chief Operations Officer(2)	26,200	1.2%	8,684	$164,996	34,884	1.1%
Samuel H. Smith, Director	80,054	3.8%	2,000	$ 38,000	82,054	2.6%
Ronnie D. Black, Director	22,185	1.1%	500	$ 9,500	22,685	*
L. Douglas Bagby, Director	14,801	*	400	$ 7,600	15,201	*
Sammy A. Schalk, Director(3)	46,549	2.2%	5,000	$ 95,000	51,549	1.7%
Rebecca M. Brooks, Director	10,250	*	2,000	$ 38,000	12,250	*
Charles R. Love, Director	10,450	*	500	$ 9,500	10,950	*
Charles R. Moffitt, Director	8,000	*	500	$ 9,500	8,500	*
Dennis C. Robison, Director	9,118	*	2,000	$ 38,000	11,118	*
David J. Tooley, Director	9,700	*	5,300	$100,700	15,000	*
Directors and executive	414,336	19.3%	34,884	$662,796	449,220	14.3%

officers as a group
(14
persons)(4)

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(1) Except as otherwise noted in these footnotes, the nature of beneficial ownership for shares reported in this table is sole voting and investment power. Included in the shares beneficially owned by the directors and named executive officers are options to purchase shares of Southern Missouri Bancorp common stock exercisable within 60 days of November 3, 2011, as follows: Mr. Steffens -- 10,000 shares; Mr. Funke – 6,000 shares; Ms. Daves – 1,000 shares; Mr. Hribovsek – 6,000 shares; Ms. Capps – 7,000 shares; Ms. Brooks -- 5,000 shares; Mr. Moffitt -- 5,000 shares; Mr. Love -- 5,000 shares; and Mr. Robison – 3,000 shares.
(2) Includes shares held in each executive officer's Southern Bank 401(k) Retirement Plan account.
(3) Includes 3,800 shares held in the Gamblin Lumber Co., Profit Sharing Trust for which Mr. Schalk is the trustee.
(4) Includes shares held directly, as well as shares held jointly with family members, shares held in retirement accounts, held in a fiduciary capacity, held by certain of the group members' families, or held by trusts of which the group member is a trustee or substantial beneficiary, with respect to which shares the group member may be deemed to have sole or shared voting and/or investment powers. This amount also includes exercisable options to purchase 48,000 shares of Southern Missouri Bancorp common stock granted to directors and executive officers as a group.
* Less than 1% ownership.

Summary of Selected Consolidated Financial Information

The following table sets forth selected historical consolidated financial information as of and for the three months ended September 30, 2011 and 2010, derived from our unaudited consolidated financial statements, and as of and for the fiscal years ended June 30, 2011, 2010, 2009, 2008 and 2007, derived from our audited consolidated financial statements. The unaudited financial information as of and for the three months ended September 30, 2011 and 2010 has been prepared on the same basis as our audited financial statements and includes, in the opinion of management, all adjustments necessary to fairly present the data for such periods. The results of operations for the three months ended September 30, 2011 are not necessarily indicative of the results of operations to be expected for the full year or any future period. You should read this information in conjunction with our consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Exhibit 13 of our Annual Report on Form 10-K for the fiscal year ended June 30, 2011 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, which are incorporated by reference into this prospectus. See "Incorporation of Certain Information by Reference."

	At or for the Three Months Ended September 30,		At or for the Fiscal Year Ended June 30,				
	2011	2010	2011	2010	2009	2008	2007
	(Dollars in thousands, except per share data)						
Financial Condition Data							
Total assets	$718,454	$568,268	$688,200	$552,084	$466,334	$418,188	$380,106
Loans receivable, net	564,093	435,724	556,576	418,683	368,993	343,438	312,242
Mortgage-backed securities	22,377	32,574	24,536	34,334	40,269	28,006	10,723
Cash, interest-bearing deposits and other investment securities	97,940	65,102	73,479	67,103	27,983	19,931	31,492
Intangibles, net	1,770	1,531	1,875	1,604	1,583	1,838	2,093
Deposits	578,828	435,894	560,151	422,893	311,955	292,257	270,088
Borrowings	33,500	43,500	58,730	73,869	102,498	85,854	71,758
Subordinated debt	7,217	7,217	7,217	7,217	7,217	7,217	7,217
Preferred equity	20,000	9,430	9,456	9,421	9,389	-	-
Common equity	48,947	37,348	46,276	36,228	32,619	30,472	28,714
Total stockholders' equity(1)	68,947	46,778	55,732	45,649	42,008	30,472	28,714
Shares of common stock outstanding (000s)(2)	2,097	2,084	2,095	2,084	2,083	2,185	2,207
Book value per common share	$23.35	$17.92	$22.08	$17.39	$15.66	$13.95	$13.01
Tangible book value per common share(3)	22.50	17.19	21.19	16.62	14.90	13.11	12.06
Operations Data							
Interest income	$10,214	$7,295	$ 35,048	$27,541	$25,301	$25,327	$23,550
Interest expense	2,736	2,780	11,285	11,225	11,204	13,547	13,621
Net interest income	7,478	4,515	23,763	16,316	14,097	11,780	9,929
Provision for loan losses	517	643	2,385	925	1,151	723	633
	6,961	3,872	21,378	15,391	12,946	11,057	9,296

Net interest income after provision for loan losses							
Bargain purchase gain on acquisitions	-	-	6,997	-	-	-	-
Other noninterest income	1,116	820	3,505	3,094	1,820	2,412	2,207
Noninterest expense	3,783	2,861	14,459	12,348	9,134	8,081	7,430
Income before income taxes	4,294	1,831	17,422	6,137	5,632	5,388	4,073
Income taxes	1,444	528	5,952	1,511	1,797	1,775	1,145
Net income	2,850	1,303	11,470	4,626	3,835	3,613	2,928
Less: charge for early redemption of preferred stock issued at a discount	94	-	-	-	-	-	-
Less: effective dividend on preferred stock	136	128	512	510	289	-	-
Net income available to common stockholders	$2,620	$1,175	$ 10,958	$4,116	$3,546	$3,613	$2,928

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	At or for the Three Months Ended September 30,		At or for the Fiscal Year Ended June 30,				
	2011	2010	2011	2010	2009	2008	2007
Operations Data (continued)							
Basic earnings per share available to common stockholders	$1.25	$0.56	$5.25	$1.98	$1.67	$1.64	$1.32
Basic earnings per share available to common stockholders – excluding impact of bargain purchase gain and transaction expenses related to the acquisition(3)	NA	NA	$3.28	NA	NA	NA	NA
Diluted earnings per share available to common stockholders	$1.21	$0.56	$5.12	$1.95	$1.67	$1.63	$1.29
Diluted earnings per share available to common stockholders – excluding impact of bargain purchase gain and transaction expenses related to the acquisition(3)	NA	NA	$3.20	NA	NA	NA	NA
Dividends per common share	$0.12	$0.12	$0.48	$0.48	$0.48	$0.40	$0.36
Average shares outstanding (000s)(2)	2,096	2,084	2,089	2,083	2,123	2,200	2,226
Other Data:							
Performance Ratios							
Return on average assets	1.62%	0.94%	1.81%	0.88%	0.87%	0.92%	0.80%
Return on average common equity	22.03	12.76	27.08	11.85	11.38	12.06	10.49
Interest rate spread	4.20	3.19	3.71	3.06	3.10	2.86	2.57
Net interest margin	4.42	3.41	3.92	3.27	3.37	3.17	2.90
Noninterest income/Average assets	0.63	0.59	1.66	0.59	0.41	0.61	0.61
Noninterest income excluding bargain purchase gain/Average assets(3)	0.63	0.59	0.55	0.59	0.41	0.61	0.61

Noninterest expense/Average assets	2.15	2.06	2.28	2.35	2.07	2.05	2.05
Average interest-earning assets/ Average interest-bearing liabilities	113.11	110.40	111.29	109.57	109.77	108.60	108.29
Common shareholder dividend payout ratio	9.61	21.33	9.17	24.35	28.88	24.47	27.50
Asset Quality and Reserves							
Non-accrual loans	$585	$150	$263	$238	$659	$ -	$2
Accruing loans 90+ days past due	19	96	438	94	137	6	24
Total nonperforming loans	604	246	701	332	796	6	26
Real estate owned	1,260	1,305	1,515	1,501	313	38	111
Other repossessed assets	48	101	34	90	137	24	11
Nonperforming investment securities	125	125	125	125	125	-	-
Total nonperforming assets	$2,037	$1,777	$2,375	$2,048	$1,371	$ 68	$ 148
Total nonperforming assets/Total assets	0.28%	0.31%	0.35%	0.37%	0.29%	0.02%	0.04%
Allowance for loan losses/Gross loans	1.18	1.16	1.14	1.06	1.07	0.92	0.76
Allowance for loan losses/ Nonperforming loans	1,117.18	2,071.54	918.54	1,358.13	501.63	53,316.67	9,180.77
Net charge-offs (recoveries)/Average outstanding loans during the period	0.14	0.05	0.09	0.10	0.10	(0.03)	0.04
Capital Ratios							
Consolidated							
Average equity/Average assets	9.21	8.33	7.89	8.39	8.29	7.60	7.66
Tangible common equity/Tangible assets(3)	6.58	6.35	6.47	6.29	6.68	6.88	7.04
Southern Bank							
Tier 1 capital/Average tangible assets–Southern Bank	10.10	8.39	8.66	8.36	8.87	8.08	8.10
Tier 1 capital/Total risk-based assets Southern Bank	13.43	11.02	11.27	11.25	11.72	10.63	10.74
Total risk-based capital/Total risk- based assets – Southern Bank	14.69	12.28	12.52	12.50	12.98	11.79	11.66

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	At or for the Three Months Ended September 30,		At or for the Fiscal Year Ended June 30,				
	2011	2010	2011	2010	2009	2008	2007
Other							
Number of:							
Real estate loans	3,673	3,248	3,758	3,282	2,957	2,868	2,795
Deposit accounts	30,681	25,878	30,243	25,353	22,069	20,560	19,978
Full service offices	17	14	16	14	10	9	9
Loan production offices	1	1	2	N/A	N/A	N/A	N/A

(1) Total stockholders' equity includes SBLF preferred stock of $20.0 million as of September 30, 2011 and TARP CPP preferred stock of $9.5 million at June 30, 2011, $9.4 million at September 30, 2011, $9.4 million at June 30, 2010, and $9.4 million at June 30, 2009.

(2) Excludes shares held in trust that are available for future awards of restricted stock under our Management Recognition and Development Plan.

(3) Basic and diluted earnings per share available to common stockholders excluding bargain purchase gain and transaction expenses related to the acquisition, the ratio of non-interest income excluding bargain purchase gain to average assets, tangible book value per share, tangible common equity, tangible assets and average tangible assets are financial measures containing information determined by methods other than in accordance with accounting principles generally accepted in the United States (commonly referred to as "GAAP"). Basic and diluted earnings per share available to common stockholders excluding bargain purchase gain and the ratio of non-interest income excluding bargain purchase gain to average assets show what basic and diluted earnings per share and the ratio of non-interest income to average assets would have been without the impact of the bargain purchase gain we recognized and the transaction expenses we incurred on the First Southern Bank FDIC-assisted transaction completed in December 2010. Management believes that showing these amounts excluding the bargain purchase gain and transaction expenses is useful for investors because it better reflects our core operating results. We calculate tangible book value per share, tangible common equity, tangible assets and average tangible assets by excluding intangible assets. Management believes that this is consistent with the treatment by bank regulatory agencies, which exclude intangible assets from the calculation of risk-based capital ratios, and is useful to investors in understanding the basis of our risk-based capital ratios and in assessing management's success in utilizing our tangible capital.

These non-GAAP financial measures are supplemental and are not a substitute for an analysis based on GAAP measures. Because not all companies use identical calculations, these non-GAAP financial measures might not be comparable to other similarly titled measures as determined and disclosed by other companies. Reconciliations to GAAP of the non-GAAP financial measures presented are set forth below.

The following table presents a reconciliation of the calculation of basic earnings per share available to common stockholders excluding bargain purchase gain and related transaction expenses:

For the

	Fiscal Year Ended June 30, 2011
Basic earnings per share available to common stockholders	$ 5.25
Less: Impact of bargain purchase gain and transaction expenses related to the acquisition	1.97
Basic earnings per share available to common stockholders – excluding bargain purchase gain and transaction expenses related to the acquisition	$ 3.28

The following table presents a reconciliation of the calculation of diluted earnings per share available to common stockholders excluding bargain purchase gain and related transaction expenses:

	For the Fiscal Year Ended June 30, 2011
Diluted earnings per share available to common stockholders	$ 5.12
Less: Impact of bargain purchase gain and transaction expenses related to the acquisition	1.92
Diluted earnings per share available to common stockholders – excluding bargain purchase gain and transaction expenses related to the acquisition	$ 3.20

The following table presents a reconciliation of the calculation of non-interest income excluding bargain purchase gain (in thousands):

	For the Fiscal Year Ended June 30, 2011
Noninterest income	$ 10,502,000
Less: bargain purchase gain	6,997,000
Noninterest income excluding bargain purchase gain	$ 3,505,000

The following table presents a reconciliation of the calculation of tangible book value per share:

	At September 30,		At June 30,				
	2011	2010	2011	2010	2009	2008	2007
Book value per share	$ 23.35	$ 17.92	$ 22.08	$ 17.39	$ 15.58	$ 13.95	$ 13.01
Less: intangibles, net per share	0.85	0.73	0.89	0.77	0.76	0.84	0.95
Tangible book value per share	$ 22.50	$ 17.19	$ 21.19	$ 16.62	$ 14.82	$ 13.11	$ 12.06

The following table presents a reconciliation of the calculation of tangible common equity (in thousands):

	At September 30,		At June 30,				
	2011	2010	2011	2010	2009	2008	2007
Common equity	$ 48,947	$ 37,348	$ 46,276	$ 36,228	$ 32,619	$ 30,472	$ 28,714
Less: intangibles, net	1,770	1,531	1,875	1,604	1,583	1,838	2,093
Tangible common equity	$ 47,177	$ 35,817	$ 44,401	$ 34,624	$ 31,036	$ 28,634	$ 26,621

The following table presents a reconciliation of the calculation of tangible assets (in thousands):

	At September 30,		At June 30,				
	2011	2010	2011	2010	2009	2008	2007
Total assets	$ 718,454	$ 565,268	$ 688,200	$ 552,084	$ 466,334	$ 418,188	$ 380,106
Less: intangibles, net	1,770	1,531	1,875	1,604	1,583	1,838	2,093
Tangible assets	$ 716,684	$ 563,737	$ 686,325	$ 550,480	$ 464,751	$ 416,350	$ 378,013

RISK FACTORS

An investment in our common stock involves significant risks. You should consider carefully the risk factors included below as well as those discussed under the caption “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2011, together with all of the other information included in or incorporated by reference into this prospectus, before making a decision to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have a material adverse effect on our business, financial condition and results of operations. This prospectus also contains forward-looking statements that involve risks and uncertainties. If any of the matters included in the following information about risk factors were to occur, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. In such case, you may lose all or a substantial part of your investment.

Risks Related To the Company’s Business

Our allowance for loan losses may prove to be insufficient to absorb probable losses in our loan portfolio.

Lending money is a substantial part of our business. Every loan carries a certain risk that it will not be repaid in accordance with its terms or that any underlying collateral will not be sufficient to assure repayment. This risk is affected by, among other things:

- cash flow of the borrower and/or the project being financed;
- in the case of a collateralized loan, the changes and uncertainties as to the future value of the collateral;
- the credit history of a particular borrower;
- changes in economic and industry conditions; and
- the duration of the loan.

We maintain an allowance for loan losses which we believe is appropriate to provide for potential losses in our loan portfolio. The amount of this allowance is determined by our management through a periodic review and consideration of several factors, including, but not limited to:

- an ongoing review of the quality, size and diversity of the loan portfolio;
- evaluation of non-performing loans;
- historical default and loss experience;
- historical recovery experience;
- existing economic conditions;
- risk characteristics of the various classifications of loans; and
- the amount and quality of collateral, including guarantees, securing the loans.

If our loan losses exceed our allowance for probable loan losses, our business, financial condition and profitability may suffer.

If our nonperforming assets increase, our earnings will be adversely affected.

At September 30, 2011, June 30, 2011 and June 30, 2010, our nonperforming assets (which consist of non-accruing loans, accruing loans 90 days or more past due, nonperforming investment securities, and other real estate owned) were $2.0 million, $2.4 million and $2.0 million, respectively, or 0.28%, 0.35% and 0.37% of total assets, respectively. Our nonperforming assets adversely affect our net income in various ways:

- We do not record interest income on nonaccrual loans, nonperforming investment securities, or other real estate owned.
- We must provide for probable loan losses through a current period charge to the provision for loan losses.
- Non-interest expense increases when we must write down the value of properties in our other real estate owned portfolio to reflect changing market values or recognize other-than-temporary impairment on nonperforming investment securities.
- There are legal fees associated with the resolution of problem assets, as well as carrying costs, such as taxes, insurance, and maintenance fees related to our other real estate owned.
- The resolution of nonperforming assets requires the active involvement of management, which can distract them from more profitable activity.

If additional borrowers become delinquent and do not pay their loans and we are unable to successfully manage our nonperforming assets, our losses and troubled assets could increase significantly, which could have a material adverse effect on our financial condition and results of operations.

The Company has classified an additional $2.1 million in loans as performing troubled debt restructurings at September 30, 2011.

Changes in economic conditions, particularly a further economic slowdown in southeast or southwest Missouri or northeast or north central Arkansas, could hurt our business.

Our business is directly affected by market conditions, trends in industry and finance, legislative and regulatory changes, and changes in governmental monetary and fiscal policies and inflation, all of which are beyond our control. In 2008, the housing and real estate sectors experienced an economic slowdown that has continued. Further deterioration in economic conditions, particularly within our primary market area in southeast and southwest Missouri and northeast Arkansas, could result in the following consequences, among others, any of which could hurt our business materially:

- loan delinquencies may increase;
- problem assets and foreclosures may increase;
- demand for our products and services may decline;

- collateral for our loans may decline in value, in turn reducing a customer’s borrowing power and reducing the value of collateral securing our loans; and
- the net worth and liquidity of loan guarantors may decline, impairing their ability to honor commitments to us.

Downturns in the real estate markets in our primary market area could hurt our business.

Our business activities and credit exposure are primarily concentrated in southeastern and southwestern Missouri and northeastern Arkansas. While we did not and do not have a sub-prime lending program, our residential real estate, construction and land loan portfolios, our commercial and multifamily loan portfolios and certain of our other loans could be affected by the downturn in the residential real estate market. We anticipate that significant declines in the real estate markets in our primary market area would hurt our business and would mean that collateral for our loans would hold less value. As a result, our ability to recover on defaulted loans by selling the underlying real estate would be diminished, and we would be more likely to suffer losses on defaulted loans. The events and conditions described in this risk factor could therefore have a material adverse effect on our business, results of operations and financial condition.

Our construction lending exposes us to significant risk.

Our construction loan portfolio, which totaled $21.9 million, or 3.8% of our gross loans at September 30, 2011, includes residential and non-residential construction and development loans. This type of lending is generally considered to have more complex credit risks than traditional single-family residential lending because the principal is concentrated in a limited number of loans with repayment dependent on the successful completion and sale of the related real estate project. Consequently, these loans are often more sensitive to adverse conditions in the real estate market or the general economy than other real estate loans. These loans are generally less predictable and more difficult to evaluate and monitor and collateral may be difficult to dispose of in a market decline. Additionally, we may experience significant construction loan losses because independent appraisers or project engineers inaccurately estimate the cost and value of construction loan projects.

Deterioration in our construction portfolio could result in increases in the provision for loan losses and an increase in charge-offs, all of which could have a material adverse effect on our financial condition and results of operations.

Our loan portfolio possesses increased risk due to our percentage of commercial real estate and commercial business loans.

At September 30, 2011, 56.9% of our gross loans consisted of commercial real estate and commercial business loans to small and mid-sized businesses, generally located in our primary market area, which are the types of businesses that have a heightened vulnerability to local economic conditions. Over the last several years, we have increased this type of lending from 45.2% of our loans, net at June 30, 2006, in order to improve the yield on our assets. At September 30, 2011, our loan portfolio included $188.9 million of commercial real estate loans and $139.2 million of commercial business loans compared to $65.4 million and $65.1 million, respectively, at June 30, 2006. The credit risk related to these types of loans is considered to be greater than the risk related to one- to four-family residential loans because the repayment of commercial real estate loans and commercial business loans typically is dependent on the successful operation and income stream of the borrowers' business and the real estate securing the loans as collateral, which can be significantly affected by economic conditions. Additionally, commercial loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to residential real estate loans. Commercial loans not collateralized by real estate are often secured by collateral that may depreciate over time, be difficult to appraise and fluctuate in value (such as accounts receivable, inventory and equipment). If loans that are collateralized by real estate become troubled and the value of the real estate has been significantly impaired, then we may not be able to recover the full contractual amount of principal and interest that we anticipated at the time we originated the loan, which could require us to increase our provision for loan losses and adversely affect our operating results and financial condition.

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Several of our commercial borrowers have more than one commercial real estate or business 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 any 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 increase 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.

Included in the commercial real estate loans described above are agricultural real estate loans totaling $41.6 million, or 7.2% of our gross loans at September 30, 2011. Agricultural real estate lending involves a greater degree of risk and typically involves larger loans to single borrowers than lending on single-family residences. Payments on agricultural real estate loans are dependent on the profitable operation or management of the farm property securing the loan. The success of the farm may be affected by many factors outside the control of the farm borrower, including adverse weather conditions that prevent the planting of a crop or limit crop yields (such as hail, drought and floods), loss of livestock due to disease or other factors, declines in market prices for agricultural products (both domestically and internationally) and the impact of government regulations (including changes in price supports, subsidies and environmental regulations). In addition, many farms are dependent on a limited number of key individuals whose injury or death may significantly affect the successful operation of the farm. If the cash flow from a farming operation is diminished, the borrower's ability to repay the loan may be impaired. The primary crops in our market areas are cotton, rice, corn and soybean. Accordingly, adverse circumstances affecting these crops could have an adverse effect on our agricultural real estate loan portfolio. Our agricultural real estate lending has grown significantly since June 30, 2006, when these loans totaled $5.6 million, or 2.0% of our loan portfolio.

Included in the commercial business loans described above are agricultural production and equipment loans. At September 30, 2011, these loans totaled $55.8 million, or 9.7%, of our gross loans. As with agricultural real estate loans, the repayment of operating loans is dependent on the successful operation or management of the farm property. Likewise, agricultural operating loans that are unsecured or secured by rapidly depreciating assets such as farm equipment or assets such as livestock or crops. Any repossessed collateral for a defaulted loan may not provide an adequate source of repayment of the outstanding loan balance as a result of the greater likelihood of damage, loss or depreciation to the collateral. Our agricultural operating loans have also grown significantly since June 30, 2006, when such loans totaled $11.1 million, or 3.9% of our loan portfolio.

Lack of seasoning of our commercial real estate and commercial business loan portfolios may increase the risk of credit defaults in the future.

Due to our increasing emphasis on commercial real estate and commercial business lending, a substantial amount of the loans in our commercial real estate and commercial business portfolios and our lending relationships are of relatively recent origin. In general, loans do not begin to show signs of credit deterioration or default until they have been outstanding for some period of time, a process referred to as "seasoning." A portfolio of older loans will usually behave more predictably than a newer portfolio. As a result, because a large portion of our loan portfolio is relatively new, the current level of delinquencies and defaults may not be representative of the level that will prevail when the portfolio becomes more seasoned, which may be higher than current levels. If delinquencies and defaults increase, we may be required to increase our provision for loan losses, which would adversely affect our results of operations and financial condition.

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Changes in interest rates may negatively affect our earnings and the value of our assets.

Our earnings and cash flows depend substantially upon our net interest income. Net interest income is the difference between interest income earned on interest-earnings assets, such as loans and investment securities, and interest expense paid on interest-bearing liabilities, such as deposits and borrowed funds. Interest rates are sensitive to many factors that are beyond our control, including general economic conditions, competition and policies of various governmental and regulatory agencies and, in particular, the policies of the Federal Reserve Board. Changes in monetary policy, including changes in interest rates, could influence not only the interest we receive on loans and investment securities and the amount of interest they pay on deposits and borrowings, but these changes could also affect: (i) our ability to originate loans and obtain deposits; (ii) the fair value of our financial assets and liabilities, including our securities portfolio; and (iii) the average duration of our interest-earning assets. This also includes the risk that interest-earning assets may be more responsive to changes in interest rates than interest-bearing liabilities, or vice versa (repricing risk), the risk that the individual interest rates or rate indices underlying various interest-earning assets and interest-bearing liabilities may not change in the same degree over a given time period (basis risk), and the risk of changing interest rate relationships across the spectrum of interest-earning asset and interest-bearing liability maturities (yield curve risk), including a prolonged flat or inverted yield curve environment. Any substantial, unexpected, prolonged change in market interest rates could have a material adverse affect on our financial condition and results of operations.

Liquidity risk could impair our ability to fund operations and jeopardize our financial condition.

Liquidity is essential to our business. An inability to raise funds through deposits, borrowings, the sale of loans and other sources could have a substantial negative effect on our liquidity. Our access to funding sources in amounts adequate to finance our activities or the terms of which are acceptable to us could be impaired by factors that affect us specifically or the financial services industry or economy in general. Factors that could detrimentally impact our access to liquidity sources include a decrease in the level of our business activity as a result of a downturn in the markets in which our loans are concentrated or an adverse regulatory action against us. Our ability to borrow could also be impaired by factors that are not specific to us, such as a disruption in the financial markets or negative views and expectations about the prospects for the financial services industry generally.

We have pursued a strategy of supplementing internal growth by acquiring other financial companies or their assets and liabilities that we believe will help us fulfill our strategic objectives and enhance our earnings. There are risks associated with this strategy, including the following:

- We may be exposed to potential asset quality issues or unknown or contingent liabilities of the banks, businesses, assets and liabilities we acquire. If these issues or liabilities exceed our estimates, our results of operations and financial condition may be adversely affected;

- Prices at which acquisitions can be made fluctuate with market conditions. We have experienced times during which acquisitions could not be made in specific markets at prices we considered acceptable and expect that we will experience this condition in the future;

- The acquisition of other entities generally requires integration of systems, procedures and personnel of the acquired entity into our company to make the transaction economically successful. This integration process is complicated and time consuming and can also be disruptive to the customers of the acquired business. If the integration process is not conducted successfully and with minimal effect on the acquired business and its customers, we may not realize the anticipated economic benefits of particular acquisitions

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within the expected time frame, and we may lose customers or employees of the acquired business. We may also experience greater than anticipated customer losses even if the integration process is successful.

- To the extent our costs of an acquisition exceed the fair value of the net assets acquired, the acquisition will generate goodwill. We are required to assess our goodwill for impairment at least annually, and any goodwill impairment charge could have a material adverse effect on our results of operations and financial condition;

- To finance an acquisition, we may borrow funds, thereby increasing our leverage and diminishing our liquidity, or raise additional capital, which could dilute the interests of our existing shareholders; and

- We have completed two acquisitions within the past two years and opened additional banking offices in the past few years that enhanced our rate of growth. We may not be able to continue to sustain our past rate of growth or to grow at all in the future.

Our growth or future losses may require us to raise additional capital in the future, but that capital may not be available when it is needed or the cost of that capital may be very high.

We are required by federal and state regulatory authorities to maintain adequate levels of capital to support our operations. With the proceeds of the offering made by this prospectus, we anticipate that our capital resources will satisfy our capital requirements for the foreseeable future. We may at some point need to raise additional capital to support our operations or continued growth, both internally and through acquisitions. Any capital we obtain may result in the dilution of the interests of existing holders of our common stock, or otherwise adversely affect your investment.

Our ability to raise additional capital, if needed, will depend on conditions in the capital markets at that time, which are outside our control, and on our financial condition and performance. Accordingly, we cannot make assurances of our ability to raise additional capital if needed, or if the terms will be acceptable to us. If we cannot raise additional capital when needed, our ability to further expand our operations through internal growth and acquisitions could be materially impaired and our financial condition and liquidity could be materially and adversely affected.

Legislative or regulatory changes or actions, or significant litigation, could adversely impact us or the businesses in which we are engaged.

The financial services industry is extensively regulated. We are subject to extensive state and federal regulation, supervision and legislation that govern almost all aspects of our operations. Laws and regulations may change from time to time and are primarily intended for the protection of consumers, depositors and the deposit insurance funds, and not to benefit our shareholders. The impact of any changes to laws and regulations or other actions by regulatory agencies may negatively impact us or our ability to increase the value of our business. Regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities, including the imposition of restrictions on the operation of an institution, the classification of assets by the institution and the adequacy of an institution’s allowance for loan losses. Additionally, actions by regulatory agencies or significant litigation against us could require us to devote significant time and resources to defending our business and may lead to penalties that materially affect us and our shareholders.

Impairment of investment securities, other intangible assets, or deferred tax assets could require charges to earnings, which could result in a negative impact on our results of operations.

In assessing the impairment of investment securities, we consider the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuers, whether the market decline was affected by macroeconomic conditions and whether we have the intent to sell the debt security or will be required to sell the debt security before its anticipated recovery. In fiscal 2009, we incurred charges to recognize the other-than-temporary impairment (OTTI) of available-for-sale investments related to investments in Freddie Mac preferred stock ($304,000 impairment realized in the first quarter of fiscal 2009) and a pooled trust preferred collateralized debt obligation, Trapeza CDO IV, Ltd., class C2 ($375,000 impairment realized in the second quarter of fiscal 2009). The Company currently holds three additional collateralized debt obligations (CDOs) which have not been deemed other-than-temporarily impaired, based on the Company's best judgment using information currently available.

Under current accounting standards, goodwill and certain other intangible assets with indeterminate lives are no longer amortized but, instead, are assessed for impairment periodically or when impairment indicators are present. As of September 30, 2011, the Company determined that none of its goodwill or other intangible assets were impaired.

Deferred tax assets are only recognized to the extent it is more likely than not they will be realized. Should our management determine it is not more likely than not that the deferred tax assets will be realized, a valuation allowance with a charge to earnings would be reflected in the period. At June 30, 2011, the Company's net deferred tax asset was $345,000, none of which was disallowed for regulatory capital purposes. Based on the levels of taxable income in prior years and the Company's expectation of profitability in the current year and future years, management has determined that no valuation allowance was required at June 30, 2011. If the Company is required in the future to take a valuation allowance with respect to its deferred tax asset, its financial condition, results of operations and regulatory capital levels would be negatively affected.

The soundness of other financial institutions could adversely affect us.

Our ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. We have exposure to many different industries and counterparties, and we routinely execute transactions with counterparties in the financial industry. As a result, defaults by, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have led to market-wide liquidity problems and could lead to losses or defaults by us or by other institutions. Many of these transactions expose us to credit risk in the event of default of our counterparty or client. In addition, our credit risk may be exacerbated when the collateral that we hold cannot be realized upon or is liquidated at prices insufficient to recover the full amount of the loan. We cannot assure you that any such losses would not materially and adversely affect our business, financial condition or results of operations.

Non-compliance with USA Patriot Act, Bank Secrecy Act, or other laws and regulations could result in fines or sanctions.

The USA Patriot and Bank Secrecy Acts require financial institutions to develop programs to prevent financial institutions from being used for money laundering and terrorist activities. If such activities are detected, financial institutions are obligated to file suspicious activity reports with the U.S. Treasury's Office of Financial Crimes Enforcement Network. These rules require financial institutions to establish procedures for identifying and verifying

the identity of customers seeking to open new financial

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accounts. Failure to comply with these regulations could result in fines or sanctions. During the last year, several banking institutions have received large fines for non-compliance with these laws and regulations. Although we have developed policies and procedures designed to assist in compliance with these laws and regulations, no assurance can be given that these policies and procedures will be effective in preventing violations of these laws and regulations.

New or changes in existing tax, accounting, and regulatory rules and interpretations could significantly impact strategic initiatives, results of operations, cash flows, and financial condition.

The financial services industry is extensively regulated. Federal and state banking regulations are designed primarily to protect the deposit insurance funds and consumers, not to benefit a financial company's shareholders. These regulations may sometimes impose significant limitations on operations. The significant federal and state banking regulations that affect us are described in this report under the heading “Item 1. Business- Regulation” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2011. These regulations, along with the currently existing tax, accounting, securities, insurance, and monetary laws, regulations, rules, standards, policies, and interpretations control the methods by which financial institutions. conduct business, implement strategic initiatives and tax compliance, and govern financial reporting and disclosures. These laws, regulations, rules, standards, policies, and interpretations are constantly evolving and may change significantly over time.

Significant legal actions could subject the Company to substantial liabilities.

The Company is from time to time subject to claims related to its operations. These claims and legal actions, including supervisory actions by the Company's regulators, could involve large monetary claims and significant defense costs. As a result, the Company may be exposed to substantial liabilities, which could adversely affect the Company's results of operations and financial condition.

Our future success is dependent on our ability to compete effectively in the highly competitive banking industry.

We face substantial competition in all phases of our operations from a variety of different competitors. Our future growth and success will depend on our ability to compete effectively in this highly competitive environment. To date, we have grown our business successfully by focusing on our business lines in geographic markets and emphasizing the high level of service and responsiveness desired by our customers. We compete for loans, deposits and other financial services with other commercial banks, thrifts, credit unions, brokerage houses, mutual funds, insurance companies and specialized finance companies. Many of our competitors offer products and services which we do not offer, and many have substantially greater resources and lending limits, name recognition and market presence that benefit them in attracting business. In addition, larger competitors may be able to price loans and deposits more aggressively than we do, and smaller newer competitors may also be more aggressive in terms of pricing loan and deposit products than we are in order to obtain a share of the market. Some of the financial institutions and financial services organizations with which we compete are not subject to the same degree of regulation as is imposed on bank holding companies, federally insured state-chartered banks and national banks and federal savings banks. As a result, these nonbank competitors have certain advantages over us in accessing funding and in providing various services.

We are subject to security and operational risks relating to our use of technology that could damage our reputation and our business.

Security breaches in our internet banking activities could expose us to possible liability and damage our reputation. Any compromise of our security also could deter customers from using our internet banking services that involve the transmission of confidential information. We rely on standard

internet security systems to provide the security and authentication necessary to effect secure transmission of data. These precautions may not protect our systems from compromises or breaches of our security measures that could result in damage to our reputation and our business. Additionally, we outsource our data processing to a third party. If our third party provider encounters difficulties or if we have difficulty in communicating with such third party, it will significantly affect our ability to adequately process and account for customer transactions, which would significantly affect our business operations.

Risks Associated With the Offering and the Company's Common Stock

The Company's participation in the SBLF program restricts the Company's ability to pay dividends to common shareholders, restricts the Company's ability to repurchase shares of common stock, and could have other negative effects.

In July 2011, we sold to the U.S. Treasury $20.0 million of the SBLF preferred stock. We have the right to redeem the SBLF preferred stock at any time subject to consultation with our federal banking regulator. The payment of dividends on the SBLF preferred stock reduces the amount of earnings available to pay dividends to common shareholders, as described in the next risk factor. This could negatively affect our ability to pay dividends on our common stock. The terms of the SBLF preferred stock also restrict our ability to pay dividends on, and repurchase, our common stock. See "Description of Capital Stock—SBLF Preferred Stock-Restrictions on Dividends" and "-Restrictions on Repurchases."

The dividend rate on the SBLF preferred stock will fluctuate initially. The cost to us of the capital we received from the SBLF preferred stock will increase significantly if the level of our "Qualified Small Business Lending" decreases.

The dividend rate on the SBLF preferred stock will fluctuate initially. The cost to us of the capital we received from the SBLF preferred stock will increase significantly if the level of our "Qualified Small Business Lending" decreases.

The per annum dividend rate on the SBLF preferred stock can fluctuate on a quarterly basis during the first ten quarters during which the SBLF preferred stock is outstanding, based upon changes in the amount of "Qualified Small Business Lending" or "QSBL" (as defined in "Description of SBLF Preferred Stock—Dividend Rate") by the Bank from a "baseline" level (the average of the Bank's quarter-end QSBL for the four quarters ended June 30, 2010, adjusted for balance increases attributable to acquisitions, mergers, or purchases of loans; the Bank's adjusted QSBL baseline is $188.6 million).

The dividend rate for the initial dividend period (which ended on September 30, 2011) was 2.81585% and the dividend rate for the second dividend period (which ends on December 31, 2011) is 2.43425%. For the third dividend period through the tenth dividend period, the dividend rate may be adjusted to between one percent and five percent, to reflect the amount of percentage change in the Bank's level of QSBL from the baseline level to the level as of the end of the second quarter preceding the dividend period in question.

For the eleventh dividend period to four and one half years after the issuance date (i.e., to February 21, 2016), the per annum dividend rate will be fixed at between one percent (1%) and five percent (5%), based upon the increase in QSBL from the baseline to the level as of the end of the ninth dividend period (i.e., as of September 30, 2013), or will be fixed at seven percent (7%) if there is no increase (or if there is a decrease) in QSBL from the baseline to the level as of the end of the ninth dividend period. From and after four and one-half years from the issuance date, the dividend rate will be fixed at nine percent (9%), regardless of the amount of QSBL. In addition, if there is no increase (or if there is a decrease) in QSBL from the baseline to the level as of the end of the ninth dividend period, then beginning on January 1, 2014 and on all dividend payment dates thereafter ending on April 1, 2016, we must pay on each outstanding share of SBLF preferred stock a lending incentive fee of one-half of one

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percent (0.5%) of the liquidation amount per share (effectively increasing the per annum dividend rate to nine percent (9.0%)).

So long as the dividend rate remains 2.43425%, the annual cost of this capital to us will be $487,000. An increase in the dividend rate to five percent would increase the annual cost of this capital to $1.0 million and an increase to nine percent would increase the annual cost of this capital to $1.8 million. Depending on our financial condition at the time, any such increases in the dividend rate could have a material negative effect on our liquidity and the availability of funds to pay dividends on our common stock.

If we defer payments of interest on our outstanding junior subordinated debt securities or if certain defaults relating to those debt securities occur, we will be prohibited from declaring or paying dividends or distributions on, and from making liquidation payments with respect to, our common stock.

As of September 30, 2011, we had outstanding $7.2 million aggregate principal amount of junior subordinated debt securities issued in connection with the sale of trust preferred securities by a subsidiary of ours that is a statutory business trust. We have also guaranteed those trust preferred securities. The indenture under which the junior subordinated debt securities were issued, together with the guarantee, prohibits us, subject to limited exceptions, from declaring or paying any dividends or distributions on, or redeeming, repurchasing, acquiring or making any liquidation payments with respect to, any of our capital stock (including the SBLF preferred stock and our common stock) at any time when (i) there shall have occurred and be continuing an event of default under the indenture; or (ii) we are in default with respect to payment of any obligations under the guarantee; or (iii) we have elected to defer payment of interest on the junior subordinated debt securities. In that regard, we are entitled, at our option but subject to certain conditions, to defer payments of interest on the junior subordinated debt securities from time to time for up to five years.

Events of default under the indenture generally consist of our failure to pay interest on the junior subordinated debt securities under certain circumstances, our failure to pay any principal of or premium on such junior subordinated debt securities when due, our failure to comply with certain covenants under the indenture, and certain events of bankruptcy, insolvency or liquidation relating to us.

As a result of these provisions, if we were to elect to defer payments of interest on the junior subordinated debt securities, or if any of the other events described in clause (i) or (ii) of the first paragraph of this risk factor were to occur, we would be prohibited from declaring or paying any dividends on the SBLF preferred stock and our common stock, from redeeming, repurchasing or otherwise acquiring any of the SBLF preferred stock or our common stock, and from making any payments to holders of the SBLF preferred stock or our common stock in the event of our liquidation, which would likely have a material adverse effect on the market value of our common stock. Moreover, without notice to or consent from the holders of our common stock or the SBLF preferred stock, we may issue additional series of junior subordinated debt securities in the future with terms similar to those of our existing junior subordinated debt securities or enter into other financing agreements that limit our ability to purchase or to pay dividends or distributions on our capital stock, including our common stock.

The Company’s ability to pay dividends is limited and it may be unable to pay future dividends.

The Company’s ability to pay dividends is limited by regulatory restrictions and the need to maintain sufficient consolidated capital. The ability of the Bank to pay dividends to the Company is limited by its obligations to maintain sufficient capital and by other general restrictions on dividends that are applicable to banks. If the Company or the Bank does not satisfy these regulatory requirements, the Company would be unable to pay dividends on its common

stock. Additional information on restrictions

on payment of dividends by the Company and the Bank may be found at Item 5, and Note 13 of the Notes to Consolidated Financial Statements, included in Exhibit 13 of our Annual Report on Form 10-K for the fiscal year ended June 30, 2011.

The offering will dilute the ownership percentage of our existing shareholders and the ownership of our common stock may change significantly.

We intend to raise significant capital through the offering. Our directors and executive officers and individuals who reside in our markets currently hold a significant percentage of our common stock. Upon the successful completion of the offering, the ownership percentage of existing shareholders will be diluted unless they purchase shares in the offering in an amount proportional to their existing ownership. As a result, following the offering, a significant portion of our common stock may be held by individuals and institutions outside of our market area whose interests may differ from our current shareholders. In addition, one or more individuals or institutions may seek to acquire a significant percentage of ownership in our common stock in the offering, subject to any applicable regulatory approvals. Those shareholders may have interests that differ from those of our current shareholder base, and they may vote in a way with which our current shareholders disagree.

The market price of the Company’s common stock can be volatile, which may make it more difficult to resell Company common stock at a desired time and price.

Stock price volatility may make it more difficult for a shareholder to resell Company common stock when a shareholder wants to and at prices a shareholder finds attractive or at all. The Company’s stock price can fluctuate significantly in response to a variety of factors. General market fluctuations, industry factors and general economic and political conditions and events, such as economic slowdowns or recessions, interest rate changes or credit loss trends, could also cause the Company’s stock price to decrease regardless of operating results.

The Company’s common stock trading volume may not provide adequate liquidity for investors.

Our common stock is listed on the Nasdaq Global Market. The average daily trading volume for Company common stock is far less than the corresponding trading volume for larger financial institutions. Due to this relatively low trading volume, significant sales of Company common stock, or the expectation of these sales, may place significant downward pressure on the market price of Company common stock. No assurance can be given that a more active trading market in our common stock will develop in the foreseeable future or can be maintained.

The Company may issue additional shares of its common stock in the future, which could dilute a shareholder’s ownership of common stock.

The Company’s articles of incorporation authorize its Board of Directors, generally without shareholder approval, to, among other things, issue additional shares of common or preferred stock. The issuance of any additional shares of common or preferred stock could be dilutive to a shareholder’s ownership of Company common stock. To the extent that the Company issues options or warrants to purchase common stock in the future and the options or warrants are exercised, the Company’s shareholders may experience further dilution. Holders of shares of Company common stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, shareholders may not be permitted to invest in future issuances of Company common or preferred stock. We are required by federal and state regulatory authorities to maintain adequate levels of capital to support our operations. Accordingly, regulatory requirements and/or deterioration in our asset quality may require us to sell common stock to raise capital under circumstances and at prices which result in substantial dilution.

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The Company's common stock is not insured by any governmental entity.

Our common stock is not a deposit account or other obligation of any bank and is not insured by the FDIC or any other governmental entity. Investment in Company common stock is subject to risk, including possible loss.

The Company may issue debt and equity securities that are senior to Company common stock as to distributions and in liquidation, which could negatively affect the value of Company common stock.

In the future, the Company may increase its capital resources by entering into debt or debt-like financing or issuing debt or equity securities, which could include issuances of senior notes, subordinated notes, preferred stock or common stock. In the event of the Company's liquidation, its lenders and holders of its debt or preferred securities would receive a distribution of the Company's available assets before distributions to the holders of Company common stock. The Company's decision to incur debt and issue securities in future offerings will depend on market conditions and other factors beyond its control. The Company cannot predict or estimate the amount, timing or nature of its future offerings and debt financings. Future offerings could reduce the value of shares of Company common stock and dilute a shareholder's interest in the Company.

The Company will retain broad discretion in using the net proceeds from the offering, and might not use the proceeds effectively.

We intend to use a portion of the net proceeds of the offering to contribute to the capital of the Bank to increase the Bank's capital and regulatory capital ratios and for general corporate purposes, including funding organic loan growth and strategic acquisition opportunities. However, the Company has not designated the amount of net proceeds it will use for any particular purpose and the Company's management will retain broad discretion to allocate the net proceeds of the offering. The net proceeds may be applied in ways with which some investors in the offering may not agree. Moreover, the Company's management may use the proceeds for corporate purposes that may not increase our market value or make the Company more profitable. In addition, it may take the Company some time to effectively deploy the proceeds from the offering. Until the proceeds are effectively deployed, the Company's return on equity and earnings per share may be negatively impacted. Management's failure to use the net proceeds of the offering effectively could have an adverse effect on the Company's business, financial condition and results of operations.

Anti-takeover provisions could negatively impact the Company's shareholders.

The Company's articles of incorporation and the laws of Missouri include provisions which are designed to provide the Company's Board of Directors with time to consider whether a hostile takeover offer is in the best interests of the Company and its shareholders. These provisions could discourage potential acquisition proposals and could delay or prevent a change in control. The provisions also could diminish the opportunities for a holder of Company common stock to participate in tender offers, including tender offers at a price above the then-current price for Company common stock. These provisions could also prevent transactions in which the Company's shareholders might otherwise receive a premium for their shares over then-current market prices, and may limit the ability of our shareholders to approve transactions that they may deem to be in their best interests. See "Description of Capital Stock – Anti-takeover Effects of the Company's Organizational Documents and Applicable Law."

USE OF PROCEEDS

Based on the sale of 1,000,000 shares at the public offering price of $19.00, we estimate the net proceeds from the offering, after underwriting discounts and commissions and estimated expenses, will be approximately $17.3 million, or approximately $19.9 million if the underwriter exercises its over-allotment option in full. We intend to use the net proceeds of the offering for general corporate purposes, including funding organic loan growth, investment in securities, the pursuit of strategic acquisition opportunities and the payment of dividends. We do not currently have any agreements or commitments with respect to any acquisitions. Initially, we intend to invest the net proceeds in short-term investments and government agency backed mortgage-backed securities, as well as investment-grade debt obligations.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of September 30, 2011. Our capitalization is presented (i) on a historical basis and (ii) on an as-adjusted basis as if the offering had been completed as of September 30, 2011, assuming the sale of 1,000,000 shares of common stock at a public offering price of $19.00 per share and that the underwriter's over-allotment option is not exercised, resulting in net proceeds from the offering of approximately $17.3 million after deducting underwriting commissions and estimated expenses.

The following unaudited information should be read in conjunction with our consolidated financial statements as of and for the three months ended September 30, 2011, and related notes, included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, which report is incorporated by reference into this prospectus. See "Incorporation of Certain Information by Reference."

	Actual
Stockholders' Equity:	
Preferred stock; $0.01 par value - 500,000 shares authorized; 20,000 shares issued and outstanding, $1,000 liquidation value	$20,000,000
Common stock; $0.01 par value; 4,000,000 shares authorized; 2,957,226 and 3,957,226 shares issued, respectively	29,572
Warrants to acquire common stock	176,790
Additional paid-in capital	16,246,616
Retained earnings	45,430,799

Treasury stock of 857,250 shares, at cost	(13,732,370)
Accumulated other comprehensive income	795,133
Total stockholders' equity	$68,946,540
Total common equity	$48,946,540
Intangibles, net	(1,770,406)
Tangible common equity(1)	$47,176,134
Shares issued	2,957,226
Treasury shares	(857,250)
Shares outstanding	2,099,976
Nonvested Management Recognition and Development Plan shares	(3,411)
Adjusted shares outstanding	2,096,565
Book value per common share	$23.35
Tangible book value per common share(1)	$22.50

In December 2007, the FASB issued SFAS No. 160, (Noncontrolling Interests in Consolidated

Effective January 1, 2008, the Company adopted SFAS No. 157, "Fair Value Measurements". In

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quot

Level 3 Unobservable inputs that are supported by little or no market activity and that are sign

The adoption of this Statement did not have a material impact on the Company's consolidated re

In May 2008, the FASB issued Statement No. 162, The Hierarchy of Generally Accepted Accou

In May 2008, the FASB issued FASB Staff Position (FSP) APB 14-1, Accounting for Converti

In June 2008, the FASB ratified EITF Issue No. 07-5, Determining Whether an Instrument (or

Note 3 - Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following at December 31, 2008 and 200

Note 4 - Property and Equipment

Property and equipment, net consist of the following at December 31, 2008 and 2007 (in thousar

Note A Depreciated over the shorter period of the estimated useful life (five years) or the lease

Depreciation and amortization expense is allocated as follows for the years ended December 31,

Note 5 - Accrued Sales Taxes and Regulatory Fees

Included in accrued sales taxes and regulatory fees are (i) certain estimated sales and use taxes, r

In the year ended December 31, 2008 we increased our accrual by $310,000 in settlement of a sp

Accrued sales taxes and regulatory fees as of December 31, 2008 and 2007 (in thousands):

Note 6 - Accrued Expenses

Accrued expenses consist of the following at December 31, 2008 and 2007 (in thousands):

Note 7 2008 Private Placement Transactions

In November and December 2008, the Company entered into a series of transactions to recapital

Sales of Series A Preferred Stock

In the 2008 Private Placements, the Company received $1,825,000 of gross proceeds in an initia

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Stock) and Series A-3 warrants having an exercise price of $0.40 per share (the Series A-3 W

We accounted for the issuance of the Series A-3 Warrants to acquire 2,281,000 shares of commo

The Series A Preferred Stock was recorded in the balance sheet at $1,377,000 which is the gross

Preferred Stock Exchange

In the 2008 Private Placements, the holders of the Company s Series C Convertible Preferred St

The Series A Preferred Stock will be recorded in the balance sheet at $1,911,000 which fair valu

Senior Secured Note Exchange

In the 2008 Private Placements, the Company exchanged 2,701 shares of Series A Preferred Stoc

We accounted for the issuance of Series A-3 Warrants to acquire 12,377,000 shares of common

The Series A Preferred Stock will be recorded in the balance sheet at $8,286,000 which is the va

Elimination of Derivative Liability

In November 2008 we amended 19,525,000 Series A, Series A-2, Placement Agent and Advisor

required the Company to account for a derivative liability. In consideration for the elimination

We accounted for the elimination of the derivative liability and reduction of the exercise price ar

Senior Secured Note Modification

We accounted for the issuance of Series A-3 Warrants to acquire 2,384,000 shares of common st

With the extension of the maturity date from March 31, 2009 to September 30, 2010, along with

Placement Agent Warrant Fee

Burnham Hill Partners, acted as placement agent and financial advisor for the 2008 Private Place

Glowpoint also issued advisory warrants to Burnham Hill Partners and/or its designees and assig

We accounted for the issuance of Series A-3 Warrants to Burnham Hill Partners to acquire 1,000

The cash and non-cash costs for Burnham Hill Partners, legal and professional fees for the 2008

Note 8 - Senior Secured Notes

Senior Secured Notes and Senior Secured Notes Discount

In the 2006 Private Placements and 2007 Private Placements, we issued our Senior Secured Note

Note 1 The $1,629,000 of unamortized discount along with $187,000 of unamortized financin

In the 2006 Private Placements, we issued $6,180,000 of our Senior Secured Notes and Series A

We accounted for the reduction of the exercise price of 3,625,000 previously issued warrants hel

In the 2007 Private Placement, we amended the terms of our then outstanding Senior Secured No

The Senior Secured Notes originally bore interest at 10% per annum, increasing to 12% on the fi

The Senior Secured Notes are convertible into common stock at a conversion rate of $0.50 per sh

In the 2007 Private Placement, we issued $3,538,000 of our Senior Secured Notes and Series A-

Burnham Hill Partners received a cash fee of $283,000, which equaled eight (8%) percent of the

In the 2008 Private Placements, the Company entered into a series of transactions to recapitalize

During the year ended December 31, 2008 and 2007, the accretion of discount on the Senior Sec

Financing Costs

The financing costs, which were included in Other Assets in the accompanying consolidated bala

The financing costs for the 2006 Private Placements were being amortized over the 18 month pe

The financing costs, which were included in Other Assets in the accompanying consolidated bal

Derivative Liabilities

Activity for derivative liabilities during the years ended and as of December 31, 2008 and 2007

The components of the increase or (decrease) in the fair value of derivative financial instruments

The components of the gain on elimination of derivative financial liability for the year ended De

(i) We accounted for the registration rights agreement related to the February 2004 capital raise

In the 2008 Private Placements we amended various warrants to eliminate the provisions of the v

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(ii) We initially accounted for the convertibility of the Senior Secured Notes into common stock

In December 2007, in light of changes to Rule 144 of the Securities Act, we amended the Regist

(iii) We accounted for the issuance of the placement agent and financial advisory warrants issu

In the 2008 Private Placement we amended these placement agent and financial advisory warran

(iv) We accounted for the issuance of the Series A warrants to purchase 6,180,000 shares of co

In the 2008 Private Placement we amended these Series A warrants to eliminate the provisions o

(v) In connection with the 2007 Private Placement we accounted for the issuance of the Series A

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derivative liability is calculated using the Black-Scholes method and such estimates are revalued

In 2008 Private Placements we amended these Series A-2 warrants to eliminate the provisions of

(vi) In connection with the Senior Secured Notes Extension we accounted for the issuance of the

In the 2008 Private Placements we amended these Series A-2 warrants to eliminate the provision

Insider Purchasers Investment in September 2007 Private Placement

In the 2007 Private Placement, the Insider Purchasers invested an aggregate of $438,000 and we

In the 2008 Private Placement, the Company exchanged 1,880 shares (126 for Insider Purchasers

Senior Secured Notes Adjusted EBITDA Requirements

In the 2007 Private Placement the Company was required to achieve minimum Adjusted EBITD

The Company achieved the minimum Adjusted EBITDA for the quarter ended March 31, 2008 b

Note 9 - Interest Expense

The components of interest expense for the years ended December 31, 2008 and 2007 are presen

Note 10 - Stockholders Deficit

Common Stock

In February 2004, we raised net proceeds of $12,480,000 in a private placement offering of 6,10

The registration rights agreement for the February 2004 financing provides for liquidated damag

In the 2008 Private Placements we amended various warrants to eliminate the provisions of the v

Preferred Stock

Our Certificate of Incorporation authorizes the issuance of up to 5,000,000 shares of preferred st

Series A Convertible Preferred Stock

In the 2008 Private Placement, the Company received $1,825,000 of gross proceeds in an Initial

Each share of Series A Preferred Stock, par value $0.0001 per share, has a stated value of $7,50(

Each share of the Series A Preferred Stock is valued at $3,000, which is based on gross proceeds

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In the 2008 Private Placements, see Note 7, the Company exchanged 2,701 shares of Series A Pr

In 2008 Private Placements, we entered into a Series C Preferred Consent and Exchange Agreem

We accounted for the 2008 Preferred Stock Exchange as a redemption and in accordance with E

The following is a summary of the Series A Preferred Stock (in thousands except Series A Prefe

Series C Convertible Preferred Stock

In September 2007, we entered into an exchange agreement with the holders of the Series B co

C Preferred Stock is only redeemable in the event of the Company s liquidation, dissolution or v

Burnham Hill Partners acted as financial advisor for, among other things, the 2007 Preferred Sto

We accounted for the 2007 Preferred Stock Exchange as a redemption and in accordance with D

The Series C Preferred Stock was recorded in the accompanying consolidated balance sheet at its

Series D Convertible Preferred Stock

The Series D convertible preferred stock does not have any voting rights, but is convertible into

Note 11 - Stock options

Glowpoint 2007 Stock Incentive Plan

Pursuant to the Glowpoint 2007 Stock Incentive Plan (the 2007 Plan), 3,000,000 shares of co

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The exercise price of the awards is established by the administrator of the plan and, in the case o

Glowpoint 2000 Stock Incentive Plan

Pursuant to the Glowpoint 2000 Stock Incentive Plan (the 2000 Plan), as amended, 4,400,000

The exercise price of the awards is established by the administrator of the plan and, in the case o

1996 Stock Option Plan

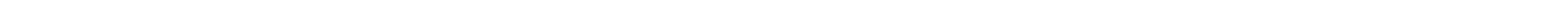
Under the 1996 Stock Option Plan (the 1996 Plan), as amended and then terminated in Decen

VTI Stock Option Plans

As part of the merger with View Tech, Inc. (VTI) in May 2000, we assumed the outstanding o

Options outside our Qualified Plans

We have also issued stock options outside of our qualified plans in prior years, though none in th



Other Option Information

A summary of options granted, exercised, expired and forfeited under our plans and options outs

Additional information as of December 31, 2008 with respect to all outstanding options is as foll

A summary of nonvested options as of, and changes during the years ended December 31, 2008

At December 31, 2008 and 2007 there was $0 and $26,000, respectively, of total unrecognized c

Stock option compensation expense is allocated as follows for the years ended December 31, 20

There was no income tax benefit recognized for stock-based compensation for the year ended De

The intrinsic value of nonvested options at December 31, 2008 and 2007 was $585,000 and $776

Note 12 - Restricted Stock

A summary of restricted stock granted, vested, forfeited and unvested restricted stock outstandin

Restricted stock compensation costs are allocated as follows for the years ended December 31, 2

Note 1 In 2007 the Company accrued $179,000, included in General and Administrative exper

There was no income tax benefit recognized for stock-based compensation for the year ended De

Note 13 - Warrants

A summary of warrants granted, exercised, forfeited and outstanding as of December 31, 2008 a

Additional information as of December 31, 2008 with respect to outstanding warrants, all of whi

The fair value of each warrant granted is estimated on the date of grant using the Black-Scholes

The Company calculates expected volatility for a stock-based grant based on historic daily stock

Note 14 - Income Taxes

We had no tax provision for the years ended December 31, 2008 and 2007. Our effective tax rat

The tax effect of the temporary differences that give rise to significant portions of the deferred ta

We and our subsidiaries file federal tax returns on a consolidated basis and separate state tax retu

Effective January 1, 2007, the Company adopted FASB Interpretation No. 48 Accounting for Ur

Additionally, FIN No. 48 provides guidance on the recognition of interest and penalties related t

The federal and state tax returns for the years ending December 31, 2006, 2007 and 2008 are cur

Note 15 - 401(k) Plan

We have adopted a retirement plan under Section 401(k) of the Internal Revenue Code. The 401(

Note 16 - Related Parties

The Company receives consulting and tax services from an accounting firm in which one of our

Note 17 - Commitments and Contingencies

Employment Agreements

Chief Executive Officer -We entered into an initial three-year agreement, commencing January 1

Compensation expense of $277,000 and $360,000, comprised of base salary and the incentive bo

President and Chief Operating Officer In March 2004, we entered into an employment agreem

Chief Financial Officer - In January 2007, we entered into a two-year employment agreement wi

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Executive Vice President, Business Development and General Counsel - In May 2006, we entere

Operating Leases

We lease several facilities under operating leases expiring through 2012. Certain leases require u

Future minimum rental commitments under all non-cancelable operating leases are as follows (ir

Capital Lease Obligation

We lease certain equipment under a non-cancelable lease agreement, which expires in 2009, at a

Commercial Commitments

We have entered into a number of agreements with telecommunications companies to purchase c

Glowpoint believes that it will meet its commercial commitments. In certain instances where Gl

Glowpoint does not believe that any loss contingency related to a potential shortfall should be re

There are $1,242,000 of future minimum commercial commitments under carrier agreements wh

Note 18   Adjustments Related to Prior Fiscal Periods

During the quarter ended December 31, 2007, the Company identified and recorded certain adjus

Note 19   Subsequent Events

March 2009 Private Placements

In March 2009, the Company entered into a series of transactions that resulted in the Company r

Pursuant to that certain Series A-1 Convertible Preferred Stock Purchase Agreement, dated Marc

The Series A-3 warrants have an exercise price of $0.40 per share, contain provisions providing

Each share of Series A-1 Preferred Stock has a stated value of $7,500 per share (the Stated Val

Pursuant to that certain Note Exchange Agreement, dated March 16, 2009, the Company issued

Pursuant to that certain Series A Preferred Consent and Exchange Agreement, dated March 16, 2

BHP, acted as placement agent for the 2009 Private Placement and acted as financial advisor for

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The following summary of selected unaudited consolidated financial information (the Unaudite

Commitments and Contingencies

Employment Agreements

On March 19, 2009, the Company announced the voluntarily resignation of Michael Brandofino

Board Changes and Matters

Also on March 19, 2009, Richard Reiss, a director of Glowpoint since inception, and Aziz Ahma

Pursuant to the Purchase Agreement, the Company also agreed to take all steps necessary or adv